

# **Combined Agreement for Business Accounts**

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**Depository Agreement for Transaction Accounts  
Depository Agreement for Time Accounts Treasury  
Master Agreement  
Funds Availability Disclosure USA  
Patriot Act Disclosure**



**BANK OF TEXAS**

## **JJ. GENERAL.**

This Combined Agreement for Business Accounts ("Agreement") governs the operation of your commercial or business account (referred to as the "Account"), along with any other related documents or services provided by BOKF, NA d/b/a (i) Bank of Oklahoma; (ii) Bank of Texas; (iii) Bank of Albuquerque and (iv) BOK Financial® (herein the "Bank" or "us"). The Agreement is a contract that establishes rules and processes of our bank relationship and may be amended from time to time as provided herein. Please read this Agreement carefully and retain it for future reference. Upon the execution of an account signature card or the use of a bank account, Customer (as defined below) unconditionally agrees to these terms. Customer will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. If Customer has any questions, it should contact a Treasury Services or Commercial Bank representative of Bank.

The purpose of this Agreement is to:

1. establish rules to cover transactions or events which the law does not regulate;
2. establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
3. give Customer disclosures of some of Bank's policies to which Customer may be entitled or in which Customer may be interested.

The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular. Throughout this document, when a provision is identified as being applicable to a certain state (for example, "in Arizona"), it means that the provision is only applicable if the Account is held at a branch located in that particular state. Any provision which is not described as applying to a particular state, applies to the Account.

### **A. DEFINITIONS.**

The following terms and references shall have the meanings set forth below when used in this Agreement or with respect to the Services:

1. "ACH" means the Automated Clearing House network.
2. "Account" means a demand or savings account where Customer can make cash withdrawals or deposits either by means of a written check or through electronic transactions as provided herein.
3. "Agent" or "Authorized Agent" means any director, officer, partner, employee, representative, contractor, affiliate, Customer Vendor, or any other person acting on behalf of Customer with the actual, implied, or apparent authority of Customer. Bank may rely on any grant of authority until it receives written notice of its revocation and is given a reasonable amount of time to act upon such notice. With respect to certain Services, authority may be limited by Customer in writing pursuant to the Security Procedures.
4. "Agreement" has the meaning given to it in the first paragraph of this Section.
5. "Authorized Accounts" means an account of Customer at Bank which is designated by Customer to be subject to the Agreement.
6. "Authorized Deposit" means a batch of Electronically Presented Checks in an Approved Format to be deposited into an Authorized Account as a result of Authorized Instructions, all in a manner approved by the Agreement.
7. "Authorized Instructions" mean unconditional, immediately executable orders to Bank received by Bank from an Authorized User or Signer in a manner approved by the Agreement.
8. "Authorized User or Signer" means Customer if Customer is a natural person, or if Customer is a legal entity, means any director, officer, partner, employee, representative, affiliate, contractor, or any other person as designated by Customer in a resolution or other documentation in reference to a Service offered by Bank and used by Customer.
9. "Available Funds" or "Available Balance" mean the positive, unrestricted current balances in any Account which are available or eligible for withdrawal by Customer, pursuant to Bank's policies which are then in effect and the provisions and requirements of Regulation CC to the Federal Expedited Funds Availability Act in effect from time to time. Available Funds are not fully collected and are considered a provisional

credit.

10. "Bank" has the meaning given to it in the first paragraph of this Section.
11. "Bank Armored Courier" means the armored courier service(s) contracted directly with, and for a fee paid to, Bank by Customer or as including armored courier service(s) designated by Bank from time to time in connection with the Cash Vault Service and, if more than one such service is available, the one selected by Customer to deliver the Depository Bag. "Bank Armored Courier" does not include any other courier or transportation service made available by Bank which service is contracted or authorized directly between such service provider and Customer or any armored courier service with whom Customer contracts directly for armored courier services, although such armored courier service provider may be the same service provider as is offered or designated by Bank hereunder.
12. "Bank Software" means software licensed to Customer by Bank.
13. "Banking Day" or "Business Day" shall mean any weekday, Monday through Friday, except designated legal holidays, on which Bank is open to the public for carrying on substantially all of its banking functions; any reference to time of day shall mean and refer to Central Standard Time or Central Daylight Savings Time, whichever may be in effect in Tulsa, Oklahoma on the day in question.
14. "Business Invoicing Service" means that certain service offered in conjunction with ACH-related services that provides a single electronic billing and payment platform for ACH (eCheck) and credit/debit transactions.
15. "Cancellation Order" means an unconditional, timely, immediately executable order to Bank to cancel a prior Electronic Deposit or a Wire Transfer Payment Order, which order is received by Bank from an Authorized Agent in a manner approved by the Agreement.
16. "Check Act" means the Checks for the 21st Century Act.
17. "Check Issue Report" means a list of checks, described by at least Check number and amount, drawn by Customer on an Authorized Account, provided by Customer to Bank by the terms of the Agreement. If Customer has selected the Payee Positive Pay Service, then the Check Issue Report shall include the payee, check number, and amount.
18. "Corrected NOC" means a corrected Notification of Change.
19. "Customer" means the named owner of the Account. For a legal entity such as a corporation or limited liability company, it may also include parent entities, subsidiaries, and affiliates of that Customer for purposes of setoff as defined below.
20. "Customer Administrator" means an Authorized Agent appointed by Customer to establish, modify, and terminate Users of the Service and their permissions.
21. "Customer Authorized Signers and Delegates" means the duly authorized representatives of the Customer. For purposes of this Agreement, Customer agrees that any Customer Authorized Signer or Delegate listed on the Bank's signature cards and/or Business Resolution for an Account has the authority and ability to add and delete any services described herein. Listed Authorized Signers can be added or removed as Delegates for the purpose(s) of modifying services in accordance with the applicable Business Resolution.
22. "Customer Information" means any record containing nonpublic personal information, as defined in 12 CFR § 216.3(n), about a customer, whether in paper, electronic, or other form, that is maintained by or on behalf of Bank.
23. "Customer Software" means software owned, licensed, or maintained by Customer and used in connection with a Service.
24. "Customer Vendor" means a third-party provider retained by Customer in connection with a Service.
25. "Cut-off Time" means the time by which Authorized Instructions must be received by Bank to permit Bank to transfer funds on the same Business Day. The Cut-off Time may be changed from time to time.
26. "Daily Smart Safe Credit" means the credit given by Bank to Customer's Account for funds deposited in a Smart Safe before such funds are delivered to Bank.
27. "DDA" means a demand deposit account.
28. "Decision Deadline" means the time of Banking Day established by Bank with respect to a Service from time to time, by which time Customer's instructions must be received for Bank to implement them.

29. "Delivery Location" means the location or facility designated by Bank or by Customer to which Bank Armored Courier shall deliver the Depository Bag(s) to the party designating such location or facility.
30. "Depository Bag" means a tamper-proof bag approved by Bank for the transfer of Items to Bank for deposit or the tamper-proof bag or container provided with the Smart Safe.
31. "Designated Agent" means the agent or service designated by Customer to transfer Items to Bank for deposit and to Customer after withdrawal from the Authorized Accounts.
32. "Drawdown Request" means a request over the Fedwire to debit an Authorized Account and send the funds to the requesting bank.
33. "Effective Date" means, with respect to any ACH file, a Business Day, as determined by Bank policy then in effect.
34. "Electronically Presented Checks" mean checks or drafts which Customer has converted to an electronic image in an Approved Format, and in a manner approved by the Agreement, and which Customer has presented to Bank for deposit in a manner approved by the Agreement.
35. "Electronic Deposit" means an Authorized Deposit of Electronically Presented Checks into an Authorized Account.
36. "Electronic Funds Transfer Act" means the EFTA, codified at 15 U.S.C. § 1693, *et seq.*, and all regulations promulgated thereunder, including without limitation Regulation E, 12 C.F.R. § 205.1, *et seq.*, as the same may be amended from time to time.
37. "Electronic Transmission" means communications by electronic means, including without limitation, facsimile transmission, voice mail, email, page, or other telephonic methods.
38. "Entry" or "Entries" means electronic orders through Bank to transfer funds by means of the ACH.
39. "Exception Check" means a Presented Check that does not match a check included in a Check Issue Report.
40. "Exception Check Report" means a list of Exception Checks which is provided by Bank to Customer by the terms of the Agreement.
41. "Identified Account" means an account designated by Customer as one subject to Payee Positive Pay, Positive Pay, ACH Positive Pay or Reverse Positive Pay.
42. "IRD" means Image Replacement Document within the meaning of the Check 21 Act.
43. "Items" mean cash, checks, and negotiable instruments.
44. "Lockbox" means a post office box or zip code for which Bank will have unrestricted, exclusive access for the purpose of receiving Payments from Customer's obligors.
45. "Mail" means all letters, cards, Payments, documents and Items delivered to Bank in connection with the Lockbox Service.
46. "Master Account" means an account at Bank owned by Customer and designated to provide or receive internal funds transfers to or from the Subordinate or Sub Accounts.
47. "Maximum Liability Amount" means the total liability assumed by Bank for a Shipment Claim of all or a part of a Shipment, which shall be \$5,000 unless the parties mutually agree to a different amount.
48. "NACHA" is the National Automated Clearing House Association.
49. "Nested Third Party" is a Third-Party Sender who (a) has an agreement with another Third-Party Sender to act on behalf of an Originator and (b) does not have an agreement with Bank to receive Bank's Third-Party ACH Services pursuant to Section IV of this Agreement.
50. "NOC" means a Notification of Change.
51. "On us" Entries are defined as those ACH transactions where the receiving account is held within Bank.
52. "OFAC" means the Office of Foreign Assets Control.
53. "Paid File" means the account number, check number, and the amount of the presented check.
54. "Pay Request" means the instruction of Customer to Bank ordering Bank to pay an Exception Check.
55. "Payments" mean checks, drafts, money orders, credit card vouchers, ACH transfers, electronic transfers or other payment forms which Bank receives from obligors of Customer.
56. "Pick-Up Location" means the locations designated by Bank or by

Customer from which Bank Armored Courier shall receive the Depository Bag(s) from the party designating such location.

57. "Positive Pay" is collection of different fraud protection services offered by Bank to Customer for a monthly fee **collectively called Positive Pay**. In its simplest form, these services give you the control to return fraudulent or unauthorized transactions at the time they are presented with a click of a button. The collective group of fraud services are defined as:
  - a. **Check Positive Pay** is the process of comparing check number and amount against client's issue file. Any that do not match appear as a client exception in Exchange for decisioning.
  - b. **Payee Positive Pay** is the recommended additional feature to Check Positive Pay that validates the payee information and limits fraudulent alterations involving the name of the payee.
  - c. **SafeCheq** is a highly secure software Customer uses to print a barcode on checks. This barcode contains the information needed to validate the check when it is presented to the bank.
  - d. **Reverse Positive Pay** requires no issue file to the bank. The Bank provides a "paid file" to Exchange Positive Pay "Today's Decisions" of all paper items that posted overnight to your account. This allows you to view all items and decision any that may need to be returned due to fraud.
  - e. **ACH Positive Pay** presents all ACH debit items to you in the ACHAlert application through Exchange for decision to pay or return.
  - f. **ACH Block** service blocks any ACH debits and/or credits from posting to your account.
  - g. **ACH Filter** processes ACH debit transactions from your list of authorized companies and blocks or returns any other ACH debits presented against the account.

**"Positive Pay" IF YOU DECLINE TO MAKE USE OF "NO CHECK ACTIVITY" STATUS OR CHECK PAYEE POSITIVE PAY AND ACH POSITIVE PAY OR BLOCK/FILTER PRODUCT AND SERVICE OR FAIL TO MEET YOUR APPLICABLE ISSUE FILE OR RESPONSE REPORT DEADLINES IN THE PROCESSING DEADLINES LOCATED IN THE TREASURY RESOURCE CENTER, YOU ALSO ACKNOWLEDGE THAT, AS BETWEEN YOU AND US, YOU WILL BEAR THE FULL LOSS ON CHECKS OR ITEMS WHICH ARE DRAWN ON YOUR ACCOUNTS WITH US AND PAID BY US IN GOOD FAITH IF THE CHECKS ARE COUNTERFEITS OR BEAR ANY UNAUTHORIZED ALTERATIONS, EVEN IF SUCH CHECKS WOULD OTHERWISE BE EXCEPTION ITEMS. BANK HAS NO DUTY TO NOTIFY YOU OF EXCEPTION ITEMS AND IT IS YOUR SOLE RESPONSIBILITY TO REVIEW EXCEPTIONS DAILY. RECEIPT OR NON-RECEIPT OF A BANK GENERATED "POSITIVE PAY" ALERTS DOES NOT RELIEVE YOU OF YOUR RESPONSIBILITY TO MONITOR AND REVIEW YOUR EXCEPTION ITEMS DAILY. YOU AGREE THAT YOU ARE IN THE BEST POSITION TO PROTECT AGAINST FRAUDULENT AND UNAUTHORIZED TRANSFERS AND TO DETECT ANY SUCH OR ANY OTHER ERROR OR DISCREPANCY INVOLVING YOUR ACCOUNT. YOU AGREE THAT YOU ACCEPT SOLE RESPONSIBILITY AND LIABILITY FOR DECLINING OR CANCELLING APPLICABLE "POSITIVE PAY" PRODUCTS AND SERVICES AND WILL BE PRECLUDED FROM ASSERTING ANY CLAIMS OR LAWSUITS AGAINST US FOR PAYING ANY UNAUTHORIZED, ALTERED, COUNTERFEIT OR OTHER FRAUDULENT ITEM THAT SUCH PRODUCT, SERVICE, OR PRECAUTION WAS DESIGNED TO DETECT OR DETER, AND WE WILL NOT BE REQUIRED TO RE-CREDIT YOUR ACCOUNT OR OTHERWISE HAVE ANY LIABILITY FOR PAYING SUCH ITEM.**

58. "Presented Check" means a check drawn on an Authorized Account and presented to Bank for payment through the check collection system.
59. "Property" means cash, currency, checks, and other financial instruments for deposit by Bank to Customer's Account or cash or currency delivered to Customer pursuant to a Withdrawal Order.
60. "Remote Check Conversion" means conversion by Customer of checks received by Customer into electronic images and the creation of electronic files in formats as specified or approved by Bank.

61. "Return Request" means the instruction of Customer to Bank ordering Bank not to pay an Exception Check.
62. "Rules" means the NACHA Operating Rules, including all appendices, formal rules interpretations, and schedule of fees, as in effect from time to time.
63. "Sales Agreement" means the Account and Banking Services - Sales Agreement establishing the Services to be provided, as the same may be amended from time to time.
64. "SEC" means Standard Entry Class Codes as set forth in the Rules.
65. "Security Codes" means any keys, tokens, personal identification numbers, passwords, authentication procedures, digital certificates, digital signatures, template numbers, or any other device or code intended to support the Security Procedures.
66. "Security Procedures" mean the measures adopted by Bank and the Company including those described in the Agreement, to ensure the authenticity, authority, and accuracy of Authorized Instructions of any transactions pursuant to any Service, the measures adopted to ensure the authenticity, authority, and accuracy of an Electronic Deposit, or the proper storage and disposal of instruments and records containing Consumer Information.
67. "Service" means banking services offered by Bank and utilized by Customer pursuant to the Agreement.
68. "Settlement Account" means an account maintained by Customer with Bank to be used to settle transactions with respect to a Service.
69. "Shipment" means one or more Depository Bag(s) into which Customer or Bank, as applicable, has placed Property and related documents and which Depository Bag(s) are received by Bank Armored Courier at the same time at a single Pick-Up Location, which are to be delivered to a single Delivery Location.
70. "Shipment Claim" means any loss of, damage, theft, or destruction to Property.
71. "Smart Safe" means equipment with related software and accessories installed by Bank's approved provider pursuant to an agreement with Customer, which equipment is installed in Customer's locations and which equipment counts, records, and reports the currency deposited into and accepted by it.
72. "Smart Safe Report" means an electronic file transmission from the Smart Safe reporting the purported value of all currency accepted into the applicable Smart Safe since the transmission of the last report.
73. "Subordinate Account" means an account at Bank owned by Customer and designated to be brought periodically to a target balance pursuant to the Auto Sweep Service described in Section X of this Agreement.
74. "Third-Party Sender" means Customer. Third-Party Sender is an initiator of ACH originated by its customers. Third-Party Sender is also an Originator for settlement of the proceeds for those transactions to and from its customers. The term "Third-Party Sender" is used to avoid confusion between Customer and customer. If the word, "customer" is used with respect to the Third-Party Sender ACH Service, it refers to the customers of Third-Party Sender, e.g., Customer's customers.
75. "Time Deposit" means an interest-bearing account (together with any renewals, rollovers, and continuations), including but not limited to Certificates of Deposit.
76. "UCC" means the Uniform Commercial Code as adopted in either Arizona, Arkansas, Colorado, Kansas, Missouri, New Mexico, Oklahoma or Texas, as applicable.
77. "UPIC" means a unique account identifier linked to an Account for the receipt of payments.
78. "webERA Service" means that certain financial product which provides a customer the ability to streamline and consolidate electronic and paper-based healthcare payment data and manage that information electronically.
79. "Us" or "us" means Bank.
80. "Wire Transfer" means the payment of funds through the Federal Reserve System's "Fedwire" or otherwise.
81. "Wire Transfer Order" means an order to Bank to initiate a Wire Transfer Payment Order. A Wire Transfer Order constitutes Authorized Instructions if it orders the Wire Transfer of Available Funds from an Authorized Account by an Authorized Agent in a manner approved by the Agreement.
82. "Wire Transfer Payment Order" means an unconditional instruction of

Bank through the Federal Reserve System's "Fedwire" or otherwise to a Receiving Bank to pay, or to cause another bank to pay, a fixed or determinable amount of money to a beneficiary, and to be reimbursed directly or indirectly by Bank.

83. "Withdrawal Order" means an order to Bank to withdraw funds and deliver them to the Designated Agent for transfer to Customer. A Withdrawal Order constitutes Authorized Instructions if it orders the withdrawal of Available Funds from an Authorized Account by an Authorized Agent in a manner approved by Bank.
84. "You" or "you" means Customer, its Authorized Signers, and Authorized Users.

## **B. SERVICES.**

Bank will provide Customer with various Services at Customer's request from time to time. Services and the Authorized Accounts to which each Service applies will be reflected on Customer's statement following implementation. Customer's use of a Service, Customer's payment of any fees associated with the Service, or Customer's failure to notify Bank that Customer does not desire a Service within thirty (30) days of the date of the first statement showing the Service is being provided, shall constitute Customer's unconditional acceptance and approval of the Service.

## **C. DESIGNATION OF ACCOUNTS.**

Customer will provide Bank with written notice of the Authorized Accounts at Bank or other financial institutions to which Customer wishes the Services to apply. Any changes in the designation of Authorized Accounts will be in writing and will provide reasonable prior notice of such change to Bank.

## **D. DESIGNATION OF AUTHORIZED AGENTS.**

Any of Customer's Authorized Agent(s) may designate the Services desired and the Authorized Users thereof. Bank shall be entitled to rely on any written notice or other written communication believed by Bank, in its sole discretion, to be genuine and to have been signed by an Authorized Agent, and any such communication shall be deemed to have been signed by such person. Any changes in the designation of Authorized Agents by Customer must be in writing with appropriate entity authority and will provide reasonable prior notice of such change to Bank.

## **E. CUSTOMER VENDOR.**

If Customer initiates any transactions in connection with any of Customer's Accounts or any of the Services through a Customer Vendor. Customer Vendor is exclusively the agent of Customer and not of Bank. Bank is not responsible for the acts or omissions of a Customer Vendor. Customer agrees to be liable for and hold Bank harmless from any losses caused by the acts or omissions of a Customer Vendor.

## **F. CREDIT VERIFICATION; CUSTOMER'S FINANCIAL CONDITION.**

Customer agrees that Bank may verify credit history by any necessary means, including preparation of a credit report by a credit reporting agency. Bank's willingness to provide Services to Customer is dependent on Customer's financial condition. Customer's financial condition is subject to review by Bank from time to time, and such reviews must be satisfactory to Bank, in its sole discretion. Customer shall, upon request, provide to Bank such information as Bank may require to perform any such review. Customer's failure to meet such standards or provide such information or assistance when requested shall provide Bank with the right to terminate its Services.

## **G. ADDRESS OR NAME CHANGES, TRADE NAME.**

Customer is solely responsible for promptly notifying Bank of any change in Customer's physical or e-mail address or name as soon as possible. Unless Bank agrees otherwise, change of a physical or e-mail address or name must be made in writing by Customer or an Authorized Agent of Customer. Attempting to inform Bank of Customer's address or name change on a check reorder form is not valid or enforceable. Bank will attempt to communicate with Customer only by use of the most recent physical or e-mail address Customer has provided to Bank. If provided elsewhere, Bank may impose a service fee if Bank attempts to locate Customer. **CUSTOMER IS WHOLLY RESPONSIBLE FOR OBTAINING ANY ACCOUNT STATEMENTS OR DOCUMENTS IF INFORMATION PROVIDED BY BANK IS NOT RECEIVED BY CUSTOMER. CUSTOMER ACKNOWLEDGES AND AGREES THAT IT HAS ACCESS TO ACCOUNT INFORMATION AND STATEMENTS IN ELECTRONIC FORMAT. ALL ACCOUNT INFORMATION IS MADE AVAILABLE BY BANK TO CUSTOMER AND WILL ALSO BE PROVIDED UPON CUSTOMER'S REQUEST.**

If Customer has established its DBA under a trade name, it certifies that it is



doing business under that name and that no one else has any right, title, and interest to that trade name. Customer agrees to protect and indemnify Bank against any loss or liability, including court costs and attorneys' fees, arising from the acceptance by us for payment or credit, checks drawn to the order of and endorsed in the trade name.

#### H. WITHDRAWALS.

**Generally.** Withdrawals may be made in person at a banking center, or via ATM, Online and Mobile Banking transfer or Online Bill Pay, Commercial Online Banking transfer or Business Bill Payment, pre-authorized or automatic recurring payments, telephone through Treasury Services or ExpressBank, wire transfer, business check, or mail. All forms used for withdrawals must be approved by us and must be signed by one of the persons designated as an Authorized Person for the Account. Withdrawals will first be made from collected funds and we may, at our discretion, refuse any withdrawal request against uncollected funds even if our general practice is to the contrary. We reserve the right at any time to require not less than seven (7) days' notice in writing before each withdrawal from a Savings or Money Market Account.

**Checks and withdrawal rules.** Customer is solely responsible for the use and security of its check stock. Customer shall use check stock with a high level of security function. Customer shall assume responsibility for any loss from the failure to use state of the art check stock security features. Bank may refuse any withdrawal or transfer request attempted on forms not approved by Bank or by any method Bank does not specifically permit.

Bank may refuse any withdrawal or transfer request which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Bank will use the date the transaction is completed by Bank (as opposed to the date Customer initiated it) to apply the frequency limitations. In addition, Bank may place limitations on the Account until Customer's identity is verified.

Even if Bank honors a nonconforming request, Bank is not required to do so later. If Customer violates the stated transaction limitations (if any), in Bank's discretion it may close Customer's Account or reclassify it as a transaction account. If Bank reclassifies Customer's Account, Customer's Account will be subject to the fees and earnings rules of the new Account classification.

If Bank is presented with an item drawn against Customer's Account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, Customer agrees that Bank may pay such item. Please see the Funds Availability Disclosure for information about when Customer can withdraw funds from Customer deposits. For those Accounts to which Bank's Funds Availability Disclosure does not apply, Customer can ask Bank when Customer makes a deposit when those funds will be available for withdrawal. Bank may determine the amount of Available Funds in Customer's Account for the purpose of deciding whether to return an item for insufficient funds at any time between the times Bank receives the item and when Bank returns the item or sends a notice in lieu of return. Bank need only make one determination, but if Bank chooses to make a subsequent determination, in its sole and absolute discretion, the Account balance at the subsequent time will determine whether there are insufficient Available Funds.

**Processing Order, Returned Items, and Overdrafts - The transactions you make affect your Available Funds in your Account.** The transactions you make affect your Available Balance in your Account. The "Available Balance" is your current ledger balance, minus holds placed on your Account by us, minus debit card authorizations, withdrawals and transfers from your Accounts made at an automated teller machine ("ATM") or other electronic terminal, or through our 24-Hour ExpressBank, Online and Mobile Banking and Online Bill Pay, or Commercial Online Banking, plus transfer credits. Cash deposits and checks cashed at the Bank, along with ACH credits and debits to be posted to your Account during the day, increase or decrease, respectively, the Available Balance. The use of your Debit Card(s) to purchase goods and services will constitute a simultaneous withdrawal from and/or demand upon, your primary checking Account. The Ledger Balance is derived after all transactions received the previous Business Day have been posted to your Account, regardless of whether the funds actually have been collected or paid by us.

Transfer credits are transfers from one Account to another made at an ATM or other electronic terminal or through the 24-Hour ExpressBank, Online and Mobile Banking, or Commercial Online Banking. Credits – including, for example, teller deposits, ATM deposits, and direct deposits – increase your Available Balance. Debits – including, for example, debit card transactions (including debit authorizations), withdrawals, transfers, payments, and fees –

decrease your Available Balance. Adjustments – including, for example, deposit item returns and error resolutions – may increase or decrease your Available Balance, depending on the nature of the adjustment.

We use automated systems to process your credits, debits, and adjustments – collectively, called "items" – and then to post them to your Account at the end of the Business Day.

When we process multiple transactions in a single day, we may post items in any order. Generally, we will post credits, debits, and adjustments in groups by type, with all transactions in one group being processed before any transactions in the next group, as follows:

| Transaction Type  | Posting Order   |
|---|---|
| Credits   | Chronological, or highest to lowest, when bank cannot determine date or time of transaction |
| Obligations to Bank and Adjustments such as error resolutions   |   |
| Debits, such as ATM, debit card, online or mobile banking transfers, online Bill Pay (if electronic), external transfers, and wires | Chronological, or lowest to highest, when bank cannot determine date or time of transaction |
| Checks** and ACH*** transactions  | Highest to lowest   |
| Most Fees   | Lowest to highest   |

\*Debit card transactions will be placed in chronological order on the day they are received by the bank from the merchant, which is often one or more days after you complete the transaction and incur a debit authorization.

\*\*Excludes checks converted to electronic debits.

\*\*\*ACH (Automated Clearing House) debits are received electronically through a merchant you have instructed to bill your checking account, e.g., for your utility or phone bill.

If an item is drawn on your Account and your Available Balance is insufficient to pay the item, we may, in our discretion (1) refuse to pay the item, without giving you prior notice, or (2) elect to pay the item, in which case we will charge the Overdraft Fee at the rate set in the Summary of Fees and deduct the amount of the overdraft and the Overdraft Fee from the next deposit. A copy of the Summary of Fees may be found on the bank's website or at your banking center location. The fact that we may, from time to time, pay an item that would overdraw the Account, does not obligate us to pay any such items. There may be an option to decline standard overdraft practices. Contact the bank to learn more.

If multiple items have been presented against the Account and your Available Balance is insufficient to pay all the items presented, we will charge an Overdraft Fee (at the rate in the Summary of Fees or Product Brochure, as applicable, and as amended from time to time) with respect to the first item paid that reduces your Ledger Balance to less than zero, and each of the following items paid.

**Overdraft Protection.** Overdraft Protection allows you to protect against overdrafts by linking your Checking Account to a designated funding account. If you enroll in Overdraft Protection, we will automatically transfer funds, to the extent they are available, from the funding account you designate into your Checking Account at the end of any business day on which your Available Balance is less than zero. Such funding account shall be limited to one linked business savings, business investor fund, money market account, or business line of credit. The amount of the transfer will be sufficient to cover the amount of your negative balance. To the extent the funds in your designated funding account are insufficient to cover all overdrafts in your Checking Account, an Overdraft Fee may be charged for each overdraft not covered by the transfer, under the terms of this Agreement.

You agree to pay any overdraft upon our oral or written demand. If you fail to do so, we may charge your Account for the amount of the overdraft and may close the Account without notifying you in advance of such action. If an overdraft or Overdraft Fee is collected through probate, bankruptcy, or other judicial proceedings, or if we have to file suit to collect money due us because of transactions on your Account, or to enforce our terms and conditions, you agree to pay all our expenses, including attorneys' fees, incurred in connection

with collecting the money due us. We may recover as our costs the reasonable attorney's fees and related expenses incurred in investigating or resolving any issues, claims, or disputes pertaining to this Agreement by setting off any funds in any of your Accounts.

**Facsimile Signatures.** Unless Customer makes advance arrangements with Bank, Bank has no obligation to honor facsimile signatures on Customer's checks or other orders. If Bank honors items containing facsimile signatures, Customer authorizes Bank, at any time, to charge Customer for all checks, drafts, or other orders, for the payment of money, that are drawn on Bank. Customer gives Bank this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with Bank and contain the required number of signatures for this purpose. Customer must notify Bank at once if Customer suspects that its facsimile signature is being or has been misused.

**Notice of withdrawal.** Bank reserves the right to require not less than 7 days' notice in writing before each withdrawal from any Account other than a demand deposit or time deposit as defined by Regulation D. (The law requires Bank to reserve this right, but it is not Bank's general policy to use it.)

**Early Withdrawal Penalties (and involuntary withdrawals).** Bank may impose early withdrawal penalties on a withdrawal from a time Account even if Customer doesn't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by Bank setoff against funds in the Account or as a result of an attachment or other legal process. Bank may close Customer's Account and impose the early withdrawal penalty on the entire Account balance in the event of a partial early withdrawal. See the notice of penalty for early withdrawals for additional information.

#### I. APPLICABILITY OF REGULATION CC - FUNDS AVAILABILITY DISCLOSURE.

The availability of funds in transaction Accounts will be governed by Regulation CC to the Federal Expedited Funds Availability Act. In the event of any conflict between the provisions of Regulation CC and the provisions hereof, the provisions of Regulation CC shall be controlling. **PLEASE NOTE THAT FUNDS MAY BE AVAILABLE TO YOU FOR TRANSFER THAT HAVE NOT BEEN COLLECTED (OBTAINED FROM THE SOURCE OF THE DEPOSIT). YOU ARE FULLY RESPONSIBLE AND LIABLE FOR ANY TRANSACTION PRIOR TO UNCONDITIONAL COLLECTION BY BANK. NO GUARANTY OR WARRANTY IS MADE BY BANK AT TIME OF TRANSFER THAT SUCH FUNDS ARE FULLY COLLECTED.**

#### ABILITY TO WITHDRAW FUNDS

Bank's policy is to make funds from your cash and check deposits available to you on the first Business Day after the day we receive your deposit, except as provided below. Funds from electronic direct deposits will be available on the Business Day we receive the deposit. As used herein, "Business Day" means any weekday, Monday through Friday, except legal holidays, on which we are open for business. Deposits made before the cutoff time (10 p.m. CT) at a banking center and via ATM and Mobile Deposit will be processed that day. Deposits made after the cutoff time will be processed the next Business Day. On the day your funds become available, it will be the later of 9:00 a.m. or the time our tellers and ATMs are available for customer account withdrawals.

Your funds are considered received by us when:

- You deposit funds in a BOKF owned ATM or in person at a Bank-staffed facility or banking center;
- Funds are received in the mail by us, except that funds received on a non-Business Day will be considered received on the next Business Day;
- If you have deposited funds to a night depository, Lockbox, or similar facility, they are considered received on the Business Day on which we remove the deposit from such facility and it is available for processing;

Funds from the following types of check deposits will generally be available to you on the first Business Day after we receive your deposit, as long as the deposit is made in person at a staffed teller station and deposited into an account held by the payee of the check: cashier's, certified, and teller's checks; government checks (including U.S. Postal money orders, state and local government checks, and checks drawn on Federal Reserve or Federal Home Loan Banks); and certain on us checks (checks drawn on the same bank).

U.S. Treasury checks and on us checks will generally be available to you on the first Business Day after we receive your deposit even if the deposit is not made in person at a staffed teller station.

Once deposited funds are available, you can withdraw the funds in cash and we will use the funds to pay debit card transactions you have made and checks that you have written. If a check drawn against your Account is presented over-the-counter for payment by a person who is not our deposit customer, we may charge a fee to the person presenting the check as a condition of payment of the check.

Any Authorized Signer has the ability to withdraw funds in cash from us. It is your responsibility to monitor and control cash withdrawals made by authorized signers.

Please remember that, even after we have made funds available to you, and even if you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your Account.

#### LONGER DELAYS MAY APPLY

In some cases, Bank will not make all of the funds that you deposit by check available to you on the first Business Day after the day of your deposit. Depending on the type of check that you deposit, and except as provided below, funds may not be available until the second Business Day after the day of your deposit. The first \$225 of your deposits, however, may be available on the first Business Day.

If we know immediately that we are not going to make all of the funds from your deposit available on the first Business Day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice on or before the Business Day after we receive your deposit.

If you will need the funds from a deposit in a specified timeframe, you should ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks or money orders totaling more than \$5,525 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your Account (or Accounts) repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. Held funds will generally be available no later than the seventh Business Day after the day of your deposit.

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your Account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited the check. If we cash a check, money order, cashier's check, or similar item and we later learn that the item is fraudulent, counterfeit, or otherwise invalid, we may charge your Account for the amount of the item, even if we previously made the funds available to you.

**SPECIAL RULES FOR NEW CUSTOMERS** If you are a NEW customer, the following special rules may apply during the first 30 days your Account is open:

- Funds from electronic direct deposits to your Account will be available on the Business Day we receive the deposit.
- Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, travelers', and federal, state and local government checks will be available on the first Business Day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,525 in checks will be available on the ninth Business Day after the day of your deposit. If your deposit of cash or of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the cash and the first \$5,525 will not be available until the second Business Day after the day of your deposit.
- Funds from all other check deposits will be available on the tenth Business

Day after the day of your deposit.

Safeguard exceptions. In addition, funds Customer deposits by check may be delayed for a longer period under the following circumstances:

- Bank believes a check Customer deposited will not be paid.
- Customer deposits checks totaling more than \$5,525 on any one day (as may be adjusted for inflation).
- Customer redeposits a check that has been returned unpaid. Customer has overdrawn its Account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment. Bank will notify Customer if Bank delays Customer's ability to withdraw funds for any of these reasons, and Bank will tell Customer when the funds will be available. They will generally be available no later than the seventh Business Day after the day of Customer's deposit.

#### **J. IN ACCORDANCE WITH THE USA PATRIOT ACT.**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an Account, we will ask for beneficial ownership information of Customer, and the name, address, date of birth, and other relevant information for any Authorized Signer that will allow us to identify such person. We may also ask to see and/or photocopy a driver's license or other identifying documents.

Customer acknowledges that transactions made on Customer's behalf may be subject to federal and state laws and regulations governing transactions in currency and other monetary instruments relating to money laundering activities and the funding of terrorism and that such laws and regulations may impose severe criminal penalties on those who participate or assist in such activities or in structuring of such activities to avoid reporting requirements. Customer acknowledges that Bank may monitor transactions for compliance with such laws and regulations. Customer agrees that Customer will not engage in any transaction which would violate, or result in a payment in violation of, federal or state laws or regulations, including, without limitation, the federal laws and regulations administered by bank regulatory agencies and the Office of Foreign Assets Control ("OFAC") relating to money laundering and the funding of terrorism.

#### **K. BANK RULES AND REGULATIONS.**

All Services to be provided hereunder shall be in accordance with, and further subject to, Bank's then applicable rules and regulations which apply to the Authorized Accounts and to such further policies and procedures with regard to the Services as may be communicated to Customer from time to time in writing, including without limitation by posting same on Bank's website or as otherwise set forth herein.

#### **L. FEES AND PAYMENTS.**

Customer shall pay Bank for the Services provided pursuant to fee schedules or other pricing information provided by Bank as modified from time to time. Any fees for Services may be amended by Bank at any time with or without notice. Bank may, at its option, include fees arising from the Agreement in an analysis statement of Customer's Account relationship, bill Customer, or debit Customer's Accounts for the Services rendered during the immediately preceding billing period. Bank may promptly debit Customer's Accounts at Bank in the full amount of any such statement, or bill if the amount shown on the statement bill is not paid when due. Your continued use of the Services constitutes your agreement to the then applicable earnings credit rate, fee schedules or pricing. Earnings credit rate is subjected to change at any time.

Bank may assess finance charges on any amount due to Bank under this Agreement that is not paid by Customer within thirty (30) days of receipt of Customer's statement or an invoice showing the amount due.

#### **M. CHECKING ACCOUNT ORGANIZATION.**

Bank has organized customer's checking Account in a nontraditional way. Customer's checking Account consists of two subaccounts. One of these is a transaction subaccount through which Customer will transact business. The other is a non-transaction subaccount. Customer cannot directly access the non-transaction subaccount, but Customer agrees that Bank may automatically, and without a specific request from Customer, initiate individual transfers of funds between subaccounts from time to time at no cost to Customer. This Account organization will not change the amount of federal deposit insurance available to Customer, the available balance, the information on the periodic statements, or any interest calculation applicable to such Account. Customer will not see any difference between the way the

checking Account operates and the way a traditionally organized checking account operates, but this organization makes Bank more efficient and helps to reduce costs.

#### **N. CHECK CASHING.**

Bank may charge a fee to anyone that does not have an Account with Bank who is cashing a check, draft, or other instrument written on Customer's Account. Bank may also require reasonable identification to cash such a check, draft, or other instrument. Bank can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

#### **O. STALE ITEMS.**

If any item is presented for payment on your Account more than six (6) months after its issue date, we may in our sole discretion dishonor the item and return it unpaid, but we have no obligation to do so and we may, in good faith, pay such an item.

#### **P. COMMERCIAL ONLINE BANKING.**

Commercial Online Banking Payments Service allows you to initiate bill payments, transfers, payroll, and tax payments from your Account(s) via ACH (or via wire, which shall be governed by the Funds Transfer Services portion of this Agreement). All ACH credit transactions should be set to prefund to guarantee funds in the offsetting account are available and debited same day file is released.

**Commercial Online Banking Business Bill Payment Service** allows you to initiate bill payments, transfers, payroll, and tax payments from your Account(s) via ACH. Third-party vendors may process transactions under the Bill Payments Service on our behalf. Such third-party vendors are required to adhere to the Bank's security and privacy procedures.

We have no obligation to monitor payments made through the Business Bill Payment Service. If any Authorized User pays bills which are not yours from your Account, you assume the entire risk of loss and agree to indemnify and hold harmless the Bank and its directors, officers, employees and agents from all loss, liability, claims, demands, judgments, and expenses (including Legal Expenses) arising out of or in any way connected with such use.

You agree to only use the Business Bill Payment Service for purposes of paying bills, transfers, or payroll, and not for any other purpose. Any unauthorized activity or establishing more than 999 payees may result in termination of access to Business Bill Payment Services. The Business Bill Payment Service is intended only for use by you. Any attempt to use the Service to process payments for third parties is strictly prohibited and will entitle us to terminate your access to the Service. You may pay anyone in the continental U.S. (including Alaska and Hawaii) using the Service, as well as the U.S. Territories of Guam, Puerto Rico, and the Virgin Islands.

By furnishing us with the name and address of a payee, you authorize us to follow your payment instructions regarding that payee. In some instances, we may submit payments to the payee address best known to us. When necessary, we will change or reformat your payee account number to match the account number or format required by your payee for electronic payment processing. We cannot guarantee your payment(s) will reach their intended recipient.

**Business Bill Payment.** Business Bill Payment transactions initiated by you may be remitted by one or more of three types of payments on your behalf to your payees – electronic (ACH), electronic (single-use prepaid card), and paper checks, depending on you or your payees' previously determined method of receiving payments. In addition, the Bank shall have sole discretion to determine the appropriate remittance method. In order to process payments efficiently and effectively, the Bank reserves the right to change or update payee data, or to alter the method of payment remittance. The delivery method and time expected for each type of payment will be indicated during the transaction initiation process. The Bank will debit your Account or issue a draft against your Account and deliver those funds to the designated payee on your behalf, such that the funds arrive as close to the delivery date as is reasonably practicable. While it is anticipated that most transactions will be delivered by the date stated, due to circumstances beyond our control, including particular delays in handling and posting payments by slow responding companies or financial institutions, some transactions may take a few days longer to be credited. If you elect to send your payment by one of the three expedited payment options available, you are also authorizing the additional expedited payment fee as presented during the initiation process. If you do not have sufficient funds in your Account to send the expedited



payment, you are still authorizing the Bank to charge you the expedited payment fee. In using this service, you understand the payments may be returned by or to the Bank for various reasons including but not limited to: the account or account number of the payee is not valid; the payee address is not valid; or the payee returns or rejects the remittance. If you choose to use the "eBill" feature within the Business Bill Payment application, you may be asked to provide your User Name, User ID, Login ID, PIN, and Password based on your payees' website. You acknowledge and agree all applicable account disclosures and government regulations apply to the processing of these transactions.

#### **Q. INDORSEMENTS.**

Bank may accept for deposit any item payable to Customer or its order, even if they are not indorsed by Customer. Bank may supply any missing indorsement(s) for any item Bank accepts for deposit or collection, and Customer warrants and guarantees that all indorsements are authorized.

To ensure that Customer's check or share draft is processed without delay, Customer must indorse it (sign it on the back) in a specific area. Customer's entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g. additional indorsements, ID information, driver's license number, etc.) must fall within 1-1/2" of the "trailing edge" of a check. Indorsements must be made in blue or black ink, so that they are readable. As one looks at the front of a check, the "trailing edge" is the left edge. When one flips the check over, be sure to keep all indorsement information within 1-1/2" of that edge. It is important that Customer confines the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. Customer agrees that Customer will indemnify, defend, and hold Bank harmless for any loss, liability, damage, or expense that occurs because Customer's indorsement, another indorsement or information Customer has printed on the back of the check obscures Bank's indorsement.

#### **R. NO EXAMINATION OF CHECKS FOR MULTIPLE AUTHORIZED SIGNATURES.**

Notwithstanding anything to the contrary in its organizational documents, Customer acknowledges and agrees that Bank will not verify the presence of more than one signature even if the rules or resolutions of Customer require two or more signatures to validate an item. Customer agrees to release and hold Bank harmless from any obligation to verify the presence of more than one signature on any item presented for payment by Bank. Customer further acknowledges and agrees that Bank does not violate any standard of care by not checking for dual signatures. The primary obligation to obtain required signatures on a check belongs exclusively to Customer.

#### **S. TRUNCATION, SUBSTITUTE CHECKS, AND OTHER CHECK IMAGES.**

If Customer truncates an original check and creates a substitute check, or other paper or electronic image of the original check, Customer warrants that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. Customer also warrants that any substitute check Customer creates conforms to the legal requirements and generally accepted specifications for substitute checks. Customer agrees to retain the original check in conformance with Bank's internal policy for retaining original checks.

Customer agrees to indemnify Bank for any loss Bank may incur as a result of any truncated check transaction Customer initiates. Bank can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check Act. Unless specifically stated in a separate agreement between Customer and Bank, Bank does not have to accept any other electronic or paper image of an original check.

#### **T. TERMINATION, DEATH, OR INCOMPETENCE OF AUTHORIZED USER OR SIGNER.**

Customer agrees to notify Bank promptly if any Authorized User or Signer is terminated, dies, or becomes legally incompetent. Bank may continue to honor checks, items, and instructions until: (a) Bank knows of the Authorized User or Signer's termination, death, or incompetence, and (b) Bank has had a reasonable opportunity to act on that knowledge. Customer agrees that Bank may pay or certify checks drawn on or before the termination, date of death or legal incompetence for up to ten (10) days after the termination, death, or legal incompetence unless ordered to stop payment by someone claiming an interest in the Account.

#### **U. FIDUCIARY ACCOUNTS.**

Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is designated, named, or appointed to act on behalf of and for the benefit of another. This Account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. Bank is not responsible for determining or monitoring the scope or limits of the appointed fiduciary. Customer understands that by merely opening such an Account, Bank is not acting in the capacity of a trustee or fiduciary, nor does Bank undertake any obligation or duty to monitor any Account activity or enforce the terms of the trust or letters.

#### **V. STOP PAYMENT.**

Unless otherwise provided, the rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds may be established by law or Bank policy. If Bank has not disclosed these rules elsewhere, Customer may ask us about those rules.

Bank may accept an order to stop payment on any check. Customer must make any stop payment order in the manner required by law and Bank must receive it in time to give Bank a reasonable opportunity to act on it before Bank's stop payment cutoff time. Because stop payment orders are handled by computers, to be effective, Customer's stop payment order must precisely identify the number, date, and amount of the item, and the payee. Customer may stop payment on any item drawn on its Account whether Customer signed the item or not. Generally, if Customer's stop payment order is given, it is effective for six months. Customer's order will lapse after that time if Customer does not renew the order in writing before the end of the six-month period. Bank is not obligated to notify Customer when a stop payment order expires. A release of the stop payment may be made only by the person who initiated the stop payment order.

If Customer stops payment on an item and Bank incurs any damages or expenses because of the stop payment, Customer agrees to reimburse Bank for those damages or expenses, including attorneys' fees. Customer assigns to Bank all rights against the payee or any other holder of the item. Customer agrees to cooperate with Bank in any legal actions that Bank may take against such persons. Customer should be aware that anyone holding the item may be entitled to enforce payment against Customer despite the stop payment order.

Bank's stop payment cutoff time is one hour after the opening of the next Banking Day after the Banking Day on which Bank receives the item. Additional limitations on Bank's obligation to stop payment are provided by law (e.g., Bank paid the item in cash or Bank certified the item).

Bank may charge your Account a service charge for each stop payment order at the rate set forth in our Summary of Fees, as amended from time to time.

#### **W. TELEPHONE TRANSFERS.**

A telephone transfer of funds from one Account to another Account with Bank, if otherwise arranged for or permitted, may be made by the same Authorized Persons and under the same conditions generally applicable to withdrawals made in writing. Bank reserves the right, in its sole and absolute discretion, to have Customer confirm such request in writing prior to initiating the transaction. Unless a different limitation is disclosed in writing, Bank may restrict the number of transfers from a savings Account to another Account or to third parties, to a maximum of two per month (less the number of "preauthorized transfers" during the month). Other Account transfer restrictions may be described elsewhere.

#### **X. ADDITIONAL SERVICES.**

Bank may provide Services that are not specifically included in the Services section of the Agreement. By accepting and using any such Service, Customer agrees that the Service will be governed by the Agreement and any other conditions communicated to Customer by Bank. Certain Services included in the Agreement may not be available or may not be provided in certain market areas.

#### **Y. PROPRIETARY INFORMATION.**

Customer acknowledges that the Agreement, and all related documentation and systems used in providing Services, are the property of Bank. Customer agrees that it shall not acquire any rights or interests therein as a result of its use of the Services.

#### **Z. SECURITY PROCEDURES.**

In conjunction with Security Procedures adopted by Bank, Customer shall implement up to date and robust security procedures to prevent unauthorized access by third parties to Customer's systems and Account. Customer agrees



to maintain commercially recognized and reasonable physical and electronic Security Procedures as detailed herein to protect against any fraud. Customer acknowledges and agrees that the purpose of Bank's Security Procedures is to verify the authenticity of the transaction, not to detect errors in the transmission or content of the transaction. The Security Procedures will be as described herein, in a user guide, implementation document, separate agreement, or contained within the Service (for example, an online screen). By utilizing the Service and employing the Security Procedure, Customer agrees that Bank's Security Procedure are commercially reasonable for the type, size, and volume of transactions Customer will conduct using the Service. Bank reserves the right to change, implement, or require new or additional Security Procedures or features thereof by giving oral or written notice to Customer. Customer agrees that its use of the Service after Bank provides notice of any such described change will be deemed Customer's acceptance of the new Security Procedure. In addition, Customer understands and agrees that Bank may, in its discretion, adopt other commercially reasonable security procedures from time to time in connection with the Services, in addition to the Security Procedures, which additional security procedures may not be disclosed by Bank to Customer.

Bank may reject any transaction initiated in violation of the applicable Security Procedure or without the appropriate Security Codes. If Bank reasonably complies with the applicable Security Procedures, Customer shall be responsible for any unauthorized transaction and shall hold Bank harmless from such transaction.

Customer agrees to be bound by any payment order, transaction, or Service change order that is acted upon by Bank in accordance with the Security Procedures. Customer is solely responsible for maintaining its own internal security and agrees to use appropriate caution in selecting any company or individual given access to use one or more of the Services and the Security Codes. All Security Procedures and Security Codes will be maintained by Customer in strictest confidence, including selectively issuing and securely storing the Security Codes, and shall not be used or divulged to any other party except as Customer deems necessary or advisable for the due performance of any of the Services.

Customer acknowledges the importance of maintaining the Security Codes in the strictest confidence. Customer is solely responsible for the misuse, theft, or misappropriation of its Security Codes. Customer shall not disclose any information regarding the Services, the Security Procedures, or the Security Codes that an unauthorized user would find helpful to obtain access to all or part of any Service. If Customer or its Agents have reason to believe that any Security Procedures or Security Codes have or may become known by unauthorized persons (whether or not employed by Customer), Customer shall immediately notify Bank by telephone and confirm such oral notification in writing to Bank within 24 hours. Bank will replace the Security Procedures and Security Codes in accordance with Bank's security procedures. Customer shall be solely responsible for transactions and communications initiated before Bank received Customer's notice and had a reasonable time to act on such notice.

Bank reserves the right to change any or all of the Security Procedures or Security Codes by giving oral or written notice to Customer.

For some Services, Bank may choose to honor Customer's request to give Bank oral instructions regarding the Services. Customer agrees Bank may in good faith rely on such oral instructions that purport to come from an Authorized Agent of Customer without independent verification by Bank.

Bank shall have no responsibility to verify Authorized Instructions, if the Authorized Instructions are made in compliance with the Security Procedures selected by Customer. However, Bank may (without being required to do so) obtain additional verification of any Authorized Instructions or Cancellation Orders. As long as Bank complies with the Security Procedures, Customer shall be responsible for unauthorized transactions, including without limitation Entries or Wire Transfer Payment Orders, and shall hold Bank harmless therefrom.

Bank may also recognize deviations from stated Security Procedures, if Customer has by custom and practice routinely ratified transactions, including without limitation Entries or Wire Transfer Payment Orders representing a standard deviation from the Security Procedures.

The Security Procedures described herein are approved and agreed upon by Customer and Bank with respect to any online or electronic Service utilized by Customer. Customer agrees to institute, maintain, re-evaluate, adjust, and upgrade security systems to protect Customer's data and payments in the online or electronic environment.

Customer shall designate a Customer Administrator who shall assign user profiles, identification, permissions, and Security Codes for Authorized Users to access the Services. The Customer Administrator is responsible for implementing and maintaining Customer's user profile, identification, permission, and Security Code security. Customer, Customer Administrator, and Authorized Users and Signers are responsible for maintaining the confidentiality of each user's identification and Security Codes. Bank is entitled to act on instructions received using the username and Security Code of Customer Administrator and the usernames and Security Codes created by or authorized by Customer Administrator. Customer Administrator shall also be responsible for any use of Services for approved consumer relationships. Customer shall be solely responsible for, and indemnify and hold harmless Bank, from any claims or damages made by any consumer who utilizes the Services for consumer transactions.

Customer acknowledges that data including e-mail, electronic communications, and confidential financial data, may be accessed by unauthorized third parties when communicating to Bank using the Internet or other network or dial-up communications facilities, telephone, or any other electronic means. By using the internet in connection with the Services or to otherwise communicate with Bank, Customer is assuming the risk that viruses, Trojan horses, spyware, malware, key logging programs, worms, or other harmful components may be transmitted to Customer. Customer is solely responsible for and shall implement, maintain, and update (as available) State of the Art commercially reasonable physical and electronic security to prevent unauthorized access to its Account, equipment, devices, peripherals, computer storage devices, and data, including without limitation the following:

- Access restrictions on computer systems, including commercially reasonable authentication of Authorized Agents, sufficient to restrict access to Customer data, information or funds belonging to Customer from employees or intruders who are not authorized to have or use such information;
- Commercial-grade intrusion protection including a properly configured firewall, virus protection, malware protection, regular and frequent system scans, intrusion logs and real-time monitoring of incoming and outgoing files;
- Properly configured log files to record intrusions and rejected logon attempts;
- Program level security;
- Data level security;
- Published employee policies restricting access to the internet on Customer equipment;
- Commercial-grade systems to backup and restore information stored on Customer's computer systems;
- Disaster recovery procedures including periodic testing of recovery systems; and
- Background checks on all employees who are authorized to access Bank Services.

Customer shall take special precautions to secure and protect confidential personal information of Customer and its customers. You agree to keep any e-mail address, mobile phone, account information, security code, password, PIN or personal identification used to access your deposit or credit account(s) secure and strictly confidential and not to disclose or allow access to such information to or by any other person. You must notify the Bank immediately if this information is lost or has become known to, or been used by, an unauthorized person. You acknowledge that the Bank has no duty or obligation to determine whether a transaction conducted with use of a valid name, account number, and security code or personal identification was proper, and therefore authorize the Bank to complete any transaction involving your account made with the use of such information. Subject to applicable law, you agree to be solely responsible for any transaction initiated with the use of a valid name, account number, security code, or personal identification, and agree that the Bank shall have no liability for any loss, claim, or damage you sustain as a result of the use of your security code or personal information described above whether such transaction was authorized or not. These rules apply to all checking, savings, or credit accounts in which a check, draft, or other item is used to withdraw or transfer funds.

#### **AA. ELECTRONIC MESSAGES AND AGREEMENTS**

We understand that Customer may use electronic communication, including

email, as their primary form of communication with us. If you provide us with an email address, you agree that we may communicate with you via email and you further agree to promptly notify us in writing of any changes to, or compromises to your email address by other third parties. You also agree to continually monitor your e-mail systems to detect any third party use of your e-mail system and mobile phones. You agree that we may make agreements with you by electronic means. Your authorization and consent to such an agreement, or your delivery of instructions, may be made by use of certain numbers, codes, marks, signs, personal identification numbers (PINs), public or private keys or other means, acceptable to you and to us, to establish your identity and acceptance of the electronic communications. All electronic communications that meet these requirements will be deemed to be valid and authentic and you intend and agree that those electronic communications will be given the same legal effect as written paper communications signed by you. You agree that electronic copies of communications are valid and you will not contest the validity of the originals or copies, and that we shall be held harmless from reliance upon electronic communications until you notify us otherwise. You are not required to accept electronic communications; we want you to be aware that this is an option for you to accept. We will never ask you for sensitive account information, such as, passwords, PINs, Social Security numbers or account numbers via email or mobile messaging. If you receive an email that appears to be from us asking for this type of information, immediately forward the email in its entirety (not as an attachment) to your customer service representative with Bank.

#### **BB. LIMITATIONS ON SERVICES.**

Bank will honor Customer's transactions and instructions (including adjustments, amendments, and cancellations) only when Customer has complied with the Agreement and related policies and procedures.

Bank will be under no obligation to honor, either in whole or in part, any transaction or instruction that:

1. exceeds Customer's collected or Available Funds on deposit with Bank;
2. Bank, in its sole and absolute discretion, has reason to believe may not be authorized by Customer;
3. involves funds subject to a hold, dispute, or legal process preventing their withdrawal;
4. violates any provision of any applicable regulation of the Federal Reserve Bank or any other federal, state, or local regulatory authority; or
5. Bank has reasonable cause not to honor for the protection of either Bank, Customer, or third party.

Any credit given to an Authorized Account is agreed to be provisional until Bank receives final and unconditional settlement. If Bank does not receive final settlement, it is entitled to reverse the entry and Customer shall be obligated to reimburse Bank promptly for such amount.

#### **CC. TIME ACCOUNTS.**

This Agreement also covers the Operation of your Time Deposit Account with Bank. Time Deposits are also governed by applicable federal laws and regulations.

##### **1. Balance Information.**

- a. **Minimum Deposit** – The minimum deposit amount of this Time Deposit is that amount listed on the attached Confirmation.
2. **Maturity** – The maturity period is the period of time during which the Time Deposit is eligible to accrue interest (the "Maturity Period"). The maturity date is the date on which your Time Deposit matures (the "Maturity Date").
3. **Transaction Limitations.**

- a. **Deposits** – Unless the Confirmation indicates that additional deposits ("Additions") may be added to the Time Deposit, you may not make deposits into your Time Deposit during the Maturity Period.
- b. **Additions to Time Deposits** – If so permitted by the Confirmation and in accordance with the restrictions set out in Paragraph 7(c) below, Additions may be added to the Time Deposit. Additions will be considered received by the Bank only at the time they are received by a designated Bank employee during banking hours on a Business Day. Additions may be made in person or by mail or telephone, but may not be made by automated teller machine.
- c. **Restrictions on Additions to Time Deposits** –
  - i. **Time Deposits, other than IRAs** – If so permitted by the Confirmation, Additions, in a minimum amount of \$1,000.00 per deposit, may be added to the Time Deposit during the Maturity Period, except that no Additions may be made during the seven

(7) days immediately preceding the Maturity Date.

- ii. **IRA Time Deposits** – For consumers with IRA Time Deposits, if so permitted by the Confirmation, Additions, in a minimum amount of \$1.00 per deposit, may be added to the Time Deposit during the Maturity Period.

#### **4. Rate Information.**

- a. **Annual Percentage Yield** – The annual percentage yield quoted on the Confirmation is based on the assumption that the principal and interest will remain on deposit during the Maturity Period and until the Maturity Date. A withdrawal will reduce earnings.
- b. **Fixed Rate Time Deposit** – The interest rate will be established at the discretion of the Bank, and unless the Confirmation indicates that the interest rate is a variable rate, the Time Deposit will earn interest at the interest rate and annual percentage yield as stated on the Confirmation for the original Maturity Period (the period from the date of issuance to the Maturity Date). If the Confirmation indicates that the Time Deposit will automatically renew at the end of the Maturity Period, then the fixed rate for any subsequent Maturity Period will be the Bank's interest rate in effect as of the Maturity Date, for the fixed rate time deposits with a dollar amount and Maturity Period comparable to this Time Deposit. If the Maturity Date falls on a day other than a Business Day of the Bank, the interest rate will be that rate established by the Bank for the last Business Day prior to the Maturity Date.
- c. **Variable Rate Time Deposit** – If the Confirmation indicates that the interest rate is a variable rate, the interest rate and annual percentage yield on your Time Deposit may change. During the Maturity Period (and if the Confirmation indicates that the Time Deposit will automatically renew at the end of the Maturity Period, during any subsequent Maturity Period), the interest rate will be adjusted monthly on the first calendar day of each month ("Rate Adjustment Date"), to equal the average of the 26-week United States Treasury Bill discount rates for the previous month, rounded to the nearest .05%, plus a Margin (as established at the discretion of the Bank). If the Confirmation indicates a Guaranteed Minimum Rate (which will be such rates established at the discretion of the Bank), in no event will the interest rate during the Maturity Period be less than the Guaranteed Minimum Rate. If the Maturity Date falls on a day other than a Business Day of the Bank, the interest rate and the Guaranteed Minimum Rate will be that established by the Bank for the last Business Day prior to the Maturity Date.
- d. **Actual/Actual Basis** – Unless indicated to the contrary on the Confirmation, interest will be computed on the basis of the actual number of days in the year and applied to the actual number of days elapsed.

#### **5. Compounding and Crediting Policies.**

- a. **Interest Accrual** – Interest begins to accrue on this Time Deposit no later than the first Business Day that the Bank receives the deposit of noncash items (for example, checks). No interest will be earned on the Time Deposit after the Maturity Date.
- b. **Simple Rate of Interest** – Unless indicated otherwise on the Confirmation, this Time Deposit will earn at a simple rate of interest and will not be compounded.
- c. **Compounding of Interest** – If the Confirmation indicates that the interest will be compounded, then interest will compound on the basis indicated in the Confirmation.
- d. **Crediting of Interest** – Interest on the Time Deposit will be credited at the frequency that is indicated on the Confirmation.
- e. **Interest Calculation** – Interest earned on the Time Deposit will be calculated on the daily balance method. This method applies a daily periodic rate to the principal in the Time Deposit each day of the Maturity Period.

#### **6. Features of Time Deposits.**

- a. **Maturity Date** – Each Time Deposit has a Maturity Date, and is for the term specified on the Confirmation. A Maturity Date (for the Maturity Period and all automatic redeposit Maturity Periods) may occur on a day other than a Business Day of the Bank. If a Maturity Date occurs on a day other than a Business Day, the Time Deposit (principal and interest) will be available for withdrawal on the next Business Day. No interest will be earned after maturity, except in accordance with the provisions for automatic redeposit in Paragraph 6(d) hereof.

- b. **Withdrawals – Auto Renewing Time Deposits –** If the Confirmation indicates that the Time Deposit will automatically renew at the end of the Maturity Period, all principal and interest on the Time Deposit may be withdrawn (i) within ten (10) calendar days after the Maturity Date if the original Maturity Period was equal to or more than 30 days, or (ii) within one (1) Business Day after the Maturity Date if the original Maturity Period was less than 30 days. Interest will cease to be paid as of the Maturity Date on any amount(s) withdrawn. Unless withdrawn at that time, the Time Deposit (principal and interest) will be considered redeposited in accordance with Paragraph 6(d) hereof.
- c. **Partial Withdrawals on Auto Renewing Time Deposits.**
- i. **Time Deposits, other than IRA –** If the Confirmation indicates that the Time Deposit will automatically renew at the end of the Maturity Period, you may make partial withdrawals of principal in the minimum amount of \$500.00 per withdrawal, without full redemption of the Time Deposit being required, so long as a minimum principal balance of \$1,000.00 is maintained on the Time Deposit. Such partial withdrawals may be made during the Maturity Period, with an early withdrawal penalty assessed on the amount(s) withdrawn in accordance with the terms and provisions of Paragraph 6(e); or such partial withdrawals may be made after the Maturity Date without the assessment of an early withdrawal penalty on the amount(s) withdrawn, as follows: (i) Within ten (10) calendar days after the Maturity Date if the original Maturity Period was equal to or more than 30 days or (ii) within one (1) Business Day after the Maturity Date if the original Maturity Period was less than 30 days. Interest will cease to be paid as of the date of any partial withdrawal made during the Maturity Period, and no interest shall be paid after the Maturity Date.
- d. **Automatic Redeposits –** If the Confirmation indicates that the Time Deposit will automatically renew at the end of the Maturity Period, and unless the Time Deposit is withdrawn within the time periods specified in subparagraphs (a) and (b) of Paragraph 10 above, the principal (and unless notified by you to the contrary, interest if payable solely at maturity) of the Time Deposit shall be automatically redeposited as of the Maturity Date for a period equal to the original Maturity Period, unless otherwise provided by the applicable Product Brochure and renewal notice, and shall remain on deposit continuing to earn interest at the applicable interest rate and annual percentage yield as provided in Paragraph 8 hereof. Interest will be earned without interruption until the next Maturity Date, at which time you may again withdraw or automatically renew the funds, or you may use the funds to enter into a new Time Deposit with the Bank.
- e. **Early Withdrawal Penalty –** In the event the Bank, at its option, permits payment of a Time Deposit, in whole or in part, before its stated maturity, you agree to pay a penalty based upon the Maturity Period and/or balance of the Time Deposit as provided herein. You will be charged no penalty on withdrawals made during the ten (10) calendar day grace period immediately following the Maturity Date, or the one (1) Business Day grace period, whichever is applicable.
- i. **Maturity Period is not more than one year –** If the Maturity Period for the Time Deposit is less than 365 days, you shall forfeit and pay a penalty in a sum equal to \$25.00 plus 1% of the amount withdrawn.
- ii. **Maturity Period is equal to or greater than one year –** If the Maturity Period for the Time Deposit is 365 days or more, you shall forfeit and pay a penalty in a sum equal to \$25.00 plus 3% of the amount withdrawn.
- iii. **The amount of your penalty may be deducted from principal.**
- f. **Insufficient Interest to Satisfy Withdrawal Penalty –** Where the unpaid interest on the Time Deposit is insufficient to pay a penalty, or where interest has already been paid to you or credited to your Time Deposit, the penalty shall be deducted from the amount of the Time Deposit. Any amendment of the Time Deposit that results in a reduction in the maturity of the Time Deposit or an increase in rate of interest paid thereon over what would have been payable prior to such amendment shall be deemed to constitute a payment of the Time Deposit before maturity.
- g. **Waiver of Penalty –** No penalty will be imposed for the withdrawal of a Time Deposit prior to maturity upon the death of an Owner of the Time Deposit, or upon the Owner being determined to be legally incompetent by a court or other administrative body of competent jurisdiction. These exceptions to the assessment of a penalty for Time Deposits withdrawn prior to maturity do not apply to Time Deposits renewed or entered into after the death of the Owner or after the Owner has been declared legally incompetent.
- h. **Non-Negotiability –** The Time Deposit is non-negotiable and non-transferable. If you wish to transfer or change the ownership of the Time Deposit, we will require that the Time Deposit be closed and a new Agreement for the Time Deposit be entered into except that Bank will not delete an Answer with that Owner's written consent. This paragraph does not by itself restrict the transfer of funds out of the Time Deposit by any method otherwise permitted.
7. **Deposits –** Any non-cash items tendered for deposit (including items drawn "on us") may be given conditional credit only subject to final collection and payment and may be charged back at any time until actual cash payment is received. All items drawn on us which are not good at the close of business on the day of deposit may be charged back to you on the same or next Business Day without prior notice to you. Any item charged back to you (regardless of the amount charged back), will cause the cancellation of your Time Deposit, with interest ceasing to earn as of the date the item is charged back. In the event an item is charged back against the Time Deposit, early withdrawal penalties will be assessed in accordance with Paragraph 10 herein. Any item credited to your Time Deposit shall be deemed endorsed by you, and you hereby authorize us to supply for you any missing indorsement which may be necessary or convenient. We are not responsible for transactions sent by mail until we have received the delivery from the United States Postal Service or other common carrier. All transactions are subject to acceptance and verification by us. All transactions received on a day other than a Business Day or after our daily "cut-off time" on a Business Day may be treated and recorded as if received on our next following Business Day. Your delivery to us of items for the purpose of entering into a Time Deposit agreement shall constitute your acceptance of the items and conditions of this Time Accounts Agreement and our general rules, regulations, and operating procedures as are in effect from time to time.
8. **Telephone Transfers –** If otherwise permitted, funds may be transferred from the Time Deposit to another Time Deposit with us, by telephone, by the same person(s) and under the same conditions generally applicable to withdrawals by written order.
9. **Funds Transfers –** Unless we have entered into a specific written agreement with you that provides otherwise, payment orders you give to us for the transfer of funds out of the Time Deposit, by wire transfer, or otherwise, and payment orders we receive for transfers into the Time Deposit, will be governed by this paragraph. Except as otherwise specified in this paragraph, your rights and obligations with respect to a payment order for the transfer of funds, and our rights and obligations, will be governed by Article 4A of the Uniform Commercial Code as enacted in Oklahoma ("UCC4A"). We reserve the right to refuse to accept any payment order. YOU AGREE THAT IF A PAYMENT ORDER OR CANCELLATION THEREOF IDENTIFIES THE BENEFICIARY BY BOTH NAME AND AN IDENTIFYING OR BANK ACCOUNT NUMBER AND THE NAME AND NUMBER IDENTIFY DIFFERENT PERSONS OR ACCOUNT HOLDERS, EXECUTION AND PAYMENT TO THE BENEFICIARY OR CANCELLATION MAY BE MADE SOLELY ON THE BASIS OF THE IDENTIFYING OR BANK ACCOUNT NUMBER. YOU ALSO AGREE THAT IF A PAYMENT ORDER IDENTIFIES AN INTERMEDIARY BANK OR THE BENEFICIARY'S BANK BY BOTH NAME AND AN IDENTIFYING NUMBER AND THE NAME AND NUMBER IDENTIFY DIFFERENT PERSONS, EXECUTION OF THE PAYMENT ORDER BY ANY BANK MAY BE MADE SOLELY ON THE BASIS OF THE IDENTIFYING NUMBER. We must receive payment orders not later than 2:00 p.m. (Central Time) on a Business Day in order for the payment order to be accepted on that day. If we receive a payment order after such hour, we may either treat it as if it were received before that hour or we may treat it as received at the opening of the next Business Day. We will give you notice of the acceptance of a payment order by posting the amount of the payment order to the Time Deposit. Prior to the acceptance of an outgoing payment order, the outgoing payment order may be canceled or amended if the beneficiary's Bank is located within the United States of America and the outgoing payment order is to be paid in U.S. dollars. Other outgoing payment orders may not be canceled, amended, or modified. We must receive your cancellation or modification a reasonable time prior to the time we execute the outgoing payment order. Payment orders sent by Fedwire will be subject to the Federal Reserve's Regulation J, and payment orders sent via other payment systems will be subject to the rules of those systems. You agree that we may record all telephone conversations and data transmissions received from, made for, or made on behalf of you pursuant to or in connection with a payment order. YOU AGREE THAT IF A PAYMENT ORDER, OR ANY



CANCELLATION OR AUTHORIZATION RELATING THERETO, BUT FOR THE APPLICABILITY OF THE ELECTRONIC FUND TRANSFERS ACT OF 1978 (AS APPLICABLE TO CONSUMER ACCOUNTS, AND AS IN EFFECT FROM TIME TO TIME), CONSTITUTES A PORTION OF A FUNDS TRANSFER AS DEFINED IN UCC 4A, ALL ACTIONS AND DISPUTES CONCERNING SUCH PAYMENT ORDER, CANCELLATION, OR AUTHORIZATION SHALL BE DETERMINED PURSUANT TO UCC 4A AND THIS AGREEMENT TO THE FULL EXTENT PERMITTED BY LAW. We are not liable for any acts or occurrences outside our immediate control.

**DD. TELEPHONE COMMUNICATIONS.**

Customer acknowledges, agrees and consents on behalf of itself, its employees and its agents that Bank may monitor and record telephone conversations at any time without further notice to the parties to such conversations. The decision to record any conversation shall be solely in Bank's discretion, and Bank shall have no liability for failing to do so. Customer shall not be entitled to receive copies of any such recordings.

**EE. ELECTRONIC AND INTERNET COMMUNICATIONS.**

Customer may elect to send or receive instructions or reports from Bank related to the Account and the Services via Electronic Transmission. Customer acknowledges that such Electronic Transmissions are an inherently unsecure communication method due to the possibility of error, delay, and observation or receipt by an unauthorized person. Bank may rely in good faith on Customer's instructions regarding how and to what number or email address Electronic Transmissions should be sent and may rely on any Electronic Transmission that it believes, in its sole and absolute discretion, to have been initiated by Customer. Should Customer elect to send or receive Electronic Transmissions to or from Bank, Customer assumes all risks and Bank shall not be liable for any loss that results from the nonreceipt, disclosure, or alteration of any such Electronic Transmission.

Bank may provide Services and access to Services through the internet. Customer acknowledges that internet communication is inherently unsecure, and that certain internet transactions are not monitored by Bank. Customer acknowledges that fraud and theft can occur in internet transactions by unauthorized use of Customer's login or Security Codes. Customer is solely responsible for Customer's losses caused by or arising from the unauthorized use of Customer's login information or Security Codes.

**FF. COMPUTER EQUIPMENT AND SOFTWARE.**

Many Services require the use of computer hardware and software. Customer is solely responsible for maintaining its computer equipment in good working order, with the necessary compatibility and format to interface with Bank's systems, including, without limitation, the ability to support Bank's security measures. Customer agrees to install upgrades and other system enhancements within a reasonable time of being requested to do so by Bank. License Agreements for necessary software may either be embedded in the software or separately documented. Customer agrees to comply with all applicable software license agreements, whether or not such agreements have been executed by Customer. Customer has no rights or ownership in any software provided by or through Bank and shall not transfer, copy, alter, modify, reverse engineer, reproduce, or convey in any manner, in whole or in part, any such software. Customer shall return all software and user manuals associated with any software upon request. Bank makes no representations or warranties with respect to any equipment or software provided by Bank.

Some Services are provided by Bank through one or more third-party vendors. Such Services are dependent upon the availability of the third-party network on conditions acceptable to Bank. Bank reserves the right to discontinue the Service or provide the Service through an alternative third-party network and shall have no liability should any such network become unavailable. Bank does not warrant and shall not be responsible for Services received by Customer from any third-party network.

**GG. TERMINATION.**

Customer may terminate any of the Services at any time but termination of fraud prevention services will shift legal liability to the Customer. Customer shall remain liable for payment of all Services rendered through the termination of any such Services as and when the same are billed to Customer and Bank may withhold so much of Customer's funds as it deems necessary to ensure payment thereof. Bank may terminate the depository relationship or any of the Services upon 10 days' written notice by regular mail (with an added three business days for mailing), express mail or e-mail to Customer. In addition, Bank may terminate the depository relationship or any of the Services at any time after the commencement of any voluntary or involuntary bankruptcy, dissolution, or liquidation by or against Customer, or upon any

merger or acquisition of Customer into or by any other entity, or upon the breach by Customer of the terms or conditions of the Agreement or any other agreement or obligation it has entered into with Bank or any of its affiliates, or upon any event evidencing to Bank a material deterioration in the financial status or condition of Customer or that the likelihood that the credit risks undertaken by Bank hereunder may be materially increased, including, but not limited to, insufficient Available Funds to pay items presented for payment or other return item risks, or if Bank has reasonable cause to believe Customer is engaged in, or has been the victim of any fraudulent or criminal activity to prevent any further risk of loss to Bank or Customer. Notwithstanding anything in this provision to the contrary, Customer shall remain liable for any transactions that are returned to Bank under the provisions of the applicable UCC provisions.

**HH. BANK LIABILITY.**

Bank shall be liable to Customer under the Agreement only for its gross negligence or willful misconduct in performing Services for Customer. Bank shall have no responsibility to verify Authorized Instructions received by Bank if the Authorized Instructions are made in compliance with the Agreement and the applicable Security Procedures. Bank shall not be responsible for Customer's acts or omissions (including without limitation the amount, accuracy, timeliness of transmittal or due authorization of any transaction received from Customer) or those of any other person, Customer shall be responsible for any unauthorized transactions and shall indemnify and hold Bank, its officers, directors, agents, and employees harmless against any loss, liability, and expense (including reasonable attorney's fees, costs, and expenses) resulting from or arising out of any claim of any person that Bank is responsible for any act or omission of Customer or any other person. Bank may recognize deviations from stated Security Procedures, if Customer has by custom and practice routinely ratified transactions representing a standard deviation from Security Procedures. Bank shall have no liability or responsibility to Customer with regard to any other matter, including without limitation, its negligence or breach of contract, any act or omission by any clearing house, any other financial institution, the Federal Reserve Bank, or any other person or entity. Bank shall have no liability to Customer for any nonperformance, damages, or losses due to: legal constraint; strike; breakdowns; equipment failure; incompatible software or hardware; electronic data corruption; interruption or errors resulting from MICR fraud/tampering detection, image quality, duplicate item detection, or conflicts in the electronic deposit information thereof; fraud, theft, mis-processing, backup or system failure on Customer's premises or in Customer's computer systems, including any equipment, whether or not supplied by Bank; interruption of transmission or communication facilities; war; emergency conditions; or other causes or circumstances beyond Bank's reasonable control. Customer should undertake its own procedures to confirm that the transactions it is undertaking have been verified and confirmed with the intended payee of an Item, including telephone confirmation with a known payee representative.

Under no circumstances shall Bank have any liability for any incidental, consequential, special, punitive, exemplary, or indirect loss or damages. Subject to the foregoing limitations, Bank's liability shall be limited to the extent to which Customer has incurred a direct loss. Without limiting the effect of the provisions set forth above, any liability of Bank for a transfer incorrectly made by Bank shall be limited to the amount of such transfer which is not recovered within a reasonable period of time. Bank's liability for loss of interest shall be calculated by the average Federal Funds rate at the Federal Reserve Bank of New York for the period involved.

Customer shall promptly furnish written proof of any loss attributable to a Service to Bank in writing and shall provide all reasonable assistance to Bank in recovering the loss. If Customer is reimbursed for any loss by Bank, Bank shall be subrogated to all rights of Customer related thereto.

TO THE EXTENT THAT PROVISIONS OF APPLICABLE LAW PROHIBIT AN AGREEMENT TO DISCLAIM A BANK'S RESPONSIBILITY FOR ITS FAILURE TO EXERCISE ORDINARY CARE, BANK'S RESPONSIBILITY TO CLIENT UNDER THIS AGREEMENT AND THE SERVICE DOCUMENTATION IS LIMITED TO THE EXERCISE OF ORDINARY CARE IN PROVIDING THE SERVICES TO CLIENT. ORDINARY CARE IS TO BE EVALUATED BASED ON REASONABLE COMMERCIAL BANKING STANDARDS PREVAILING IN BANK'S INDUSTRY AND LOCATION FOR SIMILARLY SITUATED COMMERCIAL BANKS. Bank's cumulative liability for all loss or damage arising from or relating to this Agreement and any Service, regardless of the form of action, is limited to direct losses attributable to Bank's gross negligence or willful misconduct and limited to an amount not to exceed twelve (12) times the fees paid by Customer during the month immediately preceding the month in which the loss or damage was incurred.

If Bank is required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into Customer's Account, Customer authorizes Bank to deduct the amount of Bank's liability to the federal government from the Account or from any other account Customer has with Bank, without prior notice and at any time, except as prohibited by law. Bank may also use any other legal remedy to recover the amount of Bank's liability.

## **II. CUSTOMER LIABILITY AND INDEMNITY; USE OF CUSTOMER'S COURIER.**

Customer shall be responsible for compliance with the Agreement, including without limitation all representations, warranties, and covenants contained in the Agreement, all rules and regulations of any local, state, or federal entity, the Rules, and with all operating procedures of Bank to the extent the same are applicable to Customer. Customer shall indemnify and hold Bank, its officers, directors, agents, and employees harmless from and against any and all claims, demands, costs, fines, penalties, losses, warranties, liabilities, or expenses (including attorneys' fees and costs) resulting directly or indirectly from (a) a breach or non-compliance with such rules (including without limitation the Rules), regulations, or operating procedures by Customer; (b) the delay of any clearing house or any financial institution other than Bank in crediting, or the failure of such institution to credit the amount of any transaction; (c) any breach of the Agreement by Customer, including without limitation, of any covenant, representation, or warranty contained herein; or (d) the claims of any third party arising from the Services provided hereunder.

Customer may utilize a courier, armored or otherwise, to deliver or receive banking transactions, and in so doing, agrees at all times and in all respects that (a) such courier is the Agent of Customer and not of Bank; (b) Bank makes no representation or warranty regarding, and assumes no responsibility with respect to, any services performed or promised by such courier; and (c) Customer assumes all risk of loss (including loss or theft by third parties or employees of Customer or courier) prior to Bank's acceptance of deliveries from such courier and subsequent to such courier's acceptance of deliveries from Bank, unless such courier is a Bank Armored Courier. Customer agrees it and its courier will be responsible for all loss recovery procedures and processes, unless such courier is a Bank Armored Courier, although Bank will undertake reasonable efforts to facilitate loss recovery.

In the event Customer requests Bank to provide Services to a parent company, subsidiary, affiliate, or other commonly owned Company, Customer agrees it shall be jointly and severally liable for such Company's obligations under the Agreement. If an Account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization.

## **JJ. NO IMPLIED WAIVER.**

No failure by either party to insist upon strict performance of any term or obligation in the Agreement, or to exercise any right or remedy under the Agreement, shall constitute a waiver of any such term, obligation, right, or remedy.

## **KK. STATEMENTS - CUSTOMER'S DUTY TO REPORT UNAUTHORIZED SIGNATURES OR TRANSACTIONS, ALTERATIONS, ERRORS AND FORGERIES.**

Customer must examine its statement of Account with "reasonable promptness" as provided herein. If Customer discovers (or reasonably should have discovered) any unauthorized signatures, alterations, errors, unauthorized transactions or forgeries, Customer must promptly notify Bank of the relevant facts. As between Customer and Bank, if Customer fails to do either of these duties, Customer will have to either share the loss with Bank, or bear the loss entirely itself (depending on whether Bank used ordinary care and, if not, whether Bank contributed (or in Arizona, substantially contributed) to the loss). Customer's loss could be not only with respect to items on the statement, but other items with unauthorized signatures or alterations by the same wrongdoer. Customer acknowledges that it has the opportunity to review transactions that will appear on the statement on a daily basis electronically.

Customer agrees that the time Customer has to examine an item or its statement and report to Bank will depend on the circumstances, but will not, in any circumstance, exceed a total of 14 days from when the statement is first sent or electronic information is made available to Customer.

Mailed statements shall be deemed received by you on the earlier of the actual date of receipt or within seven (7) calendar days of the date appearing on the statement. Electronic statements shall be deemed received on the date they are transmitted to the e-mail address you provided or, the date the statement is provided within your online or mobile banking service. The primary owner

shall be responsible for providing copies of statements to any co-owners of the account. If Customer does not receive a statement, Customer acknowledges and agrees to promptly contact Bank to request its monthly statement which is made available by Bank. Customer acknowledges and agrees that its monthly statement is available to review.

Notwithstanding the above, Customer further agrees that if it fails to utilize Check Payee Positive Pay Products, the ACH Debit Block or Filter service to detect or reveal any unauthorized signatures, errors, alterations, unauthorized transactions, or forgeries, Customer cannot assert a claim against Bank on any items in that statement or related items in any future statement, and as between Customer and Bank the loss will be entirely Customer's and Bank shall have no liability. The limitation in this paragraph is in addition to that contained in the first paragraph of this subsection. Bank has no duty to and is not authorized to investigate statements for unauthorized transactions.

Customer's duty to report other errors - In addition to Customer's duty to review its statements for unauthorized signatures, alterations, unauthorized transactions, and forgeries, Customer agrees to examine its statement with reasonable promptness for any other error - such as an encoding error. Customer agrees that the time it has to examine its statement and report to Bank will depend on the circumstances. However, such time period shall not exceed 14 days. Failure to examine Customer's statement and report any such errors to Bank within 14 days of when Bank first sends or makes the statement available precludes Customer from asserting a claim against Bank for any such errors on items identified in that statement or similar issues in any future statements and as between Customer and Bank the loss will be entirely Customer's.

## **LL. CLAIM OF LOSS.**

If Customer timely claims a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal or transaction in accordance the fourteen (14) day notification requirements, Customer agrees to timely report and cooperate with Bank in the investigation of the loss, including giving Bank an affidavit containing whatever reasonable information Bank requires concerning Customer's account, the transaction, and the circumstances surrounding the loss. Customer will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. Bank will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Customer agrees that Customer will not waive any rights it has to recover its loss against anyone who is obligated to repay, insure, or otherwise reimburse Customer for its loss. Customer will pursue rights or, at Bank's option, assign them to Bank so that Bank may pursue them. Bank's liability will be reduced by the amount Customer recovers or is entitled to recover from these other sources.

## **MM. CUSTOMER'S RETENTION OF BUSINESS RECORDS.**

Customer has obtained and shall maintain in its regular business records and make available to Bank upon reasonable request, for a period of seven years after an applicable transaction, adequate documentary evidence of proper authorization from the account holder of each account, executed by the duly authorized officer(s) of the company.

## **NN. SEVERABILITY.**

Should any provision of the Agreement contravene any applicable law or regulation of any regulatory agency, or should any provision be held invalid or unenforceable by a court or regulatory body of competent jurisdiction, then each such provision shall be void, and all other provisions of the Agreement, or any Addendum hereto, shall remain in full force and effect.

## **OO. SETOFF.**

Bank may (without prior notice and when permitted by law) set off the funds in any Account established by Customer against any due and payable debt Customer or setoff funds from any of its parent or affiliates for amount owed Bank now or in the future. For purposes of this Section, "Account" includes any account Customer has with Bank or any of Bank's divisions, departments, or affiliates (including, without limitation, agency, custody, safekeeping, securities, investment, brokerage, and revocable trust accounts) and "Customer" includes, without limitation, Customer's revocable trust, any partnership in which Customer is a general partner, any prior or successor entity by way of an entity conversion, and any other series of Customer's series limited liability company (as applicable). If Customer's Account is a joint account, Customer agrees Bank may consider each joint owner to have an undivided interest in the entire Account, so Bank may exercise Bank's contractual right of setoff against the entire Account. This includes, for example, debts that now exist and debts that Customer may incur later, Customer's obligations under a guaranty, and also includes all fees Customer owes Bank or any of Bank's affiliates. Bank will not be liable to Customer if

enforcing Bank's rights of setoff against Customer's Account(s) leaves insufficient funds to cover outstanding items or other obligations. Customer agrees to hold Bank harmless from any claim arising as a result of Bank's enforcement of its rights of setoff in, or enforcement of Bank's rights of setoff against, Customer's Account(s). If a debt arises from a note, "any due and payable debt" includes the total amount of which Bank is entitled to demand payment under the terms of the note at the time Bank set off, including any balance the due date for which Bank properly accelerated under the note. Bank holds a security interest in the Customer's Accounts for any amounts owed to Bank, and this right of setoff is in addition to any security interest that Bank or any Bank affiliate might have in Customer's Account(s).

This right of setoff does not apply: (1) to an Account that is an IRA or other tax-deferred retirement account; (2) to a debt that is created by a consumer credit transaction under a credit card plan (but this does not affect Bank's rights under any consensual security interest); (3) if Bank's records demonstrate to Bank's satisfaction that the nature of the Account demonstrates that a depositor/debtor has with Bank only arises in a representative capacity (for example, only as an agent holding third party funds such as escrow funds or security deposits in accordance with applicable state regulations, authorized signer, attorney-in-fact, a state approved attorney trust account or a fiduciary) for someone else; or (4) if prohibited by law. Bank will not be liable for the dishonor of any check when the dishonor occurs because Bank set off a debt against this account. Customer agrees to hold Bank harmless from any claim arising as a result of our exercise of our right of setoff.

#### **PP. LEGAL ACTIONS AFFECTING YOUR ACCOUNT.**

If Bank is served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to the Customer or the Account or what is determined to involve the Customer or the Account such as legal name similarity (termed "legal action" in this section), Bank will comply with that legal action or process, in Bank's sole and absolute discretion, including transmitting funds from the Account to the party serving the legal document. Bank may also freeze the funds in the Account and not allow any payments out of the Account until a final court determination or other verified resolution regarding the legal action. Any fees or expenses Bank incurs in responding to any legal action (including, without limitation, attorneys' fees and Bank's internal expenses) may be charged against your Account. The list of fees applicable to your Account(s) provided elsewhere may specify additional fees that Bank may charge for certain legal actions.

If Bank receives an adverse claim against any Account, and Bank believes that it will not be protected if the claim is ignored, Customer agrees Bank may place a hold on the affected Account or move the disputed funds to a holding account. Any such action will remain in place only so long as reasonably necessary to resolve the claim or employ legal remedies by Customer to allow a court to decide such claim. Bank shall have no liability for dishonored transactions which result from such action, and Customer agrees to reimburse Bank for all costs (including, without limitation, attorneys' fees and Bank's internal expenses) incurred due to such adverse claim.

#### **QQ. GOVERNING LAW AND RULES; COMPLIANCE WITH LAWS.**

The Agreement shall be construed and enforced in accordance with and governed by the laws of the State where the Account is held, except to the extent the Federal law is controlling or provides greater rights or remedies to Bank. Any Service shall also be governed by any applicable rules, including, without limitation, the Rules as to the ACH Services.

It shall be the responsibility of Customer to ensure that each transaction of every kind complies with all applicable laws, rules, and regulations, including without limitation to obtain information about and comply with sanctions imposed by OFAC (OFAC compliance Hotline 1-800-540-OFAC).

As the possession, distribution or sale of marijuana remains illegal under federal law, Bank prohibits relationships with marijuana related businesses ("MRBs") that are involved in the growing, manufacturing, distribution, packaging, marketing, sales, or dispensing of marijuana, regardless of whether it is medical or recreational. Bank will not knowingly complete any transaction for these MRBs, including on behalf of correspondent banks. If Bank determines in its sole and absolute discretion that Customer is involved with an MRB, notwithstanding anything in this Agreement to the contrary, Bank shall be authorized to immediately terminate any Account(s) identified as an MRB.

#### **RR. ASSIGNMENT; BINDING EFFECT.**

Neither party hereto shall assign or delegate any of its rights or obligations hereunder without the prior written consent of the other party, which consent

shall not be unreasonably withheld. However, Bank shall be permitted without the prior consent of Customer, to assign some or all of its obligations hereunder to a processor or servicing agent designated by Bank who shall be subject to the terms for provision of the subject Service or if Bank is acquired or merged into another financial institution. The Agreement shall be binding upon and benefit the respective successors and assigns of Customer and Bank, subject to the provisions above.

#### **SS. NO JURY TRIAL.**

Any controversy or claim arising out of or relating to the Agreement shall be decided in a court of law located in the State in which the Account is deemed to be held. THE PARTIES AGREE THAT ANY RIGHT TO A TRIAL BY JURY IS UNCONDITIONALLY WAIVED IN CONSIDERATION OF THESE BANKING SERVICES.

#### **TT. ATTORNEYS' FEES.**

In the event of any conflict pertaining to the subject matter of the Agreement and in addition to any remedies provided herein or by applicable law, the prevailing party shall be entitled to recover the reasonable costs and expenses incurred by the prevailing party in defending itself or in enforcing its rights, including, without limitation, court costs, arbitrator fees, fees of consultants, and reasonable attorneys' fees.

#### **UU. ENTIRE AGREEMENT.**

Each party has read the Agreement and agrees to be bound by its terms and conditions. The Agreement supersedes all prior oral or written agreements and now constitutes the complete agreement between the parties with regard to its subject matter and cannot be altered except as provided herein. In the event of a conflict between any provisions of the Agreement, the provisions selected by Bank shall control.

#### **VV. FURTHER ASSURANCES.**

The parties agree to execute and deliver all additional documents and give all further assurances reasonably necessary to carry out the intent of the parties with respect to the Services.

#### **WW. AUTHORITY.**

The individual(s) executing the Agreement represent and warrant (a) that the Agreement is executed and the Agreement is accepted as Customer, or that such individual(s) have full right, power, and authority to do so on behalf of Customer and that execution and performance of the Agreement by Customer has been authorized by all necessary corporate, membership, or partnership action, as the case may be, and (b) that each transaction, transfer, or commingling of funds authorized, required, or permitted hereunder or by any Service or requested by Customer, and all other aspects of the performance hereby, have been duly authorized, are not in violation of any agreement, by-law, or board resolution of Customer or any of its affiliates or subsidiaries, nor are in violation of any applicable federal, state, or local law, regulation, or of any decree, judgment, or order of any judicial or administrative authority. Each representation and warranty contained herein shall be continuing and shall be deemed to be repeated upon Bank's effecting each transaction, transfer, or commingling of funds authorized hereunder.

#### **XX. CHANGES, SUPPLEMENTS OR AMENDMENTS.**

The Agreement, including the Security Procedures, may be changed, supplemented, or amended from time to time by Bank. Notification of any changes, supplements, or amendments will solely be provided to Customer by posting on Bank's website and Customer agrees to periodically check for any such modifications. Customer agrees that the Agreement, including the Security Procedures, may be changed, supplemented, or amended in this manner. Customer's failure to object in writing to the changes, supplements, or amendments or Customer's continued use of Customer's accounts or of the Services without written objection will be Customer's unconditional acceptance of the changes, supplements, and amendments. Customer's rejection of any changes, supplements, or amendments to the Agreement is cause for Bank to suspend or terminate the depository relationship with or the Services provided to Customer by this Agreement. This Agreement supersedes and replaces any previous Agreements and Disclosures or Master Agreement for Treasury Services and related Treasury Services agreements with Customer unless Bank and Customer have specifically entered into a written agreement to the contrary.

#### **YY. UNLAWFUL INTERNET GAMBLING NOTICE.**

Restricted transactions, as defined by Federal Reserve Regulation GG, are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful



Internet gambling.

## **ZZ. WAIVER OF SOVEREIGN IMMUNITY.**

To the extent that you now or hereafter have a right to claim sovereign immunity for yourself or any of your assets, you hereby irrevocably and unconditionally waive any such immunity to the fullest extent permitted by the laws of any applicable governing jurisdiction. This waiver of immunity permits Bank to undertake (i) any expert determination, mediation, or arbitration proceeding commenced pursuant to this Agreement; (ii) any judicial, administrative or other proceedings to aid the expert determination, mediation, or arbitration commenced pursuant to this Agreement; and (iii) any effort to confirm, enforce, or execute any decision, settlement, award, judgment, service of process, execution order or attachment (including pre-judgment attachment) that results from an expert determination, mediation, arbitration or any judicial or administrative proceedings commenced pursuant to this Agreement. The applicable Customer acknowledges and agrees that no Tribal Court shall have any jurisdiction over Bank and no claims or actions can be filed against Bank in any Tribal Court.

## **AAA. FORCE MAJEURE.**

Bank will not be liable for any failure or delay in performing an obligation under this Agreement that is due to any of the following causes, to the extent beyond its reasonable control: acts of God, accident, riots, war, terrorist act, epidemic, pandemic, quarantine, civil commotion, breakdown of communication facilities, breakdown of web host, breakdown of internet service provider, natural catastrophes, governmental acts or omissions, changes in laws or regulations, national strikes, fire, explosion, or generalized lack of availability of raw materials or energy.

For the avoidance of doubt, Force Majeure shall not include (a) financial distress or the inability of either party to make a profit or avoid a financial loss, (b) changes in market prices or conditions, or (c) a party's financial inability to perform its obligations hereunder.

## **II. INTERNET SERVICES.**

Bank's information reporting systems allow Customer to access information and utilize Services over the internet. From time to time, Bank may add additional features or Services to its internet services, and those additional features or Services will be governed by the terms of the Agreement, and other applicable agreements, including account agreements, between Bank and Customer. Customer acknowledges the importance of following the Security Procedures and maintaining the Security Codes in the strictest confidence.

Customer shall run up-to-date antivirus software before transmitting data to or through any website used in connection with the Authorized Accounts or the Services. Customer may use any commercially available, industry recognized antivirus software of the type that detects and disinfects viruses automatically, without the need for Customer to execute virus scanning for each file manually. Customer shall update its antivirus software on a regular basis to maintain a commercially reasonable level of security for use in banking transactions.

## **III. ACH SERVICES.**

Upon Bank's approval, Customer may initiate Entries through Bank for deposit to, and for payment from, accounts maintained at Bank, by means of the ACH system, and Bank shall act as an Originating Depository Financial Institution according to the terms of the Agreement.

## **A. ADDITIONAL DEFINITIONS APPLICABLE TO ACH SERVICES.**

Unless otherwise defined herein, capitalized terms in this Section III shall have the meanings prescribed in the Rules.

## **B. TRANSMISSION OF ENTRIES.**

Customer will transmit Entries to Bank at the location, in the manner, and before the deadlines, all as specified by Bank from time to time. The total dollar amount of Entries, and the frequency of the Entries shall not exceed the limits imposed by Bank from time to time, and shall not in any event exceed the funds available for payment of the Entries in the Settlement Accounts. Customer authorizes Bank to originate and transmit all Entries on behalf of Customer in accordance with the Agreement, and to credit or debit the Entries to the specified Authorized Accounts or Receivers.

Bank has no responsibility for the accuracy of Entries provided by Customer. Customer may initiate credit or debit Entries to accounts designated by Customer at other financial institutions in conformance with the Rules.

## **C. RULES.**

Customer has obtained, or has access to, the Rules. Customer agrees to comply with, and be bound by, the Rules. Customer will be responsible to procure updates and amendments to the Rules and to comply with them without express notice from Bank. In the event Customer violates any of the Rules, Bank may suspend or terminate the ACH Services and, if NACHA imposes a fine on Bank because of Customer's violation, Bank may charge the fine to Customer. Customer agrees that Bank has the right to conduct an audit of Customer's ACH origination processes and procedures to ensure compliance with the Rules.

## **D. SOFTWARE.**

Bank may from time to time provide and support Bank Software to license or sublicense to Customer which will permit Customer to originate independent Entries. Customer Software must create files that are in NACHA format, and must conform all Entries to the format, content, and specifications contained in the Rules.

Bank offers to Customer ACH Debit and or Credit Blocks and Filters for anti-fraud purposes. Customer should contact Bank to request further information involving these services.

## **E. BANK OBLIGATIONS.**

Subject to the provisions of the Agreement, Bank shall in a timely manner and in accordance with the Rules, process, transmit, and settle the Entries received from Customer.

## **F. WARRANTIES.**

Customer warrants to Bank all warranties Customer is deemed by the Rules to make with respect to Entries originated by Customer. Without limiting the foregoing, Customer warrants and agrees that:

1. each Entry is accurate, is timely, has been authorized by the party whose account will be credited or debited, and otherwise complies with the Rules;
2. each debit Entry is for a sum which, on the Settlement Date with respect to it, will be owing to Customer from the party whose account will be debited, is a sum specified by such party to be paid to Customer, or a correction of a previously transmitted erroneous Entry;
3. Customer will comply with the terms of the Electronic Funds Transfer Act if applicable, or UCC Article 4A if applicable, will not originate Entries that violate the laws of the United States and shall otherwise perform its obligations under the Agreement in accordance with all applicable laws and regulations;
4. Customer will retain the original or a copy of the customer authorizations for consumer Entries as required by the Rules for a period of not less than two years after termination or revocation of such authorization and will, upon request of Bank, furnish such original or copy to Bank; and
5. Customer shall indemnify Bank against any loss, liability, or expense (including attorneys' fees and expenses) resulting from or arising out of any breach of any of the foregoing warranties or agreements.

## **G. PRE- NOTES.**

If an Originator (Customer) chooses to transmit pre-notification Entries, it may not initiate live dollar Entries until at least three (3) Business Days following the Settlement Date of the pre-notification Entry. You must have sufficient available funds in your Account(s) to cover the total amount of Credit Entries at the time we receive your ACH file or initiate transactions through Bank's Commercial Online Banking platform.

## **H. SAME DAY.**

Same Day ACH services are available as an origination option for both debit and credit Entries. Entries transmitted as Same Day ACH transactions are subject to the Rules for Same Day ACH. In addition, the Same Day ACH service requires advance setup prior to the Customer sending the first file to be processed as Same Day.

## **I. ON-US ENTRIES.**

Subject to the provisions of the Agreement, Bank will settle On-Us Entries in accordance with the Rules, but not before the Effective Date.

## **J. PROVISIONAL CREDIT.**

Customer acknowledges that the Rules make provisional any credit given for an Entry until Bank receives final settlement. If Bank does not receive final settlement, it is entitled to reverse the Entry and provide such notice as required by the Rules.

## **K. SETTLEMENT.**

Customer will maintain a Settlement Account with Bank at all times that the

ACH Service is available to Customer. Customer will maintain in the Settlement Account as of the applicable Settlement Date Available Funds sufficient to cover all credit Entries initiated by it. Customer authorizes Bank to debit the Settlement Account on the applicable Settlement Date in the amount of each credit Entry. Customer will maintain in the Settlement Account Available Funds sufficient to cover its Entries. Customer also authorizes Bank, without prior notice, to debit the Settlement Account or any other account of Customer for any amount payable under the Agreement. When required by Bank, Customer will maintain sufficient Available Funds in the Settlement Account at the time Customer initiates an Entry, to pay for the Entry.

#### **L. CANCELLATION AND AMENDMENT.**

Customer shall have no right to cancel or amend any Entry after receipt of the file by Bank. However, if such request complies with the Security Procedures for the cancellation of data, Bank shall use reasonable efforts to act on a request by Customer to cancel an Entry before transmitting it to the ACH Operator or, in the case of an On-Us Entry, prior to crediting (or debiting) a Receiver's account, but Bank shall have no liability if such cancellation is not effected. Customer shall reimburse Bank for any expenses, claims, demands, costs, losses, damages, or fees, including reasonable attorneys' fees, Bank may incur in effecting or attempting to effect the cancellation or amendment of an Entry.

Bank may transmit a reversing Entry initiated by Customer to correct an Entry which Customer initiated in error. Customer shall notify the Receiver of any reversing Entry which Customer initiates. Notification to the Receiver shall include the reason for reversal and shall be made no later than the Settlement Date of the reversing Entry.

#### **M. REJECTION OF ENTRIES.**

Bank may reject any Entry, including an On-Us Entry, if it does not comply with the Rules, if the format is improper, if it violates the Security Procedures, if there are not sufficient Available Funds, or if Customer is not otherwise in compliance with the terms of the Agreement. Customer must have sufficient Available Funds in the Account(s) to cover the total amount of your Credit Entries, at the time we receive your ACH file or initiate transactions through our Commercial Online Banking platform. Bank shall use its best efforts to notify Customer of such rejection no later than the Business Day such Entry would otherwise have been transmitted by Bank or, in the case of an On-Us Entry, its Effective Date. Bank shall have no liability to Customer by reason of the rejection of any Entry or the fact that such notice is not given at an earlier time than that provided for herein. Bank has no obligation to originate a transaction where authorization has been revoked.

#### **N. NOTICE OF RETURNED ENTRY.**

Bank shall use its best efforts to notify Customer of the receipt of a returned Entry no later than one Business Day after its receipt. Bank shall have no obligation to re-transmit a returned Entry if Bank complied with the terms of the Agreement and the Rules in processing the Entry. Bank shall remake Entries if the Entry was returned by the ACH Operator due to mishandling of the Entries by Bank, but only if Customer provides sufficient information to remake the Entry.

#### **O. NOTIFICATIONS OF CHANGE.**

Bank shall provide Customer all information, as required by the Rules, with respect to each NOC Entry or Corrected NOC Entry received by Bank relating to Entries transmitted by Customer. Bank must provide such information to Customer within two Banking Days of the Settlement Date of each NOC or Corrected NOC Entry. Customer shall ensure that changes requested by the NOC or Corrected NOC are made by, or on behalf of, the Originator within six (6) Banking Days of Customer's receipt of the NOC from Bank or prior to initiating another entry to the Receiver's account, whichever is earlier.

#### **P. CHECK CONVERSION.**

If Bank has approved Customer's application for ACH check conversion Services, and upon completion of such additional forms as Bank shall require, Bank shall accept Entries from Customer or Customer Vendor, and converted into ACH compliant format. Bank will process properly created POP, ARC, and BOC Entries from such check conversion in accordance with the Rules. It is the responsibility of Customer to ensure that the Entries which it initiates comply with the Rules and all applicable laws, including the requirements of OFAC. Bank may accept additional SEC codes as applicable to check conversion in the future, and such Entries will be governed by the Agreement. Upon request, Customer shall allow Bank to inspect the compliance and document retention systems of Customer and of Customer Vendor. Bank will establish ACH risk limits at the time of underwriting. Bank reserves the right to enforce such limit and to amend these amounts from time to time, based upon periodic reviews of Customer's financial activities and credit risks.

#### **Q. BUSINESS INVOICING SERVICE.**

The Business Invoicing ePayment platform (by a third party vendor) provides a centralized e-invoicing solution for consumer and vendor payments tracking and processing. The Business Invoicing Service allows Customer to send electronic invoices to its end customer for payment electronically via ACH or credit/debit card (each a "Transaction.")

#### **R. INTERNATIONAL PAYMENTS.**

An IAT entry is a debit or credit entry, which is part of a Payment Transaction involving a Financial Agency outside of the territorial borders of the United States, which is processed through the domestic ACH network, pursuant to the Rules, including the rules pertaining to International ACH Transactions. The Rules establish SEC code "IAT" for all International ACH Transactions. Customer agrees to be bound by the Rules, International ACH Transaction Rules, NACHA Operating Guidelines, and all other applicable statutes, rules, and regulations pertaining to IAT, including all applicable OFAC and FinCEN rules and regulations. Customer acknowledges that IAT Entries require additional mandatory information in the computer record for such Entries within an ACH batch file. Customer expressly agrees to identify and properly initiate all IAT Entries. Before initiating an IAT entry, Customer agrees to understand and accept the rules and requirements of the national payment system of the receiving foreign country. Customer assumes the risk of currency fluctuation in all IAT Entries originated by Customer. Customer assumes the risk of rejection of its entries according to the rules of the national payment system of the receiving foreign country. Customer understands that Entries once transmitted by the Gateway Operator are irrevocable and are not subject to the Rules as they pertain to domestic Receiving Depository Financial Institutions and are instead governed by the national payments system of the receiving foreign country. Company is responsible for the accuracy of the file and assumes all responsibilities in the event of an error or duplicate entry and all risks and liabilities and for foreign exchange conversion. Company will accept IAT Entries returned in a different dollar amount than the original entry. Company warrants the IAT Entry has been authorized in compliance with the laws and payment system rules of the receiving country.

#### **S. ACCOUNT RECONCILIATION.**

Entries transmitted by Bank or credited to a Receiver's account maintained with Bank will be reflected on Customer's periodic statement issued by Bank with respect to the account. Customer agrees to notify Bank of any discrepancy between Customer's records and the information shown on any periodic statement as required pursuant to Section I, KK of this Agreement.

#### **T. DATA RETENTION.**

Customer shall retain data on file adequate to permit remaking of Entries for five Business Days following the date of their transmittal to Bank as provided herein and shall provide such data to Bank upon its request.

#### **U. UPIC and BIC.**

As a fraud prevention service, and to protect sensitive banking information, Universal Payment Identification Codes (UPIC) and Business Identification Codes (BIC) provide the client with "non-depository" account numbers to provide to their vendors and other entities that wish to pay electronically.

#### **V. ACH INTERNET WEB ENTRIES.**

Customers originating transactions using the entry code of WEB, must provide to the Bank annual reports, when requested to satisfy regulatory requirements. Reports may be Annual Data Security Audit or Annual SOC 1 Report or Annual PCI Certification.

#### **IV. THIRD-PARTY SENDER ACH SERVICES.**

##### **A. ADDITIONAL TERMS APPLICABLE TO THIRD-PARTY SENDER ACH SERVICES.**

In addition to Section III, the following terms apply to Third-Party Sender Services. Unless otherwise defined herein, all capitalized terms used in this Section IV shall have the meanings prescribed in the Rules.

##### **B. TRANSMITTAL OF ENTRIES.**

Following Bank's approval of Customer's use of this Service, Bank authorizes Third-Party Sender to transmit ACH Debit Entries originated by its customers to Bank for processing and transmittal by Bank through the ACH system, subject to the terms and conditions of the Agreement and the Rules. Entries transmitted by Third-Party Sender shall: (a) designate the applicable customer as the Originator thereof. Bank authorizes Third-Party Sender to transmit appropriate Entries to settle for the customer transactions with the customers. Bank hereby agrees to accept such Entries for processing through the ACH

system, as provided herein. The parties agree that Bank may limit the transactions initiated by Third-Party Sender to Entries of one or more specific SEC. Without limiting the generality of the foregoing provisions, Bank shall be excused from failing to transmit or delay in transmitting an Entry if such transmittal would result in Bank's having exceeded any limitation upon its intra-day net funds position established pursuant to present or future Federal Reserve guidelines or in Bank's reasonable judgment otherwise would violate any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other U.S. governmental regulatory authority.

#### **C. ORIGINATORS.**

Third-Party Sender acknowledges its role as a participant in the ACH network when it initiates Entries on behalf of Originators. Third-Party Sender agrees to be bound by and abide by the Rules in its role as a Third-Party Sender. Third-Party Sender agrees to maintain conforming agreements with every Originator for which Third-Party Sender initiates Entries, which agreements require the Originators to comply with the Rules and to be responsible for all Entries through Third-Party Sender.

Third-Party Sender agrees to monitor returns for each Originator and agrees to monitor the financial condition of each Originator, and to report all concerns to Bank as well as Third-Party Sender's plan of action to address each concern. Third-Party Sender agrees to require each Originator to indemnify Third-Party Sender and Bank for each Entry authorized (whether actually or apparently) by Originator, and for the Originator's compliance with the Rules and with applicable law and agrees to make Bank a third-party beneficiary of each such indemnity. Third-Party Sender agrees to share with Bank upon request a list of each Originator that Third-Party Sender initiates Entries for, including the industry of each such Originator. Third-Party Sender agrees to provide all relevant information regarding its Originators to Bank upon request and shall require each Originator to respond to reasonable inquiries regarding financial information, initiation procedures, and record retention upon request of Bank. Bank may, in its reasonable judgment, refuse Entries initiated for any Originator after notice to Third-Party Sender.

#### **D. EFFECTIVENESS OF ENTRY.**

If an Entry (or request for cancellation or amendment of an Entry) received by Bank purports to have been transmitted or authorized by Third-Party Sender, it will be deemed effective as Third-Party Sender's Entry (or request for cancellation or amendment as the case may be) and Third-Party Sender shall be obligated to pay Bank the amount of such Entry even though the Entry (or request for cancellation or amendment as the case may be) was not authorized by Third-Party Sender, provided Bank accepted the Entry (or request for cancellation or amendment as the case may be) in good faith and acted in compliance with the Security Procedures.

If an Entry (or request for cancellation or amendment of an Entry) received by Bank was actually transmitted or authored by Third-Party Sender, Third-Party Sender shall pay Bank the amount of the Entry (Credit Entry) or be fully responsible for such Entry (Debit Entry), whether or not Bank complied with the Security Procedures with respect to that Entry and whether or not any error in the Entry would have been detected if Bank had complied with such procedures.

#### **E. THIRD-PARTY SENDER CREDIT.**

Bank may establish a credit limit and transactional limits for files to be transmitted by Third-Party Sender and may in its sole discretion reject any file that exceeds the established credit or transactional limits. The limits may be changed by Bank, in its sole discretion and from time to time, immediately upon notice to Third-Party Sender. Third-Party Sender shall provide Bank with such information as required by Bank including customer statistical reports as it relates to transaction and dollar volumes and return item rates. Additionally, Bank reserves the right to audit the operations of Third-Party Sender and shall give Third-Party Sender commercially reasonable notice of such a request.

#### **F. ON-US ENTRIES.**

Except as provided in subsection (G), Rejection of Entries, in the case of an On-U.S. Entry received, Bank shall credit or debit the Receiver's account as appropriate, in the amount of such Entry no later than the next Business Day following such Effective Entry Date.

#### **G. REJECTION OF ENTRIES.**

Bank may suspend or reject any Entry which does not comply with the requirements of IV subsection B, Transmittal of Entries or the applicable, Security Procedure, or which contains an Effective Entry Date more than 2 Business Days after the Business Day such Entry is received by Bank. Bank

may reject an On-U.S. Entry for any reason for which an Entry may be returned under the Rules. Bank may reject any Entry if Third-Party Sender has failed to comply with its account balance obligations with Bank, if any. Bank may reject any entry if Third-Party Sender does not adhere to established Security Procedures. Bank shall notify Third-Party Sender of such rejection no later than the Business Day such Entry would otherwise have been transmitted through the ACH or, in the case of an On-U.S. entry, its effective entry date. Notices of rejections shall be effective when given. Bank shall have no liability to Third-Party Sender by reason of the rejection of any such Entry or the fact that such notice is not given at an earlier time than that provided for herein. Bank reserves the right to reject or refuse to process Entries for Originators who exceed commercially reasonable transaction reject rates or engage in otherwise questionable or potentially criminal activity that could impair Bank's reputation or threaten Bank's ability to comply with current banking regulations, the Rules, or the NACHA Guidelines. Bank may reject Entries for any reason required by the Rules.

#### **H. NOTICE OF RETURNED ENTRIES.**

Bank shall notify Third-Party Sender of the receipt of a returned entry from the ACH no later than one Business Day after the day of such receipt. Except for an Entry re-transmitted by Third-Party Sender in accordance with the requirements of subsection B, Transmittal of Entries, Bank shall have no obligation to retransmit a returned Entry to the ACH if Bank complied with the terms of the Agreement with respect to the original Entry.

#### **I. TAXES.**

Third-Party Sender shall be responsible for payment of any sales, use, excise, value added, utility, or other similar taxes relating to the Third-Party ACH Services.

#### **J. OBLIGATIONS OF THIRD-PARTY SENDER AS THE THIRD-PARTY SENDER UNDER THE RULES.**

Except for any Entry initiated by Third-Party Sender as an Originator, in addition to any other duties, responsibilities, warranties, representations, and liabilities under the Agreement, for each and every Entry transmitted by Third-Party Sender to Bank, Third-Party Sender represents and warrants to Bank and agrees that Third-Party Sender shall: (i) perform all of the duties, including, but not limited to, the duty to identify Originators; (ii) assume all of the responsibilities, including, but not limited to, the responsibilities of ODFIs and Originators; (iii) make the warranties, including, but not limited to, the warranties of ODFIs and the warranty that Originators have agreed to assume the responsibilities of Originators under the Rules; (iv) make all of the representations of a Third-Party Sender in accordance with the Rules; and (v) assume all of the liabilities, including but not limited to, liability for indemnification for failure of an Originator to perform its obligations as an Originator.

Third-Party senders have annual reporting requirements that may be requested by the bank at any time.

- Annual NACHA 3rd Party Audit-completed no later than 12/31 of each year (for the current year).
- Annual NACHA 3rd Party Risk Assessment-completed no later than 12/31 of each year (for the current year).
- Provide current client list, including physical address & business entity type.
- Copies of any internal procedures that have been modified or added since last time client provided same.

#### **K. THIRD-PARTY SENDER INDEMNIFICATION.**

In addition to any other indemnity or hold harmless provision of the Agreement, Third-Party Sender shall be responsible for and shall indemnify Bank, its officers, directors, agents, and employees from any warranties, costs, fines, and penalties arising from the Entries initiated by Third-Party Sender. Without limiting the generality of the foregoing, Third-Party Sender shall indemnify Bank, its officers, directors, agents, and employees, and hold harmless Bank from and against all warranties, costs, damages, claims, demands and fees, including reasonable attorneys' fees, arising in any manner from (a) any Entries initiated by Third-Party Sender without proper authorization from the Originator, (b) any Entries initiated by Third-Party Sender in violation of its own security procedures with its customers, (c) any Entries initiated as a result of fraud upon the Originator or negligence of the Originator resulting in an unauthorized Entry, or (d) Third-Party Sender's acts or omissions (including, without limitation, the amount, accuracy, timeliness of transmissions (or for the authorization of any Entry received from Third-Party Sender)) or those of any other person, including, without limitation, any Fed Reserve Bank, ACH Operator, or transmission or communications facility, any



Receiver or RDFI (including, without limitation, the rejection of an Entry by such Receiver or RDFI), and no such person shall be deemed Bank's agent. Third-Party Sender shall be responsible to pay Bank for all such Entries.

#### **L. REPRESENTATIONS AND AGREEMENTS.**

With respect to each Entry initiated by Third-Party Sender through Bank, Third-Party Sender represents and warrants to Bank and agrees that (a) Third-Party Sender, on behalf of the Originator, authorizes Bank to originate Entries on behalf of the Originator to Receiver's accounts (b) to each person shown as the Receiver on an Entry received by Bank from Third-Party Sender has authorized the initiations of such Entry and the crediting or debiting of its account in the amount and on the Effective Entry Date shown on such Entry, (c) such authorizations in (a) and (b) are operative at the time of transmittal or crediting by Bank as provided herein, (d) Entries transmitted to Bank by Third-Party Sender are limited to those types of Entries set forth in Section B hereof, (e) Third-Party Sender shall be bound by and comply with the Rules as in effect from time to time, including, without limitation, the provision making payment of an Entry by the Receiving Depository Financial Institution to the Receiver provisional until receipt by the Receiving Depository Financial Institution of final settlement for such Entry, and (f) Third-Party Sender shall take responsibility for and shall hold Bank harmless from improper or improperly documented transactions, including responsibility for any fines or penalties imposed upon Bank as ODFI for any such transactions initiated or requested by Third-Party Sender. Third-Party Sender specifically acknowledges that it has received notice of the Rules regarding provisional payment.

#### **M. NESTED THIRD-PARTY SENDERS.**

Third-Party Sender represents and warrants that before permitting a Nested Third-Party Sender to originate any Entry directly or indirectly through Third-Party Sender or Bank, Third-Party Sender shall (a) obtain Bank's prior approval and provide any information requested by Bank for its consideration and (b) enter into an agreement with the Nested Third-Party Sender that complies with the Rules. Third-Party Sender agrees to be responsible for the acts or omissions of any Nested Third-Party Sender including, but not limited to the Nested Third-Party Sender's compliance with the Rules, without regard to whether Third-Party Sender has complied with subsection (a) or (b).

#### **N. LIMITATIONS ON BANK LIABILITY.**

In the performance of the services required by this Section IV, Bank shall be entitled to rely solely on the information, representations, and warranties provided by Third-Party Sender, and shall not be responsible for the completeness thereof. Bank shall not be liable for any damages or other losses of Third-Party Sender due to claims made by any Originator in connection with any arrangement or agreement under which Third-Party Sender transmits Entries pursuant to the Agreement. Bank shall not be responsible for Third-Party Sender's acts or omissions (including, without limitation, the amount, accuracy, timeliness of transmissions, or for the authorization of any Entry received from Third-Party Sender) or those of any other person, including, without limitation, any Fed Reserve Bank, ACH Operator or transmission or communications facility, any Receiver or RDFI (including, without limitation, the rejection of an Entry by such Receiver or RDFI), and no such person shall be deemed Bank's agent.

#### **V. WIRE TRANSFER SERVICE.**

Upon Bank approval of Customer's use of this Service, Customer may authorize the Wire Transfer of funds from Authorized Accounts at Bank at such times, and in such amounts as Customer may from time to time direct or undertake such approve procedures online.

#### **A. WIRE TRANSFER SERVICES.**

Bank shall issue a Wire Transfer to transfer Available Funds from the Authorized Accounts in accordance with a Wire Transfer Payment Order received by Bank in a form acceptable to Bank. Bank may make such Wire Transfer by any reasonable means, including without limitation, the use of such intermediary bank or banks as Bank deems advisable.

If requested by Customer and agreed to by Bank, Customer may initiate a standing payment order, which is one where Customer pre-programs the beneficiary, the beneficiary's financial institution, and the accounts to be debited and credited and such information remains constant for subsequent payment orders. Customer shall provide Bank with the necessary information to execute the standing payment order, including, without limitation, the dollar amount to be transferred or the desired pre-established balance, the frequency of the order and the day of the week or month when the payment order is to be executed. Customer may terminate a standing payment order at any time upon receipt by Bank of a written notice.

If Customer issues a Wire Transfer Payment Order which initiates a Wire Transfer to a recipient in a foreign country, Bank may convert the funds to the currency of the destination country at the option of Bank, unless otherwise agreed with Customer. If Bank converts the currency to the currency of the destination country, Bank will make the conversion at Bank's then-prevailing rate of exchange, and will transfer the converted funds to the recipient in the destination country pursuant to Customer's Authorized Instructions. Customer shall bear the risk of intervening currency fluctuation, and Customer shall be responsible for paying Bank's prevailing rates for both the purchase and the sale of the foreign currency.

If requested by Customer and agreed to by Bank, Customer authorizes Bank to debit Customer's account(s) with Bank upon receipt of a Fedwire Drawdown Request, and to send funds to the Requesting Bank. Each transfer will be done on the Business Day Bank receives the incoming request from the Requesting Bank if the request is received within a reasonable time to determine whether Customer's Account has sufficient Available Funds and to obtain access to the Federal Reserve network prior to the end of Business Day.

Customer's obligation to pay Bank the amount of the funds transfer in the event that the Fedwire message does not identify the same account or financial institution is not excused in such circumstances.

When names and numbers are inconsistent, the numbers shall control. With respect to incoming Wire Transfers that do not indicate an account number recognizable to Bank, Bank may return such Wire Transfers to the sending financial institution without incurring any liability. Customer does not have the right to reverse, adjust, or revoke any Fedwire message after it is received by Bank; however, Bank will use reasonable efforts to act on such a request by Customer to reverse, adjust, or revoke such message before Bank has sent the outgoing Wire Transfer. With respect to an outgoing Wire Transfer already transmitted by Bank, Bank shall, at Customer's request, request the receiving financial institution to return funds previously transferred. Customer understands and agrees that the receiving financial institution may or may not comply with any such request.

Customer's authorization for reverse wire requests shall remain in effect until Customer gives written notice to Bank. Bank will have a reasonable time to act on any written notice received from Customer.

In consideration of Bank's compliance with this authorization, Customer agrees Bank's treatment of any charge, and Bank's rights with respect to it, shall be the same as if the entry were initiated personally by Customer. Bank shall have no liability if any charge is dishonored.

#### **B. TIMING.**

Unless the Authorized Instructions otherwise direct, Bank shall initiate the Wire Transfer requested by Customer on the Business Day on which the Wire Transfer Payment Order is received. If the Wire Transfer Payment Order is received after the Cut-off Time, Bank shall initiate the Wire Transfer on the next Business Day.

#### **C. DECLINED TRANSACTIONS.**

Bank may reject a Wire Transfer Payment Order if the format of the Authorized Instructions is improper, if Customer has not complied with the Security Procedures, if Bank has a concern about the authenticity, authority and accuracy of the Payment Order, if there are not sufficient Available Funds, or if Customer is not otherwise in compliance with the terms of the Agreement. If Bank receives a Cancellation Order that does not comply with Security Procedures, Bank may, but shall not be required to, decline to issue the Wire Transfer. Bank has no obligation to originate a Wire Transfer where authorization has been revoked.

#### **D. NOTIFICATION.**

In the event Bank declines to make a Wire Transfer, or in the event Bank refuses to honor a Cancellation Order, Bank shall notify Customer before the Cut-off Time by telephone call directed to one of the Authorized Agents at the telephone number provided by Customer. If Bank cannot reach Customer by telephone after reasonable attempts to do so, Bank may provide notice by email or fax, and such notice shall be mailed to Customer on the same Business Day. Bank shall have no obligation to notify Customer of Bank's failure to honor any Wire Transfer Payment Order for which Bank has received and honored a Cancellation Order that complies with the Security Procedures.

#### **E. CANCELLATION AND AMENDMENT.**

Bank shall cancel a Wire Transfer Payment Order upon receipt of a Cancellation Order that complies with the Security Procedures, provided Bank

has not already issued the Wire Transfer. Authorized Instructions may not be amended. Authorized Instructions may be cancelled and new Authorized Instructions may be issued. In all amendments and cancellations, Bank shall have a reasonable time to implement the changes to the prior Wire Transfer Payment Order or Cancellation Order, and Bank shall have no liability if the prior orders are executed before Bank can reasonably implement the amendment or cancellation.

#### **F. REFUND.**

In the event a Wire Transfer Payment Order of Bank, issued in acceptance of Customer's Authorized Instructions, is not completed for any reason, Bank shall not be required to refund any funds to Customer until Bank has received satisfactory confirmation of cancellation of the Wire Transfer. In the case of a refund to Customer, Bank may deduct all expenses it may have incurred in connection with the uncompleted transfer, including any losses from currency valuations or fluctuations at the time of the refund.

#### **G. WARRANTIES OF CUSTOMER.**

1. Customer represents and warrants to Bank that the Authorized Instructions to Bank is for and on behalf of Customer, unless otherwise stated.
2. Customer will comply with the terms of the Electronic Funds Transfer Act if applicable, or UCC Article 4A if applicable and shall otherwise perform its obligations under the Agreement in accordance with all applicable laws and regulations.

#### **H. LIABILITY OF BANK.**

In addition to other limits on Bank's liability set forth in the Agreement, Bank shall not be liable to Customer for any losses, damages, claims, or causes of action, including but not limited to:

1. Bank's declining to conduct any funds transfer in accordance with the subsection governing Declined Transaction;
2. the act or omission of any other receiving bank, beneficiary's bank, or other person or entity in connection with a funds transfer initiated by Customer and Bank; or
3. losses experienced in the international transfer of funds.

Claims for interest compensation are subject to the National Council for Uniform Interest Compensation (NCUIC) for domestic transactions and the U.S. Council of International Banking (USCIB) rules for international transactions.

#### **I. ACKNOWLEDGMENT BY CUSTOMER.**

Customer acknowledges that:

1. Customer shall be solely liable for any Authorized Instructions received by Bank that are the result of unauthorized use of or access to the Security Procedures, whether by agents or employees of Customer, by third parties, or otherwise. Bank may rely on the identifying number of any intermediary or beneficiary's bank included in Customer's Wire Transfer Order as proper and conclusive identification of such intermediary or beneficiary's bank, even though Customer's Wire Transfer Order also identifies such intermediary or beneficiary's bank by name; Customer shall be responsible for any mistake in such number(s) as provided to Bank and Bank has no duty to verify any identifying number provided by Customer.
2. The beneficiary's bank may make payment on Customer's Wire Transfer Order on the basis of an identifying or bank account number, even if such number identifies a person other than the beneficiary named in the payment order. Customer shall be responsible for any mistake in such number as provided to Bank; and Bank has no duty to verify any identifying or bank account number provided by Customer.

#### **VI. CASH VAULT.**

##### **A. CASH VAULT SERVICE.**

Upon Bank's approval of Customer's use of this Service, Bank agrees to accept deposits of Items by Customer into the Authorized Account, which are delivered by the Designated Agent who has been pre-approved by the Bank for access to the vault site on Banking Days and at such locations and times as are designated by Bank to Customer from time to time. Bank agrees to permit Customer to withdraw Available Funds from Authorized Accounts and have the funds delivered to the Designated Agent for transfer to Customer.

##### **B. TIMING.**

All Items properly received by Bank in the Depository Bag will be processed for deposit to the Authorized Account through normal banking procedures and will be credited to the Authorized Account on the same day, if delivered before Bank's deadline on any Banking Day.

If Customer has Smart Safe(s), upon receipt of the Smart Safe Report, Bank will provide Customer with Daily Smart Safe Credit as shown in the applicable Smart Safe Report. Any required adjustment will be made following Bank's receipt of the applicable Depository Bag in accordance with the preceding paragraph. If the applicable Depository Bag is not delivered to Bank within one (1) Business Day of the date such delivery is required under the agreement between Customer and the provider of the Smart Safe, the amounts credited to Customer related to such Depository Bag shall be deducted from Customer's account on the next Banking Day.

#### **C. ADDITIONAL SECURITY PROCEDURES.**

In addition to the Security Procedures in the Agreement, the following additional Security Procedures shall apply to the Cash Vault Service.

1. The delivery of Items and receipt of cash withdrawals shall be done by a Designated Agent, who shall be identified to Bank.
2. Bank shall have no responsibility to verify the Authorized Instructions if the Authorized Instructions are made in compliance with the Security Procedures. However, Bank may (without being required to do so) obtain additional verification of any Authorized Instructions or Withdrawal Orders.
3. As long as Bank complies with the Security Procedures, Customer shall be responsible for unauthorized Withdrawal Orders, and shall hold Bank harmless therefrom.
4. Bank may also recognize deviations from stated Security Procedures if the Customer has by custom and practice routinely ratified Withdrawal Orders representing a standard deviation from the Security Procedures.
5. Customer assumes all risk of a Shipment Claim which occurs after delivery of the Items to the Designated Agent and prior to Bank's receipt thereof. Bank will have no responsibility whatsoever for Depository Bags or Items delivered to, or left with, Bank at any locations or during any hours not designated by Bank. Customer assumes responsibility for any Shipment Claim or confusion from its failure to use a proper Depository Bag, and from its failure to sort and label the contents.
6. Customer shall be fully responsible for its choice of a Designated Agent, for all acts and omissions of such Designated Agent, and for any contractual relationships it may enter into with such Designated Agents. The Designated Agent will be an agent of, and under the direction of, Customer, and not of Bank.
7. Customer may designate which Designated Agent may be contacted by Bank for verification of the type or amount of the contents of a Depository Bag.

#### **D. RECEIPT OF DEPOSIT.**

Receipt of the Depository Bag by Bank shall not be effective until Bank makes written receipt thereon on a manifest sheet or other receipt according to the procedures of Bank. Bank's acceptance or acknowledgment of such manifest sheet or receipt shall not evidence Bank verification of the contents of the Depository Bag or accuracy of the deposit slip. It is specifically agreed that Bank will not verify the amount of the deposit contained in the Depository Bag upon Bank's receipt of the Depository Bag, but that Bank will later verify the amount of said deposit in accordance with its normal banking practices.

If the deposit is submitted to Bank, but not in compliance with the requirements of the Agreement, Bank may reject said deposit and refuse to process it, or Bank may, but shall not be obligated to, contact Customer by telephone and attempt to verify the contents of the Depository Bag before accepting the Items for deposit.

#### **E. DEPOSIT PROCESSING.**

Bank will attempt to verify the total cash contained in the Depository Bag before it is deposited to the Authorized Account unless circumstances require Bank to credit the Authorized Account before doing so. If the Authorized Account is credited before the cash is verified, Bank will make any necessary cash adjustments the next Banking Day. In the event of a discrepancy in the amount of cash counted by Bank and that indicated on Customer's deposit slip, Customer agrees that Bank's count of cash and other Items in the Depository Bag shall be deemed correct for all purposes. Customer understands Bank's procedures for receipt of, totaling, and depositing the Items and acknowledges that these procedures are adequate and commercially reasonable. No special handling procedures for the Items will be effective unless agreed to by Bank in writing.

If Customer chooses to pre-encode its checks or other Items for deposit, Customer agrees to comply with the pre-encoded deposit procedures and specifications as may be established and revised by Bank. Customer shall be

responsible for any of its encoding errors. Bank may treat certain deposits as un-encoded deposits if there is an unacceptable rate of encoding errors.

#### **F. WITHDRAWAL ORDERS.**

Orders for cash withdrawals may be made to Bank in writing, through a file transfer, online system, or by telephone. Each Withdrawal Order shall designate the amount of funds requested and the denominations in which the funds are to be furnished. All cash disbursement requests will be charged directly to Customer's Authorized Account unless special arrangements have been made with Bank.

#### **G. DECLINED TRANSACTIONS.**

Bank may reject a Withdrawal Order if the Authorized Instructions are improper, if Customer has not complied with Security Procedures, if Bank has a concern about the authenticity, authority, or accuracy of the Authorized Instructions, if there are not sufficient Available Funds, or if Customer is not otherwise in compliance with the Agreement.

#### **H. DELIVERY TO DESIGNATED AGENT.**

Prior to delivery of any cash to Customer's Designated Agent, Bank will require execution by the Designated Agent of a receipt in form and substance satisfactory to Bank. Customer agrees that Bank's count of cash disbursed shall be deemed correct for all purposes. Customer agrees that it fully understands Bank's cash count procedures and that the same are adequate and accurate. Bank shall have no responsibility other than to make reasonable efforts to ascertain the identity of the Designated Agent receiving Customer's cash disbursement and to obtain that Designated Agent's receipt for said cash. Bank shall have no responsibility for the handling of such cash after receipt thereof by the Designated Agent. Bank reserves the right to terminate any cash disbursement at any time in its sole discretion.

#### **VII. CORPORATE CHECK CASHING.**

Corporate Check Cashing allows you to authorize us to cash or deposit for immediate credit (as requested by the designated payee) checks drawn by you on a designated bank. Our responsibilities in handling such checks are limited to (i) forwarding such items to the designated drawee bank through the normal banking channels upon payment, and (ii) making reasonable efforts to determine the endorsements on such checks are not forged (by requesting proof of identity from the payee that bears payee's photograph and signature). We shall have no obligation to pay any check to any person other than the payee named on any such check. Our branches may make payment to the named payee in cash, by deposit, or otherwise.

You agree to release, indemnify and hold us harmless from and against any claims, losses, liabilities, damages or other obligations of whatsoever kind and nature (including Legal Expenses) which we may incur and which directly or indirectly arise out of, or are connected with, (i) our performance of the Corporate Check Cashing Service, including the payment of any checks, and (ii) your failure to notify us of a change to the designated drawee bank, routing transit number, and/or account number.

#### **VIII. CHECK POSITIVE PAY.**

Upon Bank's approval of Customer's use of this Service, Customer shall provide to Bank from time to time a list of checks initiated by Customer to enable Bank to verify by check number and amount the checks which Bank charges to the account of Customer (Positive Pay) or by payee, check number, and amount (Payee Positive Pay). Bank has agreed to verify such checks which it pays according to the terms of the Agreement.

#### **A. STATUTORY DEFINITIONS.**

Unless otherwise defined in the Agreement, words or phrases used in this

**TO MONITOR AND REVIEW YOUR EXCEPTION ITEMS DAILY. YOU AGREE THAT YOU ARE IN THE BEST POSITION TO PROTECT AGAINST FRAUDULENT AND UNAUTHORIZED TRANSFERS AND TO DETECT ANY SUCH OR ANY OTHER ERROR OR DISCREPANCY INVOLVING YOUR ACCOUNT. YOU AGREE THAT YOU ACCEPT SOLE RESPONSIBILITY AND LIABILITY FOR DECLINING OR CANCELLING APPLICABLE "POSITIVE PAY" PRODUCTS AND SERVICES AND WILL BE PRECLUDED FROM ASSERTING ANY CLAIMS OR LAWSUITS AGAINST US FOR PAYING ANY UNAUTHORIZED, ALTERED, COUNTERFEIT OR OTHER FRAUDULENT ITEM THAT SUCH PRODUCT, SERVICE, OR PRECAUTION WAS DESIGNED TO DETECT OR DETER, AND WE WILL NOT BE REQUIRED TO RE-CREDIT YOUR ACCOUNT OR OTHERWISE HAVE ANY LIABILITY FOR PAYING SUCH ITEM.**

You acknowledge that there is a growing risk of losses resulting from unauthorized items and that it is incumbent upon you to undertake fraud prevention responsibilities. Our Positive Pay service products and services described above and related fraud prevention provide effective means for controlling the risk from unauthorized items or bank transactions. In addition, we may recommend that you use certain fraud prevention practices with respect to your deposit accounts to reduce your exposure to fraud. If your account is eligible to receive these types of products and services, and you fail to implement any of these products or services (including any product or service that we offer after the date of this Agreement), or if you fail to follow our recommended fraud prevention practices, you agree that you accept sole responsibility and liability for declining applicable Positive Pay products and will be precluded from asserting any claims or lawsuits against us for paying any unauthorized, altered, counterfeit or other fraudulent item that such product, service or precaution was designed to detect or deter, and we will not be required to re-credit your account or otherwise have any liability for paying such item.

Section shall have the meanings set forth in UCC Article 3- "Negotiable Instruments" and UCC Article 4- "Bank Deposits and Collections."

#### **B. CHECK ISSUE REPORT.**

Customer shall submit a Check Issue Report to Bank. The Check Issue Report shall accurately state at a minimum the check number, check date, and the exact amount (and for Payee Positive Pay the check number, amount and payee) of each check written on each Authorized Account since the last Check Issue Report was submitted. Customer shall send the Check Issue Report to Bank in the format and medium, by the deadline(s), at scheduled day(s), and at the place(s) specified by Bank from time to time.

#### **C. REPORTING OF EXCEPTION CHECKS.**

Bank shall compare each Presented Check received by Bank. When checks are presented for payment and for charge to the Authorized Account, Bank shall:

1. not refuse to pay and charge to the Authorized Account by reason of the Agreement each Presented Check that matches by check number and amount (and for Payee Positive Pay the check number, amount, and payee) a check shown in any Check Issue Report;
2. provide to Customer an Exception Check Report that specifies the check number and amount (and for Payee Positive Pay the check number, amount and payee) of any Exception Check.

#### **D. PAYMENT AND DISHONOR OF EXCEPTION CHECKS.**

In the absence of a valid and timely Pay Request or Return Request, Bank will pay or return an Exception Check in accordance with the default decision option selected by Customer.

#### **E. PAY DEFAULT.**

This option is selected automatically if Customer makes no selection or revokes a selection without making a new default selection.

Where Customer has selected the pay default option, Bank shall not refuse to pay and charge to the Authorized Account, by reason of the Agreement, any Exception Check, provided that Customer has not objected to such payment in a timely Return Request.

A Return Request shall identify each Exception Check Customer desires not to pay by the check number and amount (and for Payee Positive Pay the check number, amount, and payee) and shall instruct Bank to return the Exception Check. The Return Request shall be sent to Bank in the format and medium, by the deadline(s), and at the place(s) specified by Bank from time to time. Bank shall return to the depository bank or presenting party any Exception Check Customer instructs Bank to return as provided above.

#### **NOTE:**

**IF YOU DECLINE TO MAKE USE OF "NO CHECK ACTIVITY" STATUS OR CHECK PAYEE POSITIVE PAY AND ACH POSITIVE PAY OR BLOCK/FILTER PRODUCT AND SERVICE OR FAIL TO MEET YOUR APPLICABLE ISSUE FILE OR RESPONSE REPORT DEADLINES IN THE PROCESSING DEADLINES LOCATED IN THE TREASURY RESOURCE CENTER, YOU ALSO ACKNOWLEDGE THAT, AS BETWEEN YOU AND US, NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, YOU WILL BEAR THE FULL LOSS ON CHECKS OR ITEMS WHICH ARE DRAWN ON YOUR ACCOUNTS WITH US AND PAID BY US IN GOOD FAITH IF THE CHECKS ARE COUNTERFEITS OR BEAR ANY UNAUTHORIZED ALTERATIONS, EVEN IF SUCH CHECKS WOULD OTHERWISE BE EXCEPTION ITEMS. BANK HAS NO DUTY TO NOTIFY YOU OF EXCEPTION ITEMS AND IT IS YOUR SOLE RESPONSIBILITY TO REVIEW EXCEPTIONS DAILY. RECEIPT OR NON-RECEIPT OF A BANK GENERATED "POSITIVE PAY" ALERTS DOES NOT RELIEVE YOU OF YOUR RESPONSIBILITY**



## F. RETURN DEFAULT.

This Option is only selected by an Authorized Agent in writing and not revoked by Customer.

Where Customer has selected the return default, Bank shall return to the depository bank or to the party presenting the check any Exception Check presented for payment on that Account, unless Customer instructs Bank to pay the check in a timely Pay Request. The Pay Request shall identify each Exception Check that Customer desires to be paid by the check number and amount (and for Payee Positive Pay the check number, amount and payee) specified in the Exception Check Report and shall instruct Bank to pay such Exception Check. The Pay Request shall be sent to Bank in the format and medium, by the deadline(s), and at the place(s) specified by Bank from time to time.

Bank shall not refuse to pay and charge to the Authorized Account by reason of the Agreement, any Exception Check that Customer directs Bank to pay as provided above.

## G. CUSTOMER AND BANK COMMUNICATIONS.

Customer or Bank, at its discretion, may each submit to the other party a revision of any communication provided for under this Section. The revised communication must (a) be sent in its entirety and not in the form of a partial amendment to the communication originally sent, (b) identify the original communication, and (c) be sent in the format and medium, by the deadline(s), and at the place(s) established by the receiving party. A properly submitted revised communication serves to revoke and replace the original communication. Bank shall use only Check Issue Reports that comply with the Agreement and have not been revoked as provided herein in the preparation of Exception Check Reports. Customer shall use only Exception Check Reports that comply with the Agreement and have not been revoked as provided herein in the preparation of Pay Requests and Return Requests.

Bank shall not be obligated to comply with any Pay Request or Return Request received in a format or medium not permitted under the Agreement, at a place not permitted under the Agreement, or after a deadline established under the Agreement, but may instead treat such a Pay Request or Return Request as though it had not been received. Bank is not responsible for detecting any Customer error contained in any Check Issue Report, Pay Request, or Return request sent by Customer to Bank.

All elections shall remain in place until Customer has furnished a minimum of thirty (30) days written notice to Bank to change such election. Bank is entitled to rely on the information provided in this Schedule and on decisions made by Customer in respect of each Exception Item via Commercial Online Banking. Bank shall not be liable for processing of Exception Items done in compliance with this Schedule or for Customer not logging in to its Commercial Online Banking account and/or not making timely decisions in compliance with this Agreement.

## H. REMEDIES.

To the extent applicable, the liability provisions of UCC Articles 3 and 4 shall govern this Service, except as modified below.

It shall constitute wrongful honor by Bank if Bank pays an Exception Check which it failed to list in a timely Exception Check Report, or if Bank pays an Exception Check listed in a timely Exception Check Report if: (a) Customer issued a timely Return Request, or (b) Customer selected the Return default option and did not issue a timely Pay Request. In the event that there is wrongful honor:

1. Bank shall be liable to Customer for the lesser of the amount of the wrongfully paid Exception Check or Customer's actual damages resulting from Bank's payment of the Exception Check.
2. Bank expressly waives any right it may have to assert that Customer is liable for the amount of the wrongfully honored Exception Check on the grounds that the Exception Check was properly payable under UCC section 4-401.
3. Bank retains the right to assert Customer's failure to exercise reasonable care under UCC sections 3-406(a) and 4-406(c). Bank's wrongful honor shall however constitute a failure of Bank to have exercised ordinary care under the loss allocation provisions of UCC sections 3-406(b) and 4-406(e).
4. Bank retains the right to assert the defense that Customer has sustained no actual damages because Bank's honor of the Exception Check discharged for value a valid indebtedness to Customer.

5. Customer has the duty to mitigate its damages.
6. If Bank credits the Authorized Account for a check wrongfully honored, Bank may, at its option, be subrogated to the rights and claims of Customer to recover the wrongfully paid amount from the payee or transferee of the check.

## I. WRONGFUL DISHONOR.

Except as provided below, it shall constitute wrongful dishonor with respect to this Service by Bank if Bank by reason of this Section of the Agreement dishonors a check which was not an Exception Check, or if Bank by reason of this Section of the Agreement dishonors an Exception Check if: (a) Customer issued a timely Pay Request, or (b) Customer selected the pay default option and did not issue a timely Return Request.

Bank's liability for wrongful dishonor of an Exception Check shall be limited to the damages for wrongful dishonor recoverable under UCC Articles 3 and 4. Notwithstanding Section 3.3.1, Bank shall have no liability to Customer for wrongful dishonor when Bank, acting in good faith, returns an Exception Check:

1. that Bank reasonably believed was not properly payable;
2. if there are insufficient Available Funds on deposit in the Authorized Account;
3. if required to do so by the service of legal process on Bank or the instructions of regulatory or government authorities or courts; or
4. otherwise in conformance with Bank's rules, regulations and policies.

## J. RIGHTFUL PAYMENT AND DISHONOR.

Except as provided below:

1. If Bank honors an Exception Check in accordance with a Pay Request issued by Customer, such honor shall be rightful, and Customer waives any right it may have to assert the Exception Check was not properly payable under UCC section 4-401.
2. If Bank dishonors an Exception Check in accordance with the return default option selected by Customer or in accordance with a Return Request issued by Customer, the dishonor shall be rightful and Customer waives any right it may have to assert that the dishonor was wrongful under UCC section 4-402.
3. Customer agrees Bank exercises ordinary care whenever it rightfully pays or returns an Exception Check consistent with the provisions of this Section of the Agreement.

## K. FAULTY INFORMATION.

Bank shall not be liable for any losses proximately caused by its honor of a check that was not properly payable or its dishonor of a check that was properly payable if the honor or dishonor occurred because Bank, in accordance with the provisions of section 2 of the Agreement:

1. Should have shown the check as an Exception Check but failed to do so; or
2. Showed the check on an Exception Check Report but referenced the wrong check number or amount (and for Payee Positive Pay the wrong check number, amount, or payee) unless Bank provided Customer with timely correct information, or unless Customer had actual knowledge of the error.

To the extent that Customer has incurred a direct loss, Bank's liability for loss of interest shall be calculated by the average Federal Funds rate at the Federal Reserve Bank of New York for the period involved. To the extent that Customer suffers a loss under the Agreement, Bank assigns to Customer any claim that Bank would have against a depository or collecting bank to recover the loss, including any claim of breach of warranty under UCC sections 4-207, 4-208, and 4-209.

## L. SECURITY PROCEDURES.

Customer shall comply with the Security Procedures established by Bank, and Bank may reject Check Issue Reports, Pay Requests, or Return Requests which are provided to Bank in violation of the Security Procedures. If Bank reasonably complies with the applicable Security Procedures, Customer shall be responsible for any unauthorized reports or requests originating from Customer and shall hold Bank harmless therefrom.

## M. POSITIVE PAY COMMUNICATIONS.

- Each Banking Day, Bank will deliver the Exception Report no later than the service deadline as described in the processing deadlines located in the Treasury Resource Center. Each Banking Day, Customer's Authorized Representative(s) will make decisions by the service deadline as described in the processing deadlines located in the Treasury

Resource Center.

- In the event the Exception Report is delivered by bank later than the service deadline as described in the processing deadlines located in the Treasury Resource Center, the Customer's deadline for making decisions will be two (2) hours following the time of transmittal of the Exception Report.
- In the event that Customer decides to return an Exception Item, but Customer fails to indicate the reason for the return, Customer agrees that Bank will use "Refer to Maker" as the reason for the return.

#### **N. ISSUE FILE TRANSMISSION.**

Availability deadlines for File Transmission through Commercial Online Banking and Managed File Transfer can be found in the processing deadlines located in the Treasury Resource Center.

#### **IX. SELF-AUTHENTICATING CHECK (SAFECHEQ)**

A check on which Customer prints using software provided by the Bank has an encrypted barcode containing information about that check which would normally be provided in an electronic file. The use of Self-Authenticating Checks eliminates the need to produce and transmit a check issue file to the Bank.

Commercial Online Banking's Positive Pay Exception Report is used with this Service to decision any exception items. In the absence of a valid and timely Pay Request or Return Request, Bank will pay or return an Exception Check in accordance with the default decision option selected by Customer. **BANK HAS NO DUTY TO NOTIFY YOU OF EXCEPTION ITEMS AND IT IS YOUR SOLE RESPONSIBILITY TO REVIEW EXCEPTIONS DAILY. RECEIPT OR NON-RECEIPT OF A BANK GENERATED "POSITIVE PAY" ALERTS DOES NOT RELIEVE YOU OF YOUR RESPONSIBILITY TO MONITOR AND REVIEW YOUR EXCEPTION ITEMS DAILY.**

You acknowledge that Self-Authenticating Checks that purports to have been authorized by you will be deemed effective. A Self Authenticating Check transmitted to us constitutes your signature for purposes of determining whether a check is properly payable. By printing a Self-Authenticating Check you expressly warrant that all checks are properly payable.

In addition, we will have no liability for payment of a check which is unauthorized, altered or fraudulent in any respect if:

- The check is included in an Exception Report;
- You have not selected a Return All default for Exception Items and either;
- You do not give us timely instructions to return the check; or,
- You instruct us in to pay the check.

In the event of payment of an Exception Check in these circumstances you waive any right you may have to assert that the Exception Check was not properly payable under UCC section 4-401.

#### **X. REVERSE POSITIVE PAY**

Following Bank's approval of Customer's use of this Service, Customer may use this Service when a check is presented for payment against an Identified Account, Bank shall deliver the Paid File to Customer prior to the designated time, on the Business Day following the day of presentment of the check.

All items presented to Bank will be considered Exception Items and included on the Exception Report. Accounts using Reverse Positive Pay will be set up as "Pay All" and this default setting cannot be modified.

Customer shall compare the information provided by Bank with Customer's check issuance records. Customer shall notify Bank prior to the deadline established by Bank of Customer's decision on any reported checks that should be dishonored. Bank may rely on any instructions received from Customer that it reasonably believes to be genuine. Bank is authorized to finally pay any check listed on the Paid File unless Customer instructs Bank to return the item prior to the established deadline.

Customer shall notify Bank by the designated deadline if the Paid File has not been received from Bank. Bank will make reasonable efforts to provide the Paid File to Customer and honor Customer's instructions. Bank's failure to provide a Paid File will not discharge Customer's obligation with regard to any item that was otherwise properly payable at the time of presentment.

By electing to use Reverse Positive Pay, Customer hereby authorizes and directs Bank to pay or deposit for immediate credit, as may be requested by any payee, any check drawn on Customer's Account with Bank which is presented to Bank by any payee, irrespective of whether or not such check

has ever been presented to Bank in any Issue File on any Banking Day. Bank has no obligation to, and expressly disclaims responsibility and liability for, verifying any check presented to Bank by any payee against Customer's Issue File. Customer acknowledges and agrees it is Customer's responsibility to compare the Exception Report against Customer's Issue File, and to provide Bank with its decision with respect to the Exception Items.

If you elect this Service, you are authorizing us to pay or deposit for immediate credit, as may be requested by a payee, any check drawn on your Account which is presented to a Bank teller by a payee. You acknowledge and agree that each check presented to one of our tellers for cash or immediate credit which is issued, or allegedly issued, by you on your Account shall be paid by us, and, except in the event of a lack of good faith by Bank or a failure by Bank to exercise ordinary care, shall be deemed by the parties to be a properly payable item, and you shall not subsequently contest the validity thereof. You agree, except in the event of a lack of good faith by Bank or a failure by Bank to exercise ordinary care, to indemnify and hold the Bank, its directors, officers, agents, and employees harmless for any and all claims, losses, liabilities, damages, or other obligations of whatsoever kind or nature (including Legal Expenses) which directly or indirectly arise out of, or are connected.

All elections shall remain in place until Customer has furnished a minimum of thirty (30) days written notice to Bank to change such election. Bank is entitled to rely on the information provided in this Schedule and on decisions made by Customer in respect of each Exception Item via Commercial Online Banking. Bank shall not be liable for processing of Exception Items done in compliance with this Schedule or for Customer not logging in to its Commercial Online Banking account and/or not making timely decisions in compliance with this agreement.

#### *Reverse Positive Pay Deadlines:*

- Each Banking Day, Bank will deliver the Paid File no later than the service deadline as described in the processing deadlines located in the Treasury Resource Center.
- Each Banking Day, Customer's Authorized Representative(s) make decisions by the service deadline as described in the processing deadlines located in the Treasury Resource Center.

#### **XI. ACH FRAUD SERVICES.**

##### **A. ACH POSITIVE PAY.**

If Customer has activated the ACH Positive Pay service, Customer will be notified of Exception Items through the ACH Positive Pay alert email notifications. Customers will instruct the Bank through the ACH Positive Pay service to PAY an Exception Item, or to Return an Exception Item.

In the event of an interruption in the Services, the Customer will be notified of Exception items by email or by telephone. If the instructions are sent to the Bank by email, the instructions may be sent as a reply to the email sender or a reply to an email notification of an exception item unless otherwise indicated. If the instructions are sent to Bank by telephone, normal telephone Security Procedures for Customer's account will apply.

In any event, Customer's Instructions must be received by Bank by Bank's Decision Deadline. Bank shall have no liability for not responding to instructions received after Bank's Decision Deadline, received in an unauthorized manner, or received by an unauthorized person in Bank's offices.

If Customer's instructions are not received by Bank's Decision Deadline, Bank will handle the Exception Items based upon its default handling policy then in effect. Bank's current default handling policy requires that Bank PAY all Exception Items if Bank has not received Customer's Instructions to return the Exception Item by Bank's Decision Deadline. Bank may change its default handling policy for Exception Items from time to time with 10 days prior written notice to Customer.

##### **B. ACH BLOCKS AND FILTERS.**

To help reduce the risk of posting unauthorized ACH activity to your account, we also will strongly encourage you to elect the desired level of ACH Debit Block or Filter service for your new account. You may choose to block all ACH received debits with an ACH Debit Block, or you may use the ACH Filter service to allow certain ACH debits you authorize to post while returning unwanted ACH debits.

#### **XII. ACCOUNT RECONCILIATION.**

Following Bank's approval of Customer's use of this Service, Customer may obtain at specified intervals from Bank a report of cleared checks and deposits

for reconciliation with Customer's internal accounting system.

Customer shall designate the Authorized Accounts which are subject to this Service. Customer shall select the type of reconciliation service for each Authorized Account from among the reconciliation services then offered by Bank.

If full reconciliation is selected by Customer, provided it is then offered by Bank, Customer shall provide to Bank each day a list of checks Customer has issued, including date of issuance, check number, and amount Customer may also use its list of checks for Bank's Positive Pay service. Using Customer's most recent check list, Bank will produce a reconciliation report with the issued checks that have cleared the account, and the issued checks which remain outstanding.

Nothing contained herein shall be construed to require payment of items from insufficient funds or which are otherwise subject to dishonor pursuant to the account agreements or pursuant to the Authorized Instructions from Customer.

### **XIII. LOCKBOX.**

#### **A. LOCKBOX SERVICE.**

Following Bank's approval of Customer's use of this Service, Bank will establish for Customer a Lockbox to which Customer may direct the mailing of Payments from Customer's obligators. Bank is authorized and instructed to open the Mail, remove the contents, and deposit the Payments to the Authorized Accounts, or transmit the credit card vouchers through the internet to Customer's credit card processor. Anything to the contrary within this Section notwithstanding, Bank may provide the Lockbox Service through a third party, and Bank may change its third-party lockbox processor from time to time. Bank shall have no liability hereunder by reason of any actions or failures of the third-party lockbox processor. Healthcare clients must sign the Business Associate Agreement if using Lockbox services.

#### **B. INDORSEMENT.**

Bank shall supply the indorsement to credit the Payment to the account of Customer. When required by a subsequent holder, Bank is authorized to indorse the item in the name of and on behalf of Customer by any of Bank's authorized employees. In instances where the actual indorsement of Customer is required, Bank shall forward such Items to Customer as described below.

#### **C. DEPOSIT.**

Bank will create a virtual deposit slip for each Payment or series of Payments received and indorsed by Bank, and Bank will deposit the Payments to Customer's Authorized Account, or Bank will transmit the credit card vouchers to Customer's credit card processor.

#### **D. TIMING.**

The Payments will be processed on Banking Day the Payments are received by Bank. The Payments will be processed and forwarded by Bank for payment through regular banking channels in accordance with Bank's then current procedures.

#### **E. FORWARDING.**

Bank shall physically or electronically forward to Customer periodically (and image-based processes are used when possible):

1. any material obtained by Bank other than the Payments and the envelopes containing the Payments;
2. at times, the original physical documents may be returned or items the Bank cannot process may be returned (in such cases, postage is charged to the Customer);
3. any Payments which Bank believes in its sole judgment contain any material alteration or discrepancy;
4. an image of the Payments and the deposit slip; and
5. an image of the Mail received with the Payments.

Physical Lockbox materials shall be sent to Customer through first class U.S. Mail. Alternative physical delivery methods may be selected by Customer, and the cost of such delivery services shall be the responsibility of Customer.

#### **F. LIABILITY OF BANK.**

In addition to the limits on Bank's liability set forth in the Agreement, the following provisions apply to this Service.

Bank does not guarantee specific receipt or collection of Payments within a

specific time frame. Bank cannot be responsible for specialized processing of Payments bearing restrictive indorsements, postdated Payments, or Payments incorrectly drawn or containing incomplete or ambiguous provisions. Such Payments will be processed or rejected according to Bank's standard operating procedures unless other procedures are agreed to by Bank and Customer in writing. Bank does not guarantee the images of the Mail will be complete or legible. Bank will have no liability for the failure to provide images of all of the Mail, or for the failure to provide images of legible quality. The failure to provide complete or readable images of the Mail shall not go to the essence of the Lockbox services, and shall not be deemed a material default in Bank's agreement to provide Lockbox services. In the event that Bank shall use a third-party lockbox processor, Customer agrees that Bank shall have no liability for the actions or failures of the third-party lockbox processor.

#### **G. RETURNED PAYMENTS.**

If any of the Payments are returned to Bank unpaid after Bank has forwarded the same for payment and if the Payment can be re-presented, Bank has the authority to forward the item for payment a second time unless otherwise specified by Customer. If the item is not paid after being forwarded for payment the second time, the Payment shall be sent to Customer and the unpaid amount shall be charged back to Customer's Account.

#### **H. COMMUNICATION.**

Subject to Bank's then existing capabilities and requirements, and for such additional fees as Bank's then existing schedule of fees and services may provide, Bank will forward the daily deposit totals to Customer as the parties may agree from time to time.

#### **I. CREDIT CARD PAYMENTS.**

Bank may agree to transmit credit card vouchers to Customer's credit card processor as set forth in Bank's Merchant Services Agreement. Bank shall have no liability for the functioning of the internet or any incompatibility between Bank's systems and equipment, and the systems and equipment of Customer's credit card processor. Bank at its option may contract with a third party to transmit Customer's credit card vouchers, and Bank may change its third-party provider from time to time. Bank shall have no additional liability hereunder by reason of any actions or failures of the third-party processor. The third-party processor selected by Bank shall have the capability to transmit Customer's credit card payments to Customer's credit card processor. Customer accepts the risk of any incompatibility between the equipment of the third-party processor and Customer's credit card processor.

#### **J. ONLINE HEALTH CARE MANAGEMENT SERVICE.**

Bank's Online Healthcare Management Service is available for a Customer in the health care industry which has chosen to use the Lockbox Service.

### **XIV. AUTO SWEEP.**

Following Bank's approval of Customer's use of this Service, Customer may transfer balances between Subordinate Accounts and a Master Account in the exact amount necessary to maintain a target balance in the Subordinate Accounts.

Customer authorizes and directs Bank to transfer funds between the Master Account and the Subordinate Accounts to bring the balances of all Subordinate Accounts to a designated amount. Notwithstanding contrary provisions herein, Customer may draw checks against Subordinate Accounts provided that the aggregate amount of all such checks does not exceed Customer's available or collected funds on deposit in the Master Account, subject to uncollected funds, negative balance, or other charges.

#### **A. TRANSFER SERVICES.**

Bank shall transfer funds between the Master Account and the Subordinate Accounts to adjust the balances in the Subordinate Accounts as directed by Customer in writing from time to time. If the designated balance in the Subordinate Account exceeds the target balance, then the excess funds will be debited from that account and credited to the Master Account. If the balance in the Subordinate Account is less than the target balance, then the required funds will be debited from the Master Account and credited to the Subordinate Account.

#### **B. ACCOUNTS.**

Customer shall designate the Master Account and Subordinate Accounts in writing. No Customer-initiated debits will be permitted in the Subordinate Accounts. The deposits of Customer will be separately reported to Customer by Subordinate Account. Bank initiated debits to the Subordinate Accounts will be settled to the Subordinate Account and funded from the Master Account if necessary to avoid overdrawing the Subordinate Accounts.



### **C. FREQUENCY.**

Transfers will be made daily.

### **D. AMOUNT.**

Bank is authorized and directed to transfer funds between the Master Account and the Subordinate Accounts, to bring the ledger balance or collected balance of the Subordinate Accounts to the value designated by Customer (as designated by Customer in writing from time to time).

### **E. CHANGES TO DIRECTIONS.**

Customer may change these directions at any time by delivering Authorized Instructions to Bank. Changes to these instructions shall be implemented by Bank within a reasonable time after Bank's receipt of the new Authorized Instructions.

### **F. AVAILABLE FUNDS.**

Customer is responsible for maintaining Available Funds in the Master Account in an amount to cover checks and other debit Items presented to the Subordinate Accounts. If there are insufficient Available Funds in the Master Account to cover the total amount of checks and other debit Items presented to the Subordinate Accounts, Bank may return the checks or Items to the parties who presented them for payment.

### **XV. COMMERCIAL SWEEP ACCOUNTS.**

NOTICE: THE INVESTMENT OPTIONS OFFERED BY BANK UNDER THE COMMERCIAL SWEEP ACCOUNT ARE NOT DEPOSITS, ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, ARE NOT OBLIGATIONS OF, OR GUARANTEED BY, THE BANK, THE UNITED STATES GOVERNMENT OR ANY AGENCY OR INSTRUMENTALITY THEREOF, AND ARE SUBJECT TO INVESTMENT RISKS, INCLUDING LOSS OF PRINCIPAL OF THE AMOUNT INVESTED. SIGNATURE AUTHORITY ON COMMERCIAL SWEEPS IS DICTATED BY THE SUBORDINATE OR CHILD ACCOUNT (THE TRANSACTIONAL ACCOUNT), NO SEPARATE SIGNATURE AUTHORITY IS CREATED.

If a Commercial Sweep Account Investment Option has been requested by Customer and approved by Bank, Customer authorizes Bank to transfer funds on a manual or automated basis to and from the DDA and investment device designated in the schedule as described herein. Funds will be transferred between the accounts so that:

1. To the extent funds are available in either account, Customer's DDA maintains an average collected balance equal to a pre-established balance; and (b) any collected funds in the DDA that exceed the Pre-established balance are invested by Bank as directed by Customer in accordance with the Specification Sheet. Amounts invested in other investment options, including interest or other investment income, will be credited back to the DDA upon maturity. Bank may limit the amount of excess collected funds that it will invest on behalf of Customer on any particular Business Day. Bank may also impose a maximum redemption amount to bring the DDA to the Pre-established balance on a particular Business Day.
2. Bank is authorized to accept oral instructions, including telephone instructions, from Customer representatives for the transfer of funds between Bank and Customer and between Customer's accounts. Bank may rely on any instructions received from Customer that it reasonably believes to be genuine.
3. Bank is authorized to execute as Agent for Customer all certificates of ownership and other instruments required by law or by contract. Bank shall not be accountable for errors in judgment, but only for gross negligence or willful misconduct. Bank shall not be required to comply with any direction of Customer which in Bank's judgment, may subject it to liability or to defend or prosecute any suit or action unless indemnified in a manner and amount satisfactory to it.
4. Customer may, by written instrument executed by Customer and delivered to Bank, terminate this Service and withdraw from the account the principal and accumulated income upon paying all sums due to Bank and indemnifying Bank to its satisfaction against liabilities incurred in the administration of the account.
5. If Customer chooses to invest excess funds in Repurchase Agreements, Customer agrees to execute the Master Repurchase Agreement with Bank, as Bank may require from time to time. Customer also agrees that in the event of a Bank failure, Customer would be an owner of the purchased securities.
6. If Customer chooses to invest excess funds in ICS Sweep, Customer

agrees to execute the ICS Deposit Placement Agreement with Bank, as Bank may require from time to time. Customer also agrees that in the event of a Bank failure, Customer will be the owner of funds up to the FDIC insured amount per Destination Institution.

7. If a Commercial Sweep Account-Loan Option has been requested by Customer and agreed to by Bank, Customer authorizes Bank to transfer funds on a manual or automated basis to and from Customer's DDA to a pre-established credit facility (such as a promissory note or revolving line of credit). Funds will be transferred between the accounts so that Customer's DDA maintains the pre-established balance. Funds will be drawn from Customer's credit facility if Customer's DDA falls below the pre-established balance. Funds in excess of the pre-established balance shall be applied to any outstanding balance on Customer's credit facility. The Commercial Sweep Account-Loan Option may be used in conjunction with the Commercial Sweep Account - Investment Option. This section is subject to the provisions of the Agreement and Customer's credit facility. In the event of Bank failure, funds transferred to the loan will reduce the outstanding balance, while funds remaining in the deposit account will be insured under applicable insurance coverage limits.

### **XVI. CORRESPONDENT BANK DEPOSIT SERVICES.**

Following Bank's approval of Customer's use of this Service, Customer may request that Bank establish an account at one or more of its correspondent banks for the benefit of Customer into which Customer may deposit funds, using the account information and documents provided by Bank. Customer authorizes Bank to share Customer's information with such correspondent bank(s) as may be necessary to establish this Service.

All funds in the accounts at the correspondent bank(s) shall be swept following the end of each Banking Day from the correspondent bank(s) to Bank to be deposited by Bank to Customer's designated account(s) with Bank and the transactions shall be posted in accordance with Bank's customary procedures. Customer shall pay all fees of Bank and of the correspondent bank(s) associated with this Service. Customer shall comply with all requirements of the correspondent bank(s) in making its deposits at such correspondent bank(s). No withdrawals or transfers may be made directly by Customer from the account(s) established by Bank with the correspondent bank(s). Customer shall promptly notify Bank of any discrepancies in the account transactions, in accordance with Bank's then-current account agreement or the terms and conditions governing Customer's accounts with Bank. Except to the extent Bank is able to recover from the correspondent bank(s), Bank shall have no liability to Customer for the conduct, action or failure to act of the correspondent bank(s), including without limitation, the proper processing of items presented for deposit, the sufficiency of deposit insurance, or the insolvency or failure of such correspondent bank(s).

### **XVII. REMOTE DEPOSIT IMAGING SERVICE.**

Following Bank's approval of Customer's use of this Service, Customer authorizes the imaging of its check payments in a location which is not on the premises of Bank or any of its branches, and authorizes the electronic presentation of the imaged checks for deposit into the designated accounts of Customer. Bank has agreed to provide the remote deposit services as set forth herein.

#### **A. ELECTRONIC DEPOSITS.**

Bank shall accept Authorized Deposits of Electronically Presented Checks from Customer directly or through intermediaries as may be approved in the Agreement, in accordance with the terms and provisions of the Agreement.

Bank shall accept the Electronic Deposits provided hereunder on the Business Day on which Authorized Instructions are received. If the Electronic Deposit is received after the Cutoff Time, Bank shall accept the deposit on the next Business Day.

#### **B. ACCOUNTS AND AGENTS.**

Customer shall provide Bank with written notice on Bank approved forms of the Authorized Accounts which shall be subject to the Agreement, and of the Authorized Agents who may act for Customer in establishing and modifying the Services. Any changes of Authorized Accounts or Authorized Agents shall be in writing, signed by a duly designated officer of Customer, or by e-mail from a duly designated officer of Customer, and will provide reasonable prior notice for Bank to change its records. Bank may but shall not be required to request written authorization following a notice by e-mail, and Bank may act upon the e-mail notification without waiting for written confirmation.

#### **C. SECURITY.**

Customer shall comply with the Security Procedures as provided in this Agreement, from other sources made available by Bank, or as agreed

between Customer and Bank from time to time, and Bank may reject Electronic Deposits which do not conform to the Security Procedures.

#### **D. CONVERSION OF DEPOSIT ITEMS.**

Customer agrees to create Electronic Deposits according to then-current commercially reasonable standards and procedures to ensure that the Electronic Deposits:

1. Have acceptable image quality;
2. The image accurately represents all of the information on the front and back of the original check and includes an accurate record of all MICR line information;
3. Do not contain an altered or artificial MICR line which differs in any respect from the MICR line on the check or instrument as presented to Customer;
4. Have an image capable of being processed by Bank's systems;
5. Do not contain previously scanned Items;
6. Do not contain previously deposited Items;
7. Have been processed to avoid duplicate processing of the Electronically Presented Checks;
8. Have used the electronic images only for the transmittal of the Items to Bank, and if applicable, for data retention;
9. Have any required indorsements for the legal negotiation and transfer of the Electronically Presented Checks.
10. Each paper check is indorsed "for remote deposit only".

Customer agrees that the Electronic Deposits will be used solely for the deposit of the Items in the Authorized Accounts, and for no other purpose. Customer agrees to keep all scanning devices used for Electronic Deposits in good condition, including installing upgrades, preventative maintenance and a reasonable cleaning and servicing schedule. Customer agrees to monitor the quality of the images produced by all scanning devices to ensure continuous acceptable image quality.

#### **E. STORAGE OF DEPOSIT ITEMS.**

Customer shall store securely all original deposit items in accordance with Customer's written remote deposit record retention policy. Customer shall use commercially reasonable policies and procedures to store the original deposit Items, including secure physical storage, pending final credit of the Electronic Deposit in Customer's Authorized Accounts. Customer shall maintain and follow a commercially reasonable written document destruction policy for Customer's original deposit Items, which policy is compliant with the then-current requirements of the payment systems used to process Customer's Electronic Deposits. Customer shall document its record retention and document destruction policy at or prior to use of this Service and review it from time to time thereafter as the policy may be amended or replaced. Bank may audit Customer's document destruction policy and procedures upon reasonable request to ensure compliance with payment system rules. Upon request of Bank from time to time, Customer shall certify that it is in compliance with its written remote deposit record retention and destruction policies.

#### **F. DECLINED TRANSACTIONS.**

Bank may reject an Electronic Deposit if the format of the transmission is improper, if Customer has not complied with the Security Procedures, if the Deposit exceeds Customer's daily dollar limit, if Bank has a concern about the authenticity, authority, clarity, and accuracy of the Electronic Deposit, or if Customer is not otherwise in compliance with the terms of the Agreement. If Bank receives a Cancellation Order that does not comply with Security Procedures, Bank may, but shall not be required to, reject the Electronic Deposit. Bank has no obligation to process an Electronic Deposit if authorization has been revoked.

#### **G. NOTIFICATION.**

In the event Bank declines to accept an Electronic Deposit, or in the event Bank refuses to honor a Cancellation Order, Bank shall notify Customer by e-mail, which shall constitute written notice from Bank. Customer agrees to accept such e-mail notification as adequate written notice. Customer shall keep Bank apprised of all changes to e-mail addresses of the Administrators. Bank shall have no obligation to notify Customer of Bank's failure to accept an Electronic Deposit for which Bank has received and honored a Cancellation Order that complies with the Security Procedures.

#### **H. CUSTOMER'S COVENANTS.**

Bank shall make available to Customer a license to use software to scan, verify, quantify, and transmit the Electronically Presented Checks to Bank.

Customer agrees that the software is licensed to Bank and sub-licensed to Customer. Customer agrees:

1. Not to reverse engineer, decompile, disassemble, modify, translate, create derivative works, or make any attempt to discover the source code of any software involved in the remote deposit capture process;
2. Not to remove, obscure, or alter any proprietary notices, disclaimers, trademarks, or other proprietary rights;
3. Not to copy any software involved in the remote deposit capture process, except for archive purposes consistent with the licensee's archive procedures;
4. Not to export any software involved in the remote deposit capture process or underlying technology in contravention of applicable U.S. and foreign export laws and regulations;
5. Not to use the check scanner or the remote deposit software in any unauthorized manner or for any purpose other than the creation of Authorized Deposits hereunder.

#### **I. WARRANTIES OF CUSTOMER.**

Customer represents and warrants to Bank that:

1. Customer is the holder of all checks or drafts transmitted for deposit hereunder;
2. Any prior indorsements on the back of the checks or drafts are genuine and authorized;
3. After imaging, the checks and drafts will be accounted for, stored in secure storage, retained for a reasonable period, and then destroyed in accordance with Customer's document retention and destruction policies as required in subsection L(1).
4. No checks or drafts whose image is presented for deposit according to the terms hereof will be deposited more than once, either by additional imaging or by depositing the original check or draft independently of the Electronic Deposit.
5. Images sent by Customer to Bank for Electronic Deposit processing shall be of reasonable commercial clarity as defined from time to time by Bank, and failure of any deposit or transmission to maintain reasonable commercial clarity may be rejected by Bank.
6. Images sent by Customer to Bank for Electronic Deposit processing shall represent the payor's order for the payment of valid debts owing to Customer, and Customer shall not deposit any Items knowing that the payor has not authorized, or has revoked authorization for, the payment.
7. Customer has adopted security systems, policies, and procedures to promote the safety and data security of its transactions involving its computer equipment and the use of the Internet. Customer shall only scan and store checks at commercially reasonable business operating locations. Customer's computer systems are capable of properly running the software necessary to initiate Electronic Deposits, and Customer's computer systems are compatible with Bank's systems and software. Customer's computer systems including its software will be regularly updated, including security patches as available to maintain compatibility with Bank systems and software.
8. Customer makes all of the warranties of an originator under the Rules, as amended from time to time, with respect to Automated Clearinghouse Items.
9. Customer makes all of the warranties of a re-converting bank under the Check Clearing for the Check Act with respect to Items converted to image replacement documents.

#### **J. ACKNOWLEDGMENT BY CUSTOMER.**

Customer acknowledges that:

1. Customer shall be solely liable for any Electronic Deposit received by Bank that is the result of an unauthorized use of or access to the Security Procedures, whether by agents or employees of Customer, by third parties, or otherwise.
2. Bank shall have no responsibility to verify the Electronic Deposits if the Electronic Deposits are made in compliance with the Security Procedures and the Agreement. However, Bank may (without being required to do so) obtain additional verification of any Electronic Deposit which causes concern.
3. As long as Bank complies with the Security Procedures, Customer shall be responsible for unauthorized Electronic Deposits, and shall hold Bank harmless therefrom.

4. Bank may also recognize deviations from stated Security Procedures, if Customer has by custom and practice routinely ratified Electronic Deposits representing a standard deviation from the Security Procedures.
5. Customer shall only use software approved by Bank to create and transmit Electronic Deposits.
6. For software obtained by Bank and made available to Customer, Bank has obtained a license of the software and has the permission of the licensor to sub-license the software to Customer pursuant to the terms of the Agreement. Bank makes no warranty or representation concerning the operation, reliability, effectiveness, or security of the sub-licensed software, except to pass through any warranty made by the licensor or the owner of the software. Bank makes no representation about any such warranties.
7. All implied warranties concerning the software and hardware obtained through Bank are expressly disclaimed by Bank, and the implied warranties of merchantability and fitness for a particular purpose are expressly disclaimed herein.

#### **K. TERM AND TERMINATION.**

Either party may terminate this Service upon reasonable notice to the other party, which the parties agree will not be greater than 15 Business Days, provided however, that Bank will have a reasonable time to terminate the Services. Notwithstanding, Bank may terminate the Agreement or any Services provided to Customer at any time with or without notice after the commencement of any voluntary or involuntary bankruptcy (subject to the automatic stay), dissolution or liquidation by or against Customer, or upon the breach by Customer of the terms or conditions of the Agreement or any other agreement or obligation it has entered into with Bank or any of its affiliates, or upon any event evidencing to Bank a material deterioration in the customer relationship, financial status, or condition of Customer or that the likelihood that the credit risks undertaken by Bank in furnishing Services hereunder may be materially increased, including, but not limited to, insufficient Available Funds to pay Items presented for payment or other return Item risks, or if Bank believes, in its sole and absolute discretion, that Customer is engaged in any unauthorized, fraudulent, or potentially criminal activity.

#### **L. DOCUMENT RETENTION AND DOCUMENT DESTRUCTION POLICY.**

1. All original instruments that are scanned and submitted to Bank as remote deposits will be securely and safely stored for 30 days. A reproducible, legible image or copy of the front of the instrument will be retained for two years from the Settlement Date of the payment of the deposited Items. The image, microfilm, or copy will be securely and safely stored to avoid the inadvertent disclosure of confidential personal information.
2. All original instruments that are scanned and submitted to Bank as remote deposits will be destroyed at the end of their document retention period. The destruction procedures will be commercially reasonable to avoid the inadvertent disclosure of confidential personal information. All images and copies of the front of the instruments will be destroyed at the end of their document retention period.

#### **XVIII. DEPOSITS DROPPED AT TELLER LINE.**

If Customer drops deposits at Bank's teller line, Customer shall itemize the currency and each check, draft, or other item included in the deposit on the deposit slip. Customer shall place the deposit in a bag or envelope before leaving said deposit at Bank's teller line.

Bank shall verify and process the deposit and credit Customer's account for the amount listed on the deposit ticket. If the verification discovers any discrepancy between the amount of the deposit as shown on the deposit slip and the amount of the deposit actually received, a deposit correction will be made to the account. The deposit will be credited on the Business Day it is received.

Bank shall be liable only for the deposit actually received and that which was credited to Customer's account as previously described.

The findings and verification of such deposit(s) by Bank, as performed jointly by any two officers or employees, shall be binding and conclusive upon Customer.

Customer acknowledges that the provisions hereof are for the convenience of Customer, and that clerical errors do occur, and are expected to occur in Bank's performance of its covenants hereunder.

Customer therefore agrees to assume all risks, and that Bank shall have no liability to Customer for its good faith processing of Customer's deposits as

provided herein.

#### **XIX. webERA Service.**

The webERA Service allows clients to import 837 EDI claim files for remittance to claim matching, to import payment information from the deposit account for payment reconciliation and to export reconciled 835 remittance files for use with their accounting systems. Also, this service provides for discrepancy reporting and exception management with regards to unpaid, reduced or erroneous healthcare payments. The webERA Service will include 835 remittance file processing, EOB image file processing, and patient payment image file processing.

1. Pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH Act"), health information must be protected by participants in the healthcare industry and by entities that perform certain functions on behalf of such participants. From time to time, the Bank will handle or have access to patient information in the course of providing Services hereunder. In such instances, the Bank will enter into a Business Associate Agreement (the "BAA") with Customer pursuant to HIPAA, and the privacy provisions of the BAA shall take precedence over the privacy provisions of this Agreement.
2. In order to establish and utilize the webERA service, Customer will need to complete and sign the Bank's BAA and have in effect this Agreement.