



## Treasury Management Services

## Terms and Conditions

Thank you for choosing U.S. Bank Treasury Management Services. This document provides product information, disclosures and descriptions of the Treasury Management Services ("Services") available at U.S. Bank.

U.S. Bank National Association  
Member FDIC

## CONTENTS

	Page
I. Introduction .....	1
II. Terms Applicable to All Treasury Management Services .....	2
III. Terms Applicable to All Internet-Based Services.....	6
IV. Terms Applicable to Specific Treasury Management Services	
A. E-Payment Service.....	6
B. Bill Consolidator Payment Services .....	8
C. Information Reporting and Transaction Services .....	9
D. Electronic Deposit Services.....	10
E. ACH Services .....	13
F. Wire Transfer Services.....	17
G. Data Translation Services .....	19
H. Courier Services.....	20
I. Cash Vault Services.....	21
J. U.S. Bank EasyTax <sup>SM</sup> Services .....	22
K. Paper-Based Disbursement Services .....	23
Controlled Disbursement.....	23
Drafts/Warrants .....	23
L. Positive Pay Services.....	24
M. Lockbox Services .....	26
N. Retail Lockbox Check Conversion Services.....	27
O. Returned Check Management .....	29
P. Commercial Sweep Accounts – Loan Option.....	30
Q. Commercial Sweep Accounts – Investment Option .....	31
R. Master Repurchase Agreement (MRA) .....	32

**I. INTRODUCTION****1. Definitions**

a. "Agent" means any director, officer, employee, representative, affiliate, third-party vendor or any other person acting on behalf of the 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.

b. "Bank" means U.S. Bank National Association and each subsidiary or affiliate of U.S. Bank that provides Services to Customer.

c. "Business Day" means any day on which a majority of Bank's offices are open to the public for substantially all banking functions. Saturdays, Sundays, federal or state holidays or any day recognized by a Federal Reserve Bank as a holiday shall not be considered a Business Day, even if Bank's offices are in fact open.

d. "Customer" means the State of Wisconsin its agencies, boards, commissions, councils, offices or a local government designated in the Participation Agreement.

e. "NOVA" means NOVA Information Systems, Inc. and any subsidiary or affiliate of NOVA that provides merchant processing services to Customer.

**2. Other Agreements, Laws and Regulations**

In addition to these terms and conditions (collectively referred to herein as the "Agreement"), the Services are provided to the Customer subject to the following other agreements, laws and regulations, which are hereby incorporated into and made part of this Agreement:

a. U.S. Bank Treasury Management Service Agreement and set-up materials thereto;

b. Terms of Service and Merchant Operating Guide;

c. Enterprise Cash Management Services Request for Proposal #27899-CE.

d. The 2008 Enterprise Banking Services Contract.

e. the provisions of any future deposit account agreement which the parties will in good faith subsequently negotiate and agree to.

f. the Uniform Commercial Code, as enacted in the State of Wisconsin;

g. any applicable automated clearinghouse operating rules, including, without limitation, the National Automated Clearing House Association Operating Rules and Guidelines (the "NACHA Rules"), the National Checking Clearinghouse Association Rules (the "NCHA Rules"), and the rules promulgated by the Electronic Check Clearing House Organization (the "ECCHO Rules"); and

h. federal, state and local laws and regulations applicable to Bank or Customer, including, without limitation, Regulation CC promulgated by the Board of Governors of the Federal Reserve System, 12 CFR Section 229.1, et seq. ("Regulation CC"), all Operating Circulars promulgated by the Board of Governors of the Federal Reserve System, and the regulations promulgated by the Office of Foreign Assets Control ("OFAC").

**3. Change of Terms/Amendments to Agreement**

Bank may change the terms of this Agreement only with the written approval of the Contract Administrator and/or the Depository Selection Board. Any and all amendments to this Agreement must be in writing and executed by the Bank and the State of Wisconsin.

**4. No Third Party Beneficiaries/Third Party Claims**

Services provided by Bank are for the sole and exclusive benefit of Customer, and no other persons or organizations shall have any of the rights and remedies arising under this Agreement.

**5. Disclaimer of Warranties**

**NOTICE: BANK MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN LAW OR IN FACT, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND OF MERCHANTABILITY, EITHER TO CUSTOMER OR TO ANY OTHER PARTY, WITH RESPECT TO THE SERVICES PROVIDED BY BANK OR ITS AGENTS OR WITH RESPECT TO SOFTWARE PRODUCTS PROVIDED OR MADE AVAILABLE TO THE CUSTOMER FOR ITS USE BY BANK IN CONNECTION WITH THIS AGREEMENT AND ANY SERVICE.**

**II. TERMS APPLICABLE TO ALL TREASURY MANAGEMENT SERVICES****1. Services**

Bank may provide Services that are not specifically included in the Services section of this Agreement. By accepting and using any Service, Customer agrees that the Service will be governed by this Agreement. Certain Services included in this Agreement may not be available or may not be provided in certain market areas. Customer shall not be bound by the specific terms and conditions for the Services described in the Services section of this Agreement to the extent Customer is not using such Service(s).

**2. Proprietary Information**

This Agreement, all related documentation and computer programs and systems used in providing Services, and all information related thereto constitute proprietary property of Bank that is of great commercial value. Customer agrees that it shall not acquire any proprietary interest or rights therein as a result of its use of the Services and shall keep all such proprietary information strictly confidential.

**3. Representations and Warranties**

Customer and Bank each represent and warrant to the other, as of the date this Agreement is entered into and at the time any Service is used or performed, that: (a) it is validly existing and in good standing under the laws of the jurisdiction of its organization; (b) it has all requisite power and authority to execute and deliver, and to perform its obligations under, this Agreement and each Service used or performed by it; (c) this Agreement has been duly authorized and executed by it and constitutes its legal, valid and binding obligation; and (d) any consent or authorization of any governmental authority or third party required to be obtained by it in connection with this Agreement or any Service used or performed by it has been obtained.

**4. INTENTIONALLY OMITTED****5. INTENTIONALLY OMITTED****6. Deposit Accounts**

Most treasury management services require that Customer maintain one or more deposit accounts with Bank. All checks, wire transfers, ACH payments and other items deposited into such accounts are provisionally credited and taken subject to later verification by Bank and Bank's receipt of final settlement. Deposited items that are deposited and later returned unpaid will be charged against the account without prior notice. Customer agrees to pay Bank for any overdraft or overpayment in any of Customer's accounts.

**7. Security Interest**

Customer grants to Bank a consensual possessory security interest in Customer's deposit accounts maintained with Bank and the funds held therein to secure payment of all of Customer's obligations under this Agreement.

**8. Information Sharing**

Subject to Appendix 1 of the 2008 Enterprise Banking Services Contract (Privacy and Confidential Information), Customer agrees that Bank may share information: (a) with Bank's affiliates (i.e. entities related to Bank by common control or ownership) that offer financial products and other services, including those identified in this Agreement and with our administrative or service units that perform these functions; (b) with non-affiliated entities that assist Bank in providing services to Customer.

**9. Authorized Signers and Users**

Customer shall appoint certain Authorized Signer(s) in the U.S. Bank Treasury Management Service Agreement or in such other format as may be agreed by Bank. Customer agrees that Authorized Signers shall be authorized to act on behalf of Customer in all actions taken under this Agreement and may enter into all transactions contemplated in this Agreement, including, without limitation, selecting Services for the benefit of Customer, appointing Agents to act on behalf of Customer in the delivery of Services, signing additional documentation that may be necessary to implement Services and giving Customer's instructions with regard to any Service, including, without limitation, wire transfers, ACH

transfers and other electronic or paper transfers from or to any account Customer maintains with Bank. The Authorized Signer(s) designated in the U.S. Bank Treasury Management Service Agreement shall appoint Agents to use the Services provided for the benefit of Customer ("Authorized Users"). Authorized Users may act on behalf of Customer for a particular Service in accordance with the relevant Implementation Documents or other document(s) establishing the Authorized Users' responsibilities. Customer may revoke the authority of or change the Authorized Signers or Authorized Users at any time upon prior written notice and execution of additional documentation required by Bank. Such change or revocation shall not be binding upon Bank until it has received the required written notice and has had a reasonable opportunity to act thereon. In any event, Bank may act on instructions that it believes in good faith were provided by an Authorized Signer or Authorized User, or anyone purporting to be an Authorized Signer or Authorized User.

**10. Check Samples, Forms Approval and Service Implementation**

Bank reserves the right to approve the form of Customer's checks, drafts, deposit slips and similar documentation. Prior to initiating a new account or Service, or at any other necessary time, Customer agrees to provide all information and conduct any test that Bank may reasonably request, including, without limitation, Implementation Documents, signature cards, test tapes, transmissions, corporate resolutions and other documents. Bank may also request samples of Customer's checks, drafts, deposit slips and similar items to ensure, in Bank's sole discretion, whether such items meet Bank's quality control and processing standards.

In the event that Bank determines that any item or test does not meet its specifications, Bank will so advise Customer. Customer acknowledges that Services will not commence or continue until such time as an approved item or test is provided to Bank and determined by Bank to be satisfactory. Customer shall be responsible for initial product installation, whether or not Bank provides telephone or on-site installation support.

**11. Security Procedures**

**a. Introduction.** Bank shall provide Customer with one or more commercially reasonable security procedures that must be used by Bank and Customer in connection with certain Service(s). Customer agrees that such security procedures are commercially reasonable. Customer agrees to be bound by any payment order, transaction or service change order that is acted upon by Bank in accordance with such security procedure. Customer understands that the security procedures are not for the purpose of detecting errors in the transmission or content of information controlled by Customer. If Customer selects certain security procedures to use in connection with a Service and those security procedures provide less protection against unauthorized transactions or activity than other security procedures offered by Bank in connection with such Service, the security procedures selected by Customer shall be deemed commercially reasonable to the same extent as the security procedures offered by Bank that provide greater protection. Bank reserves the right to issue new security procedures and/or to cancel or change any security procedures from time to time.

**b. Access.** Customer shall be solely responsible for designating individuals authorized to access Services. Access to Services will be controlled through the use of Customer IDs, user IDs, passwords, private keys or other security devices. Customer is solely responsible for maintaining its own internal security and agrees to use the utmost care in selecting any company or individual given access to use one or more of the Services. Customer shall not disclose any information regarding the Services that an unauthorized user would find helpful to obtain access to all or part of any Service.

**c. Confidentiality.** Customer and Bank represent, warrant and mutually agree that all confidential information concerning the other party or parties that comes into its possession in connection with any of the Services, including, without limitation, security procedures or any security codes, keys, personal identification numbers, digital certificates/signatures or template numbers ("Codes"), will be maintained in strictest confidence and shall not be used or divulged to any other party except as may be necessary or advisable for the due performance of any of the Services or as required by applicable law. Bank shall maintain physical, electronic, and procedural safeguards to keep Customer's confidential information secure. Customer is solely

responsible for the procedures to assure the internal confidentiality of its own security procedures, security devices and codes and assumes all risk of accidental disclosure or inadvertent use of any security device by any party whatsoever, whether such disclosure or use is on account of Customer's negligent or deliberate acts or otherwise. If Customer or its Agents have reason to believe that any security procedures or 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 verbal notification in writing to Bank within 24 hours. Bank will replace the security procedures and Codes in accordance with Bank's security procedures. Customer shall be solely responsible for funds transfer instructions and other 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 codes by giving verbal or written notice to the Customer. Customer's obligation to maintain the confidentiality of all security procedures shall survive the termination of any Service or this Agreement. This section is subject to Appendix 1 of the 2008 Enterprise Banking Services Contract (Privacy and Confidential Information).

**d. Verbal and/or Written Instructions.** For some Services, Bank may choose to honor Customer's request to give Bank verbal or written instructions regarding the Services. Customer agrees that Bank may in good faith rely on such verbal or written instructions that purport to come from an authorized Agent of the Customer without independent verification by Bank.

#### 12. Unsecured Electronic Transmissions and Instructions

Bank shall transmit to Customer information related to Services via secure electronic transmissions. If Customer elects to send or receive instructions or reports from Bank via unsecured electronic means, including, without limitation, facsimile transmission, voice mail, unsecured e-mail, pager or other unsecured electronic or telephonic methods ("Electronic Transmission"), Customer acknowledges that such Electronic Transmissions are an inherently insecure communication method due to the possibility of error, delay and observation or receipt by unauthorized personnel. Bank may rely in good faith on Customer's instructions regarding how and to what number or e-mail address Electronic Transmissions should be sent and may rely on any Electronic Transmission that it reasonably believes to have been initiated by the Customer. Should Customer elect to send or receive unsecured 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, alteration or unauthorized access of any such unsecured Electronic Transmission.

#### 13. Telephone Recording

Customer acknowledges, agrees and consents on behalf of itself, and its Agents, that Bank may monitor and record telephone conversations for the purpose of quality assurance, training, and wire transfer confirmation, 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.

#### 14. Computer Equipment and Software

Many Services require the use of computer hardware and software or other equipment. Customer is solely responsible for maintaining its computer and equipment in good working order, with the necessary compatibility and format to interface with Bank's systems, including, without limitation, the ability to support the Bank's security procedures. 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 shall either be embedded in the software or separately documented. Customer agrees to comply with all applicable software license agreements (following Customer's review of the same) whether or not such agreements have been executed by Customer. Customer has no rights or ownership in any software provided by or through Bank (other than software developed solely for the Customer) 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.

#### 15. Transactions on Non-Business Days/Cutoff Times

Transactions, deposits, payment orders, entries or other requests by Customer received by Bank on a non-Business Day or after established cutoff deadlines may be treated by Bank as received on the next business day. Bank may change any cutoff time or other deadline only after it provides a minimum of 30 days written notice to the customer.

#### 16. Customer-initiated Transactions and Instructions

Bank will honor Customer's transactions and instructions (including adjustments, amendments and cancellations) only when Customer has complied with this 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:

- a. exceeds Customer's collected or available funds on deposit with Bank;
- b. Bank has reason to believe may not be authorized by Customer;
- c. involves funds subject to a hold, dispute or legal process preventing their withdrawal;
- d. violates any provision of any applicable regulation of the Federal Reserve Bank or any other federal, state or local regulatory authority; or
- e. Bank has reasonable cause not to honor, for the protection of either Bank or Customer.

#### 17. Inconsistent Name and Account Number

If Customer or third party acting at the Customer's instruction initiates a fund transfer instruction or payment order ("Payment Order") to Bank that describes the person to receive the proceeds of such Payment Order (the "Beneficiary"), the Beneficiary's bank, or an intermediary bank by name and an account or other identifying number, Bank and subsequent parties to the Payment Order may rely on and act solely on the basis of such number, even though the name and number do not agree and even though Bank and subsequent parties know or have reason to know of the inconsistency. Customer's obligation to pay the amount of the Payment Order to Bank is not excused in such circumstances.

#### 18. Intercompany Services/Authority to Transfer or Commingle Funds

Customer hereby represents and warrants to Bank that any and all transfers and commingling of funds required or permitted by any Service or requested by the Customer, and all other aspects of the performance hereby by Bank and Customer, have been duly authorized by all necessary parties, including, without limitation, the account holder of each account, and that Customer has obtained and shall maintain in its regular business records and make available to Bank upon reasonable demand, for a period of seven (7) years after termination of the Service, adequate documentary evidence of such authorization from the account holder of each account, executed by the duly authorized officer(s) of each such account holder in accordance with that account holder's bylaws and/or board resolutions. Customer further represents and warrants that each transfer or commingling of funds authorized hereunder is presumed not to be in violation of any agreement, bylaw or board resolution of Customer or any of its affiliates or subsidiaries, nor is it in violation of any applicable federal, state, local law, regulation, of any decree, judgment, 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 transfer and commingling of funds authorized hereunder.

#### 19. Customer Records

This Agreement and the performance of Services by Bank shall not relieve Customer of any obligation imposed by law, clearinghouse rules (including the NACHA Rules, NCHA Rules, and ECCHO Rules), or by contract regarding the maintenance of records or from employing adequate audit, accounting and review practices as are customarily followed by similar businesses. Customer shall retain and provide to Bank, upon request, all information necessary to remake or reconstruct any deposit, transmission, file or entry for thirty (30) days following receipt by Bank of the deposit, file, entry, transmission or other order affecting an account.

#### 20. Account Communications and Review Period

Customer agrees to regularly and promptly review and verify all statements, reports, check payment records, wire transfer instructions, confirmations, adjustments, charges, and other transactions ("Account Communications"). Customer may elect to receive Account Communications electronically, including without limitation, delivery by posting to a password protected website. Customer acknowledges that Account Communications provided by Bank through electronic delivery is deemed to constitute good and effective delivery when posted by Bank, regardless of whether Customer actually or timely receives or accesses the Account Information. Unless a different review period is specified elsewhere in this Agreement, Customer shall, within a reasonable time, which in no event shall be greater than forty-five (45) calendar days following the day Bank first mails, electronically transmits or otherwise makes data available to Customer ("Review Period"), notify Bank of any error or discrepancy between Customer's records and any Bank notice or statement, or any transaction or transfer Customer believes was not authorized. If Customer fails to notify Bank of such unauthorized transaction within the Review Period, Customer agrees that the failure to report any such errors or unauthorized transactions shall relieve Bank of any liability for the unreported erroneous or unauthorized transaction.

In accordance with NACHA rules, Customer must report an unauthorized ACH debit entry to the Customer's account by the established deadline on the business day following the settlement date of the unauthorized entry. Otherwise, Customer's sole recourse is to the originator of the transaction.

#### **21. Limitation of Bank's Liability for Services**

In addition to greater limitations on Bank's liability that may be provided elsewhere in this Agreement, Bank's liability related to any Service shall be limited exclusively to actual proven damages arising directly from its own negligence or willful misconduct. Bank will not, under any circumstances, be liable for any special, incidental, indirect, consequential, punitive or similar losses or damages, whether or not the likelihood of such losses or damages was known by either party at the time Customer first obtains Services from Bank or at the time any instruction or order is given to a Bank pursuant to any Service, and whether such losses or damages arise from tort, contract or otherwise. Bank's maximum liability for any loss of interest shall be calculated using a rate equal to the average Federal Funds rate at the Federal Reserve Bank of New York for the period involved. Notwithstanding the foregoing, Bank shall not be liable for any losses or damages to the extent caused by the willful misconduct or negligent action or inaction of Customer, or any Agent or employee of Customer, Bank shall not be liable for any damage, cost, loss, liability or delay caused by accident, strike, fire, flood, war, riot, terrorist act, acts of nature, any cause which is attributable to a third party, or any other cause or event that was beyond Bank's reasonable control.

#### **22. Dispute Resolution**

**a. Governing Law.** Except as otherwise provided herein, this Agreement shall be governed by the laws of the State of Wisconsin, without regard to conflicts of law principles.

**e. Adverse Claims.** If Bank receives an adverse claim against any account, and Bank reasonably believes that it will not be protected if the claim is ignored, Customer agrees that Bank may place a hold on the affected account. Any such hold will remain in place only so long as reasonably necessary to resolve the claim or employ legal remedies to allow a court to decide such claim. Assuming compliance with this section, Bank shall have no liability for dishonored transactions due to the hold, and Customer agrees to reimburse Bank all costs, including attorney fees, incurred due to such adverse claim.

#### **23. Necessary Third Party Service Providers**

**a. Third Party Networks.** Some Services are provided by Bank through access to a third party network, such as SWIFT, any applicable automated clearinghouse operating network and FED Wire. 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. Bank does not warrant and shall not be responsible for Services received by Customer from any third party network chosen by the Customer.

**b. Third Party Vendors.** Some Services and/or computer equipment and software are provided to Customer by a third party vendor selected by Customer who is unaffiliated with Bank. In those cases, the third party vendor is acting as Customer's Agent rather than an agent of Bank, and Customer agrees to be bound with such third party's acts and omissions. Bank does not warrant and shall not be responsible for Services provided by unaffiliated third party vendors. Customer authorizes Bank to disclose to any third party vendor information concerning Customer to the extent required to deliver the requested Service.

#### **24. Notices**

All written notices to Bank shall be delivered or mailed to the address designated by Bank. Notices sent to Customer shall be delivered or mailed to Customer's current lead account address or other known address if deemed more appropriate by Bank under the circumstances. Notices may be delivered to some Customers in electronic format, including posting to Bank's website, if requested or appropriate.

#### **25. Severability**

To the extent possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision shall be held to be invalid, illegal or unenforceable, such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability, without rendering invalid, illegal or unenforceable the remainder of any such provision or the remaining provisions of this Agreement.

#### **26. Waiver**

A waiver by Bank or Customer of any term or provision shall not be construed as a waiver of such term or provision at any other time, or of any other term or provision.

#### **27. Assignment**

Except in the case of a merger or assignment arising under operation of law, neither party may assign or transfer its rights or obligations hereunder to any other person or entity without the other party's written consent, whose consent shall not be unreasonably withheld.

**III. TERMS APPLICABLE TO ALL INTERNET-BASED SERVICES****1. Introduction**

Bank offers a number of Treasury Management Services over the Internet. If requested by Customer and agreed to by Bank, Bank will grant Customer access to one or more of Bank's Internet Services in the manner established by Bank. Customer agrees that its use of Treasury Management Services from time to time offered by Bank via the Internet (collectively, the "Internet Services") shall be governed by:

- (i) this Section and all other relevant sections of this Agreement, including, without limitation, sections governing the specific Treasury Management Services that are offered online;
- (ii) the other agreements, laws and regulations described in section I.2. of this Agreement; and
- (iii) the applicable Terms of Use, as defined in section III.2. below.

**2. Terms of Use**

Bank may post terms or rules of Use ("Terms of Use") governing Customer's use of the Internet Services on Bank's website(s) for accessing such Services. Provided Customer has reviewed and approved the Terms of Use or subsequent revisions to the same in writing (which Customer agrees to do in good faith and within a reasonable time of Bank's presentation of the same to Customer), such Terms of Use shall supplement and amend the terms set forth in this section. In the event of a conflict between the Terms of Use and the rules set forth in this Agreement, the Terms of Use shall govern. Customer's initial use of an Internet Service shall constitute an acceptance of the Terms of Use posted on the website. Customer will be notified of any changes in accordance with section II.24. hereof. Neither Bank nor Customer will contest the validity, enforceability, or admissibility of hard copy printouts of the Terms of Use for any website or notices of changes to such Terms of Use provided in accordance with this section. Copies of such Terms of Use or notices, if introduced as evidence in tangible form in any judicial or administrative proceeding, will be admissible to the same extent and under the same conditions as other business records originated and maintained in documentary form.

**3. Security**

Customer agrees to use the Internet Services in accordance with the security procedures established by Bank. Without limiting the foregoing, Customer shall at all times use a web browser that supports the level of encryption used by Bank as part of its security procedures. Due to emerging technologies and ensuing changes in security practices, Bank reserves the right to supplement or change its security procedures from time to time upon reasonable notice to Customer. Bank reserves the right to reject any transaction or service request that is not made in accordance with its security procedures. Customer shall designate one or more System Administrator(s). The System Administrator shall be responsible for setting up Internet Services and for establishing internal security procedures related to such Internet Services, including, without limitation, accepting delivery of software, system-wide configuration of Bank accounts, establishing authority levels, establishing authorization requirements, and distributing and re-setting IDs, passwords and other internal security devices related to the Internet Services. Customer's designation of the System Administrator may be amended or revoked from time to time upon notice to Bank. Bank shall have a reasonable time to act on any such notice.

Customer is responsible for maintaining the security and confidentiality of all IDs, passwords and other security devices issued to or by Customer (collectively, "Customer's Internal Security Devices"). Customer shall not permit unauthorized individuals to use Customer's Internal Security Devices to access any website. Customer shall promptly notify Bank if Customer has actual knowledge that the security of any website has been compromised. Bank shall not be liable for any claims, losses, damages, costs, expenses, fines and other liabilities arising out of Customer's failure to maintain the security and confidentiality of Customer's Internal Security Devices or arising out of the unlawful use of any website by Customer or any person who obtains access to the website using Customer's Internal Security Devices.

#### 4. Other Customer Responsibilities

**a. Equipment and Software.** Customer is responsible for obtaining (from Bank, in some instances), installing and maintaining the computer and communications equipment (including, without limitation, personal computers and modems), software, web browsers, Internet access and communications services necessary to access and use the Internet Services in accordance with this Agreement.

**b. Use of Internet Services.** Customer shall use its access to Internet Services and websites operated by or on behalf of Bank only to conduct its business or through with Bank and agrees to limit access to those Agents who require access to Internet Services.

**c. Antivirus Protection.** Customer agrees to run antivirus software before transmitting data to or through any website. Customer may use any commercially available, industry recognized antivirus software of the type that detects and disinfects viruses automatically, without the need for the Customer to execute virus scanning for each file manually. Customer shall update its antivirus software on a regular basis and in no event less often than once every month.

#### 5. Disclaimer of Warranties

NOTICE: BANK PROVIDES ALL INTERNET SERVICES ON AN "AS IS," "AS AVAILABLE" BASIS AND MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WITH RESPECT TO THE INTERNET SERVICES. BANK DISCLAIMS ALL SUCH REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING THE FOREGOING, BANK DOES NOT WARRANT THAT THE OPERATION OF ANY WEBSITE WILL BE UNINTERRUPTED OR ERROR-FREE. CUSTOMER IS RESPONSIBLE FOR TAKING APPROPRIATE PRECAUTIONS AGAINST DAMAGE TO ITS OPERATIONS WHICH COULD BE CAUSED BY INTERRUPTIONS OR MALFUNCTIONS OF ANY WEBSITE AND ASSUMES THE RISK OF SUCH OCCURRENCES EXCEPT AS CAUSED BY THE CONTRACTOR.

## IV. TERMS APPLICABLE TO SPECIFIC TREASURY MANAGEMENT SERVICES

The following are additional terms and conditions applicable to specific Treasury Management Services offered by Bank.

### A. E-PAYMENT SERVICE

Customer may select the E-Payment Service that would allow its customers ("Payers") to make convenient payments to Customer through the Internet, an Integrated Voice Response (IVR) system, or a 'live' call center. Customer agrees that this Service shall be governed by this Section and all other relevant sections of this Agreement.

#### 1. Internet

**a. Customer Payment Site.** "Customer Payment Site" means the interactive Internet payment site hosted by Bank where Payers may make payments to Customer over the Internet. Bank will configure, implement, host and support the Customer Payment Site.

**b. Customer License.** Bank shall have the right and license to use Customer's name, trademarks, service marks, copyrights and logos and other textual information in connection with the Customer Payment Site solely for the purposes contemplated herein.

**c. Administrative Terminal.** "Administrative Terminal" means the interactive Internet site hosted by Bank where Customer may access reports, initiate payments on behalf of Payers, or initiate refunds. Bank will configure, implement, host and support the Administrative Terminal. Customer shall be solely responsible for setting up Authorized Users, access entitlements and internal controls within the Administrative Terminal.

**d. Links.** Customer shall provide and maintain a secure link on its website to the Customer Payment Site. Customer shall be responsible for ensuring that the link to the Customer Payment Site takes Payer to the appropriate area within the Customer Payment Site. Customer shall be responsible for providing the agreed-upon data concerning Payer in a manner that meets Bank's encryption or security methods during the exchange. Customer and Bank agree to use industry-standard security procedures and technology to ensure the security of the Customer's website and the Customer Payment Site and to prevent data theft or unauthorized access.

#### e. Payer Authentication

#### 2. Compliance with laws and regulations

Customer agrees to comply with all applicable laws, rules and regulations, including without limitation, those issued by: (i) the National Automated Clearing House Association; (ii) any governmental entity, including (without limitation) the requirements contained in the Electronic Fund Transfer Act, Regulation E, and the Electronic Signatures in Global and National Commerce Act; and (iii) any other entity or association that issues or sponsors a payment device, including (without limitation) the requirements of the Payment Card Industry (PCI) Data Security Standard and any credit card association, including Visa and MasterCard. Customer further agrees to comply with all payment network regulations for ATM debit networks.

#### 3. Integrated Voice Response (IVR)

To make an automated payment via a touch-tone phone, Payers may access the IVR system by calling a toll-free number provided by Bank or Customer. Customer shall have previously forwarded a one-time file of existing Payers ("pre-registration file") to Bank. In order to make a payment via the IVR system, Payers are required to input information that matches their user information in the pre-registration file.

**4. Call Center**

If this option is selected by Customer, Payers may make a payment by phone by calling a 24-hour call center and speaking to 'live' Bank personnel. Bank shall authenticate a Payer's identity in the manner specified by Customer, and agreed to by Bank, in the Implementation Documents. Customer acknowledges and agrees that the authentication of the Payer's identity in such manner shall constitute a commercially reasonable fraud detection system and Bank shall have no liability for all payments so authenticated.

**5. Payer Authorization**

If payment is made via the Internet, Payer will be prompted to authorize the payment and print a confirmation once Payer has reviewed the payment data and input the information necessary to complete the payment. If payment is made via the IVR or call center, the confirmation number will be read to Payer. Bank is not responsible for the detection of errors made by Payer or Customer and may rely on the information submitted or communicated by Payer or Customer.

**6. Payment Processing**

Payments shall be processed in the manner mutually agreed to between Bank and Customer, which may include ACH debit entries, debit cards, credit cards or other payment processing methods. Customer shall at all times be considered the originator of Payer's payment. Depending on the applicable payment processing channel, payment processing may also be subject to the terms of any other agreement between Bank and Customer and between Customer and the payment transaction processor supported by Bank. Payments may be initiated through the Customer Payment Site, IVR system or Administrative Terminal. Bank will notify Customer of the payments that were initiated through the Administrative Terminal or by delivering a file as set forth in the Implementation Documents. Customer acknowledges and agrees that all payments are subject to adjustment, return, reversal and/or chargeback in accordance with the rules governing the applicable payment processing channel.

**7. Recurring Payments**

The E-Payment Service provides Customer with the ability to offer Payers the option of making fixed or variable recurring payments. If permitted by applicable regulations, Payers have the ability to initiate a payment that recurs semi-weekly, weekly, semi-monthly, monthly or quarterly. Payers must be pre-registered in order to initiate variable recurring payments.

**9. Convenience Fee**

a. If permitted by applicable regulations, the E-Payment Service offers a flexible convenience fee option that allows Customer or Bank to define and collect a convenience fee to be charged to Payers in connection with the payment transaction. Payers are provided with the opportunity to stop the payment process if they do not wish to pay the convenience fee.

b. If Customer desires to collect the convenience fee, Customer shall be responsible for ensuring that convenience fee assessments comply with the relevant laws, rules and regulations.

c. If agreed to by Bank and Customer, Bank may collect and retain the convenience fee. Customer agrees that Bank may in consultation with the Customer, set, adjust, manage and collect the convenience fee as a means to wholly or partially offset Bank fees that may otherwise have been incurred by Customer. Bank's willingness to collect the convenience fee shall be based on Customer's projected payment volume, average ticket, type of transactions, or other considerations such as changes to interchange fees and assessments.

If the actual payment volume, average ticket or other considerations fail to meet Customer's stated projections or do not completely offset Bank fees, Customer agrees that Bank may, in its sole discretion, require Customer to wholly or partially reimburse Bank for any resulting shortfall in Bank fees.

**10. Transaction Controls**

Customer agrees to notify Bank of any material change or anticipated material change in daily dollar activity or type of transaction processing, and obtain Bank's consent to such change. Bank may, in its sole discretion, immediately upon written notice to Customer, place a maximum dollar limit on the E-Payment transactions or require Customer to provide reasonable security for Bank's continued handling of such transactions.

**B. BILL CONSOLIDATOR PAYMENT SERVICES**

Bill Consolidator Payment Services provides Customer with the ability to receive consumer payments electronically from its consumer customers that are initiated via the consumers' personal computer home banking application or other Internet bill payment providers, including consumer credit counseling agencies. Customer agrees that this Service shall be governed by this Section and all other relevant sections of this Agreement.

**1. Network**

"Network" means the MasterCard Remote Payment and Presentment Service ("RPPS"), a division of MasterCard International, Inc. and/or Visa ePay, a division of Visa International ("ePay"). Bank receives payments and remittance data via the Network. Bank will credit payments to Customer's account and electronically transmit the remittance data to Customer in Bank's standard or other mutually acceptable format for loading to Customer's accounts receivable system.

**2. Customer's Responsibilities**

Customer shall provide Bank with all data and specifications necessary for the Network to process payments and for Bank to transmit the remittance data to Customer. Customer agrees to conduct tests that Bank may deem necessary to ensure Customer and Bank are able to process the remittance data. The purchase, installation, testing and maintenance of any and all equipment used to receive and process information from Bank is the responsibility of Customer. As soon as possible, and in any event, no later than 48 hours after Bank transmits the remittance data to Customer, Customer agrees to process all such data and inform Bank of any incorrect, unidentifiable or unprocessable information (collectively, "Returns").

**3. Bank's Responsibilities**

Bank shall develop a program to process and transmit remittance data received from the Network in Customer's preferred file format. Bank shall transmit Returns to the Network when Customer provides Bank with the Return information. Bank will credit Customer's account in an amount equal to the payments received and debit Customer's account in an amount equal to any Returns and, if applicable, any Reversals (defined below).

**4. Reliance on Network**

Customer acknowledges that Bank's ability to process payments and remittances are dependent upon the continued use and support of the Network and third party computers housing the Network and its associated communications network. In the event that access to the Network or its computer communications system is terminated or suspended for any reason, Bank shall not be liable to Customer for any disruptions or failure to provide any part of this Service. Bank assumes no responsibility for the accuracy, timeliness or the completeness of data delivered from the Network to Bank.

**5. Optional Reversal Transactions**

Reversals are Network-initiated debit messages from payment originators informing of the cancellation of previous transactions. Customer may set debit caps on Reversals to limit the daily debit amount a payment originator may send through the Network. If Customer instructs Bank to accept Reversals, Customer hereby authorizes Bank to debit Customer's account for the amount of the Reversals.

**6. Optional Biller Stop Payment**

Biller Stop Payment allows Customer to provide Bank with instructions regarding payments that Customer does not want posted to its account. If Customer instructs Bank to stop a payment from posting to its account, Customer hereby authorizes Bank to return the payment through the Network. Payments that are stopped will not be included in Customer's settlement transaction or the remittance data provided to Customer.

**C. INFORMATION REPORTING AND TRANSACTION SERVICES**

Information reporting and transaction services may be provided by Bank to Customer through SinglePoint® or other applications or systems as may be introduced by Bank ("System(s)"). The System may also be used by Customer to automate many of the Services offered by Bank and also may provide access to other Bank systems that initiate transactions. Customer agrees that such use of the System shall be governed by this Section and all other relevant sections of this Agreement.

**1. Introduction**

If requested by Customer and agreed to by Bank, Bank will grant access to Bank's System(s) in the manner agreed to by Bank. Customer agrees to be bound by any terms of use and license agreements associated with these Systems, provided Customer has reviewed and approved the pertinent use and license agreements in writing (which Customer agrees to do in good faith and within a reasonable time of Bank's presentation of the same to Customer).

**2. Information Reporting**

Bank is authorized to store, process, transmit and make available through Bank's agencies and Systems and through third party data processing providers ("Providers") information regarding accounts designated by Customer. Bank or Providers will transmit to Customer information regarding its account(s) and/or other financial data through the System on a periodic basis. Customer may elect to receive data through one or more delivery mechanisms, including, without limitation, the Internet, computer dial-up, telephonic delivery, facsimile, CD-Rom or unsecured e-mail. Section II.12. shall apply in the event Customer elects to receive unsecured reports via an Electronic Transmission. Balance and related information for Customer's accounts(s) held at other financial institutions may be made available by these financial institutions or Providers that input information into Bank's System. Bank will use reasonable care in submitting data into the System, but assumes no responsibility for the accuracy or timeliness of the account information and other financial data supplied by other financial institutions or Providers.

**3. Transaction Services**

Customer may use SinglePoint® or other similar System to access treasury management transaction services offered by Bank for which Customer has enrolled. Depending on the type of product offered by Bank, access to the transaction services may include, but are not limited to, ACH, ACH positive pay, wire transfer payments, book transfers, stop payments, positive pay, reverse positive pay, image access and system administration. Customer agrees that use of the System for transaction services shall be governed by this Section C and all other sections of this Agreement that are applicable to the product or service being accessed.

**4. Security Procedures/System Administrator**

Customer agrees to operate the System in accordance with the procedures established by Bank. Bank reserves the right to reject any transaction or service request that is not made in accordance with these procedures. Customer agrees to designate one or more System Administrator(s). The System Administrator is responsible for setting up Services available through the System and for establishing internal security procedures related to such Services, including, without limitation, system-wide configuration of Bank accounts, assigning users, establishing authority levels, establishing authorization requirements, distributing and re-setting passwords and other internal security devices related to the Services. Designation of the System Administrator may be amended or revoked from time to time upon notice to Bank. Bank shall have a reasonable time to act on any such notice. Customer is solely responsible for maintaining a secure work environment to ensure against use of the System by unauthorized individuals. Security procedures to be followed by Customer include, without limitation, informing Agents that any passwords should not be shared with anyone and to secure physical access to the terminals used for services when an Agent has logged on to the system or otherwise.

**5. Manuals**

Bank will provide Customer with a manual(s) in paper or electronic format that will set forth the applicable System's policies and procedures with which Customer agrees to comply. Bank may, without prior notification, make amendments to any manual. Bank owns or has obtained all proprietary rights to the manuals and Customer agrees not to duplicate, distribute or otherwise copy Bank's manuals without Bank's prior written consent. Any manual will at all times remain the property of Bank and Bank reserves the right to request Customer to return all printed copies of such manual within thirty (30) days of termination of this Service.

**6. Customer Responsibilities**

Customer will purchase (from Bank, in some cases) and provide all equipment and software necessary to use the applicable System in accordance with this Agreement. For equipment not provided by Bank, Bank shall have no responsibility and makes no warranties for such equipment or software. Customer agrees to use the System solely to conduct its business with Bank and agrees to limit access to those Agents who require access to the System. Customer agrees that in addition to other limitations to Bank's liability elsewhere in this Agreement, Bank shall not be liable for any loss or damage arising directly or indirectly from the following:

- a. any inaccuracy or incompleteness in the input of an order or instruction from the Customer;
- b. any failure by Customer to obtain a confirmation of an order or instruction; or
- c. any cancellation or attempted cancellation by Customer of an order or instruction.

**7. Accuracy and Timeliness of Information**

Bank will use reasonable efforts to provide the information requested through the Services in a prompt fashion. Bank shall not be liable for any inaccurate or incomplete information with respect to transactions which have not been completely processed or posted to Bank's system prior to being made available pursuant to the Services. .

**8. International Information Reporting**

If requested by Customer and agreed to by Bank, Bank may provide incoming international information reporting through Providers or via SWIFT, which shall be governed by the terms of this Section C, other applicable sections of this Agreement, and other applicable agreements or law. Bank shall receive the international information reporting data through Providers or via SWIFT from Customer's account-servicing Bank ("Servicing Bank") and shall display such data to Customer using SinglePoint® or other similar System. If Customer makes a request to Bank for an off-schedule international information report from the Servicing Bank, Customer agrees that Bank shall have no liability if the Servicing Bank does not support the off-schedule request or does not respond to the request in a timely manner.

**D. ELECTRONIC DEPOSIT SERVICES**

Electronic Deposit Services provide Customer with the option of making electronic deposits using the ECLD services or the OED services, or other similar products or systems as may be introduced by Bank. Customer agrees that the Electronic Deposit Services shall be governed by this Section and other relevant sections of this Agreement.

**1. Processing Options**

Customer shall at all times maintain an account with Bank and may select one of the following processing options as part of the Electronic Deposit Services:

- a. **Check Image/MICR Data/Substitute Check Collection:** Customer captures checks or check information received from its Payor Customers into Check Images and/or MICR Data, and transmits the same to Bank for processing and collection. Bank will seek to collect such Check Images and/or MICR Data through the check collection system by presenting or exchanging Check Images and/or MICR Data, or using Check Images and/or MICR Data to create a Substitute Check, a Demand Draft or a Photo-In-Lieu ("PIL") for collection.
- b. **ACH Processing and Check Image/MICR Data/Substitute Check Collection:** Customer captures checks or check information received from its Payor Customers into Check Images and/or MICR Data, and transmits the same to Bank for processing and collection. Checks that are eligible to be used as source documents to originate ARC Entries, POP Entries, or BOC Entries are processed through the ACH system. The remaining checks are sent for collection as described above in the Check Image/MICR Data/Substitute Check Collection processing option.

**2. Definitions**

- a. "ACH Entry" means an ARC, POP or BOC debit entry originated to debit funds from a Payor Customer's account at a financial institution in accordance with the Operating Rules of the National Automated Clearing House Association ("NACHA").
- b. "Check Image" means an electronic image of an original paper check or an electronic image of a Substitute Check that is created by Customer, Bank or another bank or depository institution in the check collection system.
- c. "Check Image Metadata" means information about the Check Image, as well as pointers to the actual image data (also known as image tags).
- d. "Customer System" means the computer hardware, software and web-based applications located at Customer's site that is used by Customer to prepare Electronic Deposits and to access the OED services or ECLD services. For OED services, the Customer System shall comprise of a scanner and other hardware, software and web-based applications, all of which may be supplied by Bank.
- e. "ECLD system" means Bank's Electronic Cash Letter Deposit computer systems and databases that Customer may access in order to obtain the ECLD services.
- f. "ECLD services" means the Electronic Cash Letter Deposit services that allow organizations that receive check remittance payments by mail or dropbox to deposit all payments electronically at Bank, as further described in the User Manual.
- g. "Electronic Deposit" means electronic information (including Check Images, Check Image Metadata, MICR Data, dollar amount or ACH Entry information), obtained from capturing information from an original paper check and related remittance documentation, that is transmitted to Bank for deposit, processing and collection.
- h. "Electronic Deposit Services" means the ECLD services or OED services or other similar products or systems offered by Bank and selected by Customer.
- i. "MICR Data" means information from the Magnetic Ink Character Recognition stylized printing on the bottom of checks comprising of routing, transit, account and check serial numbers.

**j.** “OED system” means Bank’s On-Site Electronic Deposit Service computer systems and databases that Customer may access in order to obtain the OED services.

**k.** “OED services” means the On-Site Electronic Deposit Services that allows organizations that receive check remittance payments by mail or in a walk-up or dropbox environment to deposit all payments electronically at Bank, as further described in the User Manual.

**l.** “Payor Customers” means clients and/or customers of Customer that submit original paper checks or check information to Customer for payment obligations owed to Customer.

**m.** “Photo-In-Lieu” or “PIL” means a photocopy of an original paper check, other than a Substitute Check, created from a Check Image.

**n.** “Remotely-Created Demand Draft” or “Demand Draft” means a paper item, other than a Substitute Check or PIL, that (i) is drawn on a Payor Customer account, (ii) does not bear the signature of the Payor Customer, and (iii) is authorized by the Payor Customer to be issued in the amount for which the item is drawn.

**o.** “Substitute Check” means a paper check document that meets the definition of a “substitute check” in the Check Collection for the 21<sup>st</sup> Century Act as implemented by Regulation CC of the Federal Reserve Board.

**p.** “Transaction Data” means any information obtained from Payor Customer’s checks, Check Images, remittance slips or information entered by Customer into the Customer System, including without limitation MICR Data, check amount, Payor Customer address or check number.

### 3. Customer Authorizations and Notifications

Customer shall adhere to any and all applicable clearinghouse, local, state, or federal laws, rules or regulations, including but not limited to, obtaining all necessary consents and authorizations from, and/or providing all necessary disclosures and notifications to, its Payor Customers concerning the creation and use of the Payor Customers’ checks or any other use of Transaction Data by Customer or Bank, and the conversion of Payor Customers’ checks or check information to ACH Entries and/or Check Images (including subsequent Substitute Checks, Demand Drafts or PILs created from such Check Images). Customer is solely responsible for ascertaining the content, method, and frequency of any required authorizations and notifications.

### 4. Determination of Items Eligible for Electronic Deposit

**a.** Only original paper checks that qualify as a source document may be converted to an ARC Entry, POP Entry or BOC Entry under NACHA Rules. Customer is responsible for maintaining current information in the OED system or ECLD system on those Payor Customers that have opted-out of ARC Entry conversion. If Customer has selected a processing option that uses ACH Entries to collect payments from Payor Customers, Bank will apply certain automated internal edits and screens to the MICR Data and/or Check Images submitted by Customer to determine whether the original paper check is a source document that qualifies for conversion to an ACH Entry. Customer acknowledges and agrees that Customer is the Originator of such ACH Entries under NACHA Rules regardless of whether Customer or Bank initiates the ACH Entry into the payment system.

**b.** Only a draft, payable on demand, and drawn on or payable through or at an office of a bank, is eligible for deposit as a Check Image. Without limiting the generality of the preceding sentence, the following items are not eligible for deposit as Check Images under the Electronic Deposit Services, and Customer must deposit these original paper checks with Bank for collection: (i) checks, including travelers checks, that are drawn on banks located outside of the United States, (ii) checks payable in a medium other than U.S. dollars, (iii) non-cash items (as defined

under Section 229.2(u) of Federal Reserve’s Regulation CC), (iv) promissory notes and similar obligations, such as savings bonds, and (v) any other class of checks or drafts as identified by Bank to Customer from time to time.

### 5. Capture of Checks and Check Information

**a.** Depending on the processing options selected by Customer, Customer shall be responsible for accurately capturing an image of each paper check, the MICR Data and the correct dollar amount of the check into the Customer System. In the event the condition of a paper check precludes a complete automated read, Customer shall be responsible for visually inspecting the check and repairing the MICR Data, if necessary. Customer shall be responsible for the inspection of all Check Images to ensure the legibility of the Check Image (including without limitation the dollar amount and signature of the drawer), for the repair of any MICR Data, and for ensuring that any and all information on a paper check is accurately captured and legible in the resulting Check Image and/or MICR Data and otherwise complies with any Check Image or MICR Data quality standards and guidelines that may be established by ANSI, ECCHO Rules, the Federal Reserve, other applicable regulatory agency or clearinghouse or that Bank may provide to Customer from time to time. Customer acknowledges that current image technology may not capture all security features (e.g. watermarks) contained in the original paper checks

**b.** Customer further acknowledges that Bank does not verify the accuracy, legibility or quality of the Check Image or MICR Data prior to processing an Electronic Deposit. Bank may, in its sole discretion, reject, repair, alter, amend, re-format or convert the Check Image Metadata or MICR Data submitted in an Electronic Deposit in accordance with general check collection practices and industry presentment standards, but Bank shall have no obligation to reject, repair, alter, amend, re-format or convert the Check Image Metadata or MICR Data. If Bank requires that Customer comply with certain formatting standards or other guidelines when submitting Electronic Deposits and Customer declines to implement, or comply with, such standards or guidelines, Customer acknowledges that Bank shall not be liable for any error or loss that results from Bank processing such Electronic Deposit or from Bank’s re-formatting or conversion of the Electronic Deposit prior to processing.

**c.** Bank shall not be liable to Customer for any error that results in processing or collecting an Electronic Deposit: (i) for which Customer has not provided Bank with full and correct MICR Data and dollar amount from the original paper check; (ii) for which Customer has not provided an accurate and legible image of the original paper check, (iii) for which Customer has failed to comply with formatting standards or other guidelines required by Bank and as provided to the State in writing; or (iv) which would violate this Agreement, or any other agreement between Customer and Bank.

### 6. Upload of Electronic Deposit to Bank

**a.** Customer shall upload the Electronic Deposit transmission (containing one or more Electronic Deposits) to Bank prior to the daily cut-off time established by Bank from time to time for the receipt of Electronic Deposits. Any Electronic Deposit transmission received by Bank after its daily cut-off time shall be deemed to have been received by Bank at the opening of its next banking day. Performance of the Electronic Deposit Services may be affected by external factors such as communication networks latency. Customer is responsible for the transmission of the Electronic Deposit until the OED system or the ECLD system reports a successful acknowledgement of receipt of the transmission.

**b.** An Electronic Deposit is received when the entire Electronic Deposit transmission in which that Electronic Deposit is contained is received by Bank in accordance with section 6.a. above. If only a portion of that Electronic Deposit transmission is received by Bank for any reason, including without limitation a failure during the transmission to Bank, the Electronic Deposit transmission is deemed to have been not received by Bank with respect to any Electronic Deposit contained in that Electronic

Deposit transmission (including any Check Image contained in the portion of that Electronic Deposit transmission that was received).

c. Bank will process Electronic Deposit transmission received from Customer either via ACH Processing, or via Check Image/Substitute Check Collection, according to the processing options selected by Customer.

#### **7. Collection of Check Images and MICR Data**

Notwithstanding anything to the contrary in this Agreement, Bank may in its sole discretion determine the manner in which Bank will seek to collect a Check Image and/or MICR Data deposited by Customer. Without limiting the generality of the preceding sentence, Bank may, at its option: (i) present or transfer the Check Image or MICR Data to the paying bank, a Federal Reserve Bank, image share/exchange network, or other collecting bank; (ii) create a Substitute Check, a Demand Draft or a PIL from the Check Image and/or MICR Data and collect such item, or (iii) request that Customer provide to Bank the original paper check from which the Check Image and/or MICR Data was created and then collect the original paper check.

#### **8. Returns**

a. Customer agrees that Bank may charge the account of Customer for any and all returned items and ACH Entries, including a returned Check Image, a returned Substitute Check or a returned Demand Draft or PIL that relates to the original paper check.

b. Bank will provide Customer with a report of Check Images, paper items (which may include Substitute Checks, Demand Drafts or PILs) and ACH Entries that are returned. If Bank receives a Check Image as a return, Bank may provide Customer with: (i) a report of returned Check Images, (ii) a fax notification of returned Check Images, or (iii) Substitute Checks or other copies created from the returned Check Images. Bank is not obligated to produce a Substitute Check from a returned Check Image.

c. If Customer elects to have its returned paper items directed to another financial institution or entity apart from Bank, Bank shall not be liable for any late returned items.

#### **9. Representation of Returns**

a. If Customer identifies to Bank a returned ACH Entry as being returned because the original paper check was ineligible as a source document for the ACH Entry, Bank shall use reasonable efforts to collect the check related to the ACH Entry by creating, in Bank's sole discretion, a Substitute Check, a Demand Draft or a PIL from the image of the original paper check. Customer represents and warrants to Bank that Customer has obtained all necessary and appropriate authorizations from its Payor Customers for Bank to create, and present for payment to Payor Customer's financial institution, any such Substitute Check, Demand Draft or PIL.

b. In the event Bank, in its sole discretion, determines that it requires the original paper check for representation in order to collect a returned Check Image, ACH Entry, Substitute Check, Demand Draft or PIL, Customer shall be responsible for providing to Bank the original paper check, or if the original paper check has been destroyed, for obtaining a replacement check from the Payor Customer.

c. If Customer elects to use Bank's ACH Return Exception process, a process by which Customer may review, repair and resubmit select ACH returns, Customer shall be solely responsible for transactions that are reinitiated based on this process and shall comply with all applicable laws, rules and regulations governing such transactions, including but not limited to the NACHA Rules and Regulation E.

#### **10. Storage of Check Images**

Bank shall store Check Images, MICR Data and ACH Entry information on the OED system or ECLD system, and shall make Check Images, MICR Data or ACH Entry information available to Customer according to the User Manuals. If the Electronic Deposit Services are terminated, Customer may obtain an FTP transmission or any other available format of Check Images, MICR Data or ACH Entry information processed using the Electronic Deposit Services.

#### **11. Items or Images Received for Deposit**

Bank reserves the right to reject any deposit (as an Electronic Deposit or otherwise) for any reason, including but not limited to, rejection of a Substitute Check that was created by another financial institution, Customer, Payor Customers or any other person.

#### **12. No Authorization to Create Substitute Checks**

Customer agrees that Customer and any of its agents may not use the Check Images created by, or stored in, the OED system or ECLD system, or otherwise transmitted to Customer, to print a Substitute Check for any reason.

#### **13. Retention and Destruction of Original Paper Checks**

Customer shall destroy the original paper check as soon as is reasonable and shall comply with all requirements under the NACHA rules for BOC and ARC Entries to employ commercially reasonable methods to securely store the source document until destruction. At Bank's request, Customer shall provide the original paper check to Bank if the original paper check has not been destroyed by Customer and Bank needs the original paper check to process a payment or resolve a dispute arising from an Electronic Deposit.

#### **14. Remittance Documentation**

For OED services, Customer may use the Customer System to scan and read remittance documents associated with check payment.

#### **15. Representations and Warranties**

With respect to each Check Image or Electronic Deposit that Customer transmits to Bank, Customer is deemed to make any representation or warranty that would have applied had Customer deposited the original paper check. In addition Customer is deemed to make to Bank any representation or warranty that Bank makes, under applicable law, clearinghouse rule, Federal Reserve Operating Circular, bi-lateral agreement or otherwise, to any person (including without limitation a collecting bank, a Federal Reserve Bank, a Receiving Depository Financial Institution, a paying bank, a returning bank, the drawee, the drawer, any endorser, or any other transferee) when Bank transfers, presents or originates the Electronic Deposit or Check Image, or a Substitute Check, Demand Draft, PIL, or ACH Entry created from that Check Image or MICR Data.

#### **16. Customer Responsibility**

With respect to each Check Image or Electronic Deposit that Customer transmits to Bank, Customer agrees Bank shall not be liable for any and all claims, demands, damages, losses, liabilities, penalties and expenses (including, without limitation, reasonable attorney fees and court costs at trial or on appeal) arising directly or indirectly: (a) from Customer's breach of a representation or warranty as set forth in section 15 above, (b) as a result of any act or omission of Customer in the capturing, creation or transmission of the Check Image or Electronic Deposit, including without limitation the encoding of the MICR Data from the original paper check; (c) from any duplicate, fraudulent or unauthorized check, Check Image, MICR Data, Substitute Check, Demand Draft, PIL or ACH Entry; or (d) for any loss caused by Bank's acceptance or creation of a Check Image, MICR Data, Substitute Check, Demand Draft, PIL or ACH Entry instead of presentment of the original paper check; or (e) from any other act or omission arising out of Bank's action or inaction taken pursuant to any request by Customer or pursuant to this Agreement. This section 16 shall survive termination of the Agreement.

**17. Limited Use**

Customer may use the Electronic Deposit Services, the User Manual, and the OED system or ECLD system for business use for as long as Bank in its sole discretion provides the Electronic Deposit Services to Customer. Customer shall return to Bank any Customer System software upon termination of the OED services.

**18. Rules Applicable to Collection of Checks**

Customer acknowledges and agrees that a Check Image, MICR Data, Substitute Check, Demand Draft or PIL may, in the sole discretion of Bank, be collected through one or more check clearinghouses, one or more Federal Reserve Banks, or an agreement with another financial institution or image share/exchange network. In such cases, the Check Image, MICR Data, Substitute Check, Demand Draft or PIL is subject to the rules of that clearinghouse, Federal Reserve Bank, or image share/exchange network or financial institution agreement.

**19. Accuracy and Timeliness of Electronic Deposit Services**

Bank will use reasonable efforts to provide the Electronic Deposit Services in a prompt fashion, Bank shall not be liable for any inaccurate or incomplete information with respect to transactions which have not been completely processed or posted to Bank's deposit or payments system prior to being made available pursuant to the Electronic Deposit Services.

**20. User Manual**

Bank will provide Customer with one or more user manuals ("User Manual") in paper or electronic format that will set forth the OED services' or ECLD services' policies and procedures with which Customer agrees to comply. Bank may, with at least 30 days notification, make amendments to any User Manual. Bank owns or has obtained all proprietary rights to the User Manual and Customer agrees not to duplicate, distribute or otherwise copy the User Manual without Bank's prior written consent. The User Manual will at all times remain the property of Bank, and Bank reserves the right to request Customer to return all printed copies of the User Manual within thirty (30) days of termination of the Electronic Deposit Services.

**21. Security Procedures**

Customer shall comply with all security procedures for the Electronic Deposit Services that are established by Bank or set forth in the User Manual. Customer is solely responsible for (i) maintaining its own internal security procedures, (ii) safeguarding the security and confidentiality of Transaction Data, Check Images and other information that is either printed from, stored on, or downloaded to, the Customer System, OED system, ECLD system, or Customer's other computer/data systems or portable media; and (iii) preventing errors or unauthorized access to the Customer System, the OED system or ECLD system.

**E. ACH SERVICES****1. Introduction**

If requested by Customer and agreed to by Bank, Customer (or its Agent or third party vendor) may initiate credit or debit Automated Clearing House (ACH) transactions ("Entries") for payments ("Credit Entries") and/or collections ("Debit Entries") on ACH Business Days to its accounts or the accounts of others ("Receivers") in accordance with Bank's security procedures and this Agreement. Bank will act as an Originating Depository Financial Institution with respect to such entries. Bank may process Entries directly, through one or more clearinghouses, or through the mechanism selected by Bank. Customer's rights and obligations with respect to such Entries are governed by applicable law and the rules of the National Automated Clearing House Association ("NACHA"), as amended from time to time. Customer acknowledges that it shall be bound by NACHA Rules and agrees not to initiate any Entry in violation of the NACHA rules or applicable federal, state or international law, regulation or clearinghouse rules, including, without limitation, Regulation E of the Board of Governors of the Federal Reserve System, regulations promulgated by the Office of Foreign Assets Control, rules of the Canadian Payments Association and the Mexican Interbanking Electronic Payment System (SPEI), and Operating Circular 4 of the Federal Reserve Bank (collectively referred to herein as the "Rules"). Customer acknowledges that a copy of the NACHA Rules is available through NACHA at current NACHA prices.

**2. Entry Origination/Processing Dates/Deadlines**

Customer may initiate Entries in the manner and format agreed to by Bank. ACH files transmitted to Bank shall be in an unbalanced file format. Customer agrees that all ACH Entries (regardless of SEC Code) that involve the exchange or transmission of banking information via unsecured electronic networks shall be encrypted or transmitted via a secure session, using a commercially reasonable security technology that, at a minimum, is equivalent to 128-bit RC4 encryption technology. Bank will establish a deadline for the receipt of Entries from Customer ("Deadline"). Bank may establish different Deadlines for Entries depending on the method of delivery employed by Customer and all such Deadlines are subject to change. Bank must receive Customer's Entries at or prior to the Deadline for the Entries to be processed on the ACH Business Day of receipt. Entries received after the Deadline will be processed on the next ACH Business Day. Entries with settlement dates of more than thirty (30) calendar days from receipt will not be processed unless prior arrangements have been made.

**3. Content**

In submitting any Entry, Customer shall be responsible for providing all information required by Bank. Customer bears sole and exclusive responsibility to verify that the information set forth in Entries submitted to Bank is authentic, accurate and conforms to the Rules. The Services hereunder are only designed to respond to information provided by Customer. Accordingly, any inaccuracy in any information provided by Customer may result in unintended processing by Bank. Bank bears no responsibility for detecting or reporting any error in data supplied by Customer and shall not be liable to Customer for any information provided by Customer with respect to an Entry which is inaccurate, incomplete or otherwise incorrect.

**4. Prenotification**

To the extent required by NACHA Rules, Customer shall send a prenotification that it intends to initiate an Entry to a particular account in accordance with the procedures set forth in the Rules or by Bank. The prenotification can be returned or result in a Notification of Change ("NOC"). If the prenotification is returned, Customer shall research the problem and make any necessary corrections before transmitting another Entry. If the prenotification results in a NOC, Customer shall make the required change prior to initiating another Entry, or issue a Refused NOC. NOC Manager is an optional service that allows Bank to track Customer's NOC on Customer's behalf. If Customer selects this option, Bank shall only manage the changes to the routing, transit and account numbers.

**5. Entry Limits and Payment**

Customer shall at all times maintain a settlement account with Bank for the purpose of funding Customer's Entries ("Account").

The total dollar amount of Entries initiated by Customer through Bank under all ACH Services and pending on a given day shall not exceed the lesser of collected or available balances in the Account or an exposure limit should one be established by Bank ("Exposure Limit"). Establishment of an Exposure Limit should not be interpreted or construed by Customer as a commitment or agreement to provide any credit or loans to a Customer and is subject to modification or termination at any time by Bank. Customer agrees that it will not initiate Entries in excess of its Exposure Limit without the written consent of Bank. Customer shall pay Bank for all Entries and authorizes Bank to charge its Account or any other account with Bank in the amount of such Entries. Bank shall have the right to reject Entries initiated by Customer if Bank has reason to believe that there will be insufficient available funds on the relevant settlement date. Bank shall immediately notify Customer upon such rejection. Customer will receive funds for any Debit Entry on the ACH settlement date. Bank shall credit the Account in any amount payable to the Customer, subject to Bank's right to make adjustments in accordance with this Agreement. Bank may establish, monitor and periodically review Customer's Exposure Limit and Customer's compliance thereof, and may cease processing Entries based on such review, after notifying Customer in writing.

#### **6. Data Breach Notification**

Customer may have gathered personal or financial information of its customers for the purpose of initiating ACH transactions. Such information may include, without limitation, the customer's bank account number together with the bank routing number, or the customer's name together with the customer's social security number or tax identification number. Customer agrees to immediately report to Bank any loss, theft or unauthorized access of such information ("data breach") by or from Customer, its Agent, or third party service provider, if circumstances indicate that the misuse of such information has occurred or is reasonably possible. Customer acknowledges that Bank may have an obligation to report any data breaches to NACHA and other affected parties, and agrees to establish appropriate procedures to prevent, detect, investigate and report data breaches.

#### **7. INTENTIONALLY OMITTED**

#### **8. File Confirmation System**

Customer shall at all times comply with applicable file confirmation procedures established by Bank and any security procedures established by Bank or Customer. Such procedures are solely for the purpose of verifying the origination of Entries by Customer or Bank's receipt of the ACH file and/or batch (but not for errors in transmission or content).

**a. Control Totals.** If Customer elects to provide Bank with the total dollar value of ACH Entries and any other necessary information ("Control Totals"), Customer must telephone Bank's Interactive Voice Response Unit ("IVR") each time it originates ACH Entries. After Bank receives Customer's ACH file, Bank will compare the information in the file to the Control Totals. If the information matches the Control Totals, Bank will process the ACH file. Bank will not process a file if it does not receive conforming Control Totals on or before the established file delivery deadline on the Business Day it receives the file. Bank will notify Customer if the Control Totals do not match the information in the file, or if Bank receives a file without receiving Control Totals or vice versa.

**b. Confirmation of Receipt.** If Customer elects not to provide Bank with Control Totals but elects to receive a confirmation, Bank shall provide Customer with a confirmation that Bank received Customer's ACH file and/or batch. After Customer receives the confirmation, Customer will compare the confirmation information to Customer's ACH transmission information. If the information does not match, Customer shall notify Bank before Bank's established deadline, failing which, Bank shall process Customer's ACH file and/or batch. Customer acknowledges that the confirmation is for the sole purpose of verifying Bank's receipt of the file and does not signify any validation of data. Customer bears sole responsibility for any inaccurate or incomplete information provided to Bank if Customer fails to notify Bank prior to Bank's processing of Customer's file.

#### **9. Rejected and Returned Entries, Unauthorized Entries**

Bank may reject any Entry that is not initiated in accordance with this Agreement. In the event that an Entry is rejected, or returned by an ACH

processor, for any reason whatsoever, it shall be Customer's responsibility to reinitiate the Entry. Bank will give Customer or its designated Agent notice of any rejected or returned Entry in the manner agreed to by the parties. Bank is authorized to debit/credit the Account for Entries that are returned to Bank. Unless the return is caused by Bank's failure to properly execute an Entry, Bank has no obligation to pay Customer interest on the amount of any returned Entry debited from the Account. A Receiver may, in some cases, have the right to have an unauthorized or erroneous Debit Entry credited to its account. Customer agrees that Bank may deduct the amount owing to the Receiver from Customer's Account upon Bank's receipt of proper notice from the Receiver's bank. Bank may charge back against Customer any Debit Entry that is returned or reversed by the Receiving Depository Financial Institution.

#### **10. ACH Redeposit Service**

If requested by Customer and agreed to by Bank, Bank will reinitiate (maximum of two times) each Debit Entry returned for insufficient or uncollected funds.

#### **11. Amendment of Entries**

Customer does not have the right to delete or amend any Entry after it has been received by Bank unless Customer has requested, and Bank has agreed to provide ACH Adjustment Services. If such services are provided, Customer may initiate an amendment to ACH Entries after receipt by Bank. Customer may initiate such amendments via internet or fax in accordance with the terms of this Agreement and all communications must be received by Bank prior to the established deadlines in order to be effective.

**a. Internet Option.** If Customer has selected the Internet Option, Customer may use the Internet to transmit information to Bank for the purpose of amending ACH files. Customer agrees to comply with any applicable software agreement, user guide and any established security procedures.

**b. Fax Option.** If Customer has selected the Fax Option, Customer may amend ACH files in accordance with this Agreement by sending instructions to Bank to delete Entries via facsimile. Bank will notify the Customer of the telephone numbers for facsimile and verbal instructions. Bank may from time to time change such telephone numbers or the form of instructions upon notification to the Customer. Customer acknowledges that the Internet Option may be substantially more secure than the Fax Option. Customer agrees to be bound by any instructions, whether or not authorized, issued in its name and accepted by Bank in accordance with the agreed procedures.

#### **12. Customer Representations/Indemnity**

Customer represents and warrants to Bank that each Entry complies with the terms of this Agreement and NACHA Rules, does not breach any warranty of Customer or Bank contained in this Agreement and NACHA Rules, complies with applicable state and federal laws, including, without limitation, the Electronic Funds Transfer Act, Regulation E and regulations promulgated by the Office of Foreign Assets Control, is accurate, timely, and authorized and that any Debit Entry is for a sum that on its settlement date is due and owing from the Receiver to Customer or is a correction of a previously transmitted erroneous Credit Entry. With respect to each ACH Entry (regardless of SEC Code), Customer is deemed to make to Bank any representation or warranty that Bank makes, under applicable law and NACHA Rules to any person, Receiving Depository Financial Institution, or any other transferee.

Receiver authorizations shall expressly authorize Bank to transmit corrective entries to Receiver's accounts to correct a prior Entry and shall authorize Customer to release to Bank all information concerning its Receivers that is required by Bank to recover such Entries. Customer shall immediately cease initiating Entries upon receiving actual or constructive notice of the termination or revocation of the Receiver's authorization. Customer will retain each authorization received by Customer for such period of time as may be required by the Rules or applicable law and shall provide Bank with copies of such authorizations upon request. Bank shall not be liable for any and all claims, demands, expenses, losses, liabilities, and damages, including reasonable attorney fees and court costs at trial or on appeal that arise directly or indirectly out of any Entry initiated by Customer in violation of this Agreement.

### 13. Re-presented Check Entries

NACHA Rules allow Customer to initiate an ACH Entry to collect certain checks that have been returned unpaid for insufficient or uncollected funds ("RCK Entry"). In the event that Customer initiates an RCK Entry to Bank for check collection purposes, Customer agrees that such RCK Entry will comply with all provisions of this Agreement and applicable Rules and makes the following additional representations and warranties regardless of which entity initiates the RCK Entry on its behalf.

- a. Each check is eligible under NACHA Rules to be collected via an RCK Entry.
- b. Customer has no knowledge of any insolvency and it has good legal title to the returned item.
- c. All signatures on the returned item are authentic and authorized, and the returned item is without alteration, not subject to claims or defenses, and will not be presented to the paying bank.
- d. The RCK Entry accurately reflects the item and any information encoded after issue in magnetic ink is correct. (RCK Entries cannot be used for collection fees.)
- e. Any restrictive endorsement placed on the item is void or ineffective.
- f. Customer has provided clear and conspicuous notice of its electronic check representation policy in advance of receiving the item to which the RCK Entry relates.
- g. The Customer will provide to Bank immediately upon request a copy of the front and back of the returned item, provided that the request is made within seven (7) years of the settlement date of the RCK Entry.

### 14. Internet-Initiated Entries

NACHA Rules allow Customer to initiate a Debit Entry to a consumer Receiver's account pursuant to an authorization obtained from the Receiver via the Internet ("WEB Entry"). In the event that Customer initiates a WEB Entry to Bank, Customer agrees that such WEB Entry will comply with all provisions of this Agreement and applicable Rules and makes the following additional representations and warranties regardless of which entity initiates the WEB Entry on its behalf:

- a. Customer has employed a commercially reasonable fraudulent transaction detection system to screen each WEB Entry.
- b. Customer has employed commercially reasonable methods of authentication to verify the identity of the Receiver.
- c. Customer has taken commercially reasonable steps to verify that routing numbers are valid.
- d. Customer has established a secure Internet session prior to the key entry by the Receiver of any banking information and through the transmission of the data to Customer. Currently, 128-bit RC4 encryption technology is the standard for financial transactions and is considered commercially reasonable. If technological advancements drive the commercially reasonable standard to change, Customer agrees to comply with the new standard.

e. Customer has and will conduct an annual audit to ensure that the financial information that Customer obtains from Receivers is protected by security practices that include adequate levels of: (1) physical security to protect against theft, tampering, or damage, (2) personnel and access controls to protect against unauthorized access and use, and (3) network security to ensure secure capture, storage and distribution of financial information. Customer will provide proof of Customer's security audits to Bank upon request. Any such information provided to Bank shall be kept confidential. Bank may cease processing Entries for Customer if Bank in its sole discretion determines that Customer's security procedures are inadequate.

### 15. Telephone-Initiated Entries

NACHA Rules allow Customer to initiate a Debit Entry to a consumer Receiver's account pursuant to the Receiver's oral authorization and banking information obtained via the telephone ("TEL Entry"). In the event that Customer initiates a TEL Entry to Bank, Customer agrees that such TEL Entry will comply with all provisions of this Agreement and applicable Rules, and makes the following additional representations and warranties regardless of which entity initiates the TEL Entry on its behalf:

**a. Receiver Authorization.** Customer shall obtain the Receiver's explicit authorization prior to initiating a Debit Entry to the Receiver's account. In the event that Customer obtains the Receiver's authorization verbally, Customer will either tape record the Receiver's oral authorization or provide, in advance of the settlement date of the Entry, written notice to the Receiver that confirms the oral authorization. Customer agrees that, at a minimum, the following specific information is disclosed to, and acknowledged by, the Receiver during the telephone call:

- (i) the date on or after which the Receiver's account will be debited.
- (ii) the amount of the Debit Entry to the Receiver's account;
- (iii) the Receiver's name;
- (iv) a telephone number that is available to the Receiver and answered during normal business hours for customer inquiries;
- (v) the date of the Receiver's oral authorization; and
- (vi) a statement that the authorization obtained from the Receiver will be used to originate an ACH debit to the Receiver's account.

To the extent applicable, Customer shall retain either the original or a duplicate tape recording of the Receiver's oral authorization or a copy of the written notice confirming the Receiver's oral authorization for two years from the date of the authorization, and shall immediately provide same to Bank upon request.

If Customer chooses to provide the Receiver with written notice confirming the Receiver's oral authorization, Customer will disclose to the Receiver during the telephone call the method by which such notice will be provided.

**b. Security Procedures.** In addition to all other representations and warranties contained herein, Customer also represents and warrants the following each time it delivers a TEL Entry to the Bank that it has (a) utilized a commercially reasonable security procedure to verify the identity of the Receiver, including name, address and telephone number; and (b) further that Customer has established commercially reasonable procedures to verify the accuracy of the Receiving Depository Financial Institution's ABA routing and transit number.

### 16. Accounts Receivable and Back Office Conversion Entries

NACHA Rules allow Customer to utilize ACH to collect consumer check payments received via U.S. mail or at a dropbox location (ARC Entry"). NACHA Rules also enable Customer to convert during back office processing checks presented either at the point of purchase or a manned bill payment location ("BOC Entry"). In the event that Customer initiates an ARC or BOC Entry to Bank, Customer agrees that such ARC or BOC Entry will comply with all provisions of this Agreement and applicable

Rules and makes the following additional representations and warranties regardless of which entity initiates the ARC or BOC Entry on its behalf:

- a. Prior to the receipt of each check, Customer has provided clear and conspicuous notice to the Receiver: (i) that receipt of the check is authorization for a payment as a check transaction or for a one-time ACH debit to the Receiver's account; (ii) that funds may be withdrawn from the Receiver's account the same day payment is made; (iii) that the Receiver will not receive the check back from the Receiver's financial institution; and (iv) of Customer's phone number for inquiries regarding BOC Entries.
- b. Customer has established reasonable policies and practices for enabling a Receiver to opt-out of check conversion for a specific checking account.
- c. Each check is eligible as a source document under NACHA Rules to be collected via an ARC or BOC Entry.
- d. The amount of the entry, the routing number, the account number, and the check serial number are in accordance with the source document.
- e. The source document to which the ARC or BOC Entry relates will not be presented for payment.
- f. Customer has established policies and procedures to destroy the source document as soon as is reasonable and shall use commercially reasonable methods to securely store the source document until such destruction.
- g. Customer shall use commercially reasonable methods to securely store the banking information relating to the ARC or BOC Entry.
- h. Customer shall retain a reproducible and legible image, microfilm or copy of the front of the Receiver's source document for two years from the settlement date of each ARC or BOC Entry, and shall immediately provide same to Bank upon request, unless bank's BOC service automatically retains such image.
- i. For BOC Entries, Customer has employed commercially reasonable procedures to verify the identity of each Receiver of BOC Entries.
- j. For BOC Entries, Customer maintains a working telephone number that is answered during Customer's normal business hours for Receiver inquiries regarding BOC transactions.

#### 17. Point of Purchase (POP) Entries

NACHA Rules allow Customer to initiate a Debit Entry to a Receiver's account for in-person purchases made by check at the point-of-purchase ("POP Entry"). In the event that Customer initiates a POP Entry to Bank, Customer agrees that such POP Entry will comply with all provisions of this Agreement and applicable Rules and makes the following additional representations and warranties regardless of which entity initiates the POP Entry on its behalf:

- a. Customer has posted a notice in a prominent and conspicuous location at the point-of-purchase and provided Receiver with a written notice of same: (i) that when a check is provided as payment, it is authorization for payment as a check transaction or for a one-time ACH debit to the Receiver's account; and (ii) that funds may be withdrawn from the Receiver's account the same day payment is made.
- b. Each check is eligible under NACHA Rules to be collected via a POP Entry and the Receiver has not opted out of check conversion.

c. Customer has returned the voided source document to the Receiver after capturing the necessary check information and the source document was not previously negotiated, voided, or provided by the Receiver for use in any prior POP Entry.

d. Customer has obtained the Receiver's authorization and provided a copy of same to Receiver, which: (i) is in writing and signed or similarly authenticated by the Receiver; (ii) is readily identifiable as an ACH debit authorization; (iii) clearly and conspicuously states its terms; and (iv) states that the check will not be processed.

#### 18. Third Party Vendors

If Customer initiates Entries through a third party vendor or processor ("Vendor"), Vendor is the agent of Customer and not of Bank. If Customer uses a Vendor, Customer shall be deemed to have authorized Bank to follow the instructions of such Vendor to the same extent and under the same conditions as would apply if the instructions came direct from Customer and Customer shall be responsible for insuring that such Vendor fully complies with the Rules and this Agreement. Bank is not responsible for the acts or omissions of Vendor.

#### 19. Third Party Sender

If Customer is transmitting Entries as a third party vendor or processor on behalf of originators ("Third Party Sender"), Customer agrees to be bound by the applicable terms provided in this Section E and NACHA Rules. Customer warrants to Bank that the originator has agreed to assume the responsibilities of an Originator under NACHA Rules and that ACH Entries shall not be initiated in violation of laws of the United States. Customer represents that it has executed an ACH agreement with each Originator and that the agreement binds the Originator to the NACHA Rules. Customer shall provide Bank with the list of Originators, copies of the agreements, and other information deemed reasonably necessary to identify the Originators within two (2) banking days of Bank's request. Bank reserves the right to review the list of Originators for which Customer is transmitting the Entries and to reject any in Bank's sole discretion. As Third Party Sender, Customer agrees that Bank shall not be liable for any and all claims, demands, expenses, losses, liabilities, and damages, including reasonable attorney fees and court costs at trial or on appeal that arise directly or indirectly from the failure of the Originator to perform its obligations as an Originator under NACHA Rules. Customer further agrees to assume all applicable responsibilities, warranties and liabilities of the ODFI, as specified in the NACHA Rules. Customer shall cooperate fully and respond within five (5) banking days to any inquiry from Bank relating to potential NACHA Rule inquiries or violations.

#### 20. PC ACH-Direct

**a. Services and Software.** If requested by Customer and agreed to by Bank, Bank will grant Customer a non-exclusive, revocable and non-assignable license to access and use the PC ACH program for the purpose of initiating ACH Entries in accordance with this Agreement. Customer will, at its own expense, obtain, install and at all times maintain in good working order all equipment necessary for this service. Bank may furnish to Customer updates to the PC ACH program. Customer agrees to install such upgrades as necessary to maintain the Service.

**b. License.** Customer acknowledges that the PC ACH program is an original, confidential, valuable and proprietary product that has been licensed to Bank with the right to be sub-licensed to Customer. Customer's use of the program shall be consistent with the terms of this Agreement. Customer has no rights of ownership to the PC ACH program and may not transfer, copy, alter, modify, reverse engineer, reproduce, or convey in any manner, in whole or in part, the program. Customer agrees to confine knowledge and access to the program only to its designated employee users who require such knowledge and access in the ordinary course and scope of their employment with Customer. Upon request, Customer shall return all software and user manuals associated with this Service promptly upon termination.

**c. Encryption.** By default, Bank sets up Customer with encryption technology to ensure the security of data retrieved from, and sent to, Bank. If Customer elects to disable encryption, Customer assumes all risks associated with the transmission of unencrypted data to and from Bank.

#### **21. Cash Concentration/Deposit Reporting Services**

Customer may request Bank to provide deposit reporting services based on information provided by the Customer or its designated Agent. Information will be delivered to Bank at the time and location established by Bank. Bank has no responsibility for the accuracy of any information provided by Customer. Customer may authorize Bank to initiate Credit or Debit Entries to accounts designated by Customer at other financial institutions. Bank will initiate such Entries in accordance with agreed procedures. Customer agrees to authorize Receiving Depository Financial Institutions to honor such transactions.

#### **22. ACH Positive Pay Service**

ACH Positive Pay Service assists Customer in detecting fraud by electronically matching incoming ACH transactions to authorizations that Customer can create and manage online. If ACH Positive Pay Service is selected by Customer, Customer shall designate the account(s) maintained at Bank that are to be used with the ACH Positive Pay Service ("Account"). Customer shall create authorizations for incoming ACH Credit and/or Debit Entries that it desires to post to the Account. Customer shall be responsible for the accuracy and completeness of all information provided to Bank. Bank will allow incoming ACH Entries that match Customer's authorizations to post to Customer's Account. Incoming ACH transactions that do not match Customer's authorizations will be treated as exception items, and Customer agrees to monitor, review and make payment decisions on the exception items prior to Bank's established deadline. If Customer's requested default setup is for Bank to pay all exception items, then such exception items shall post to Customer's Account unless Customer has instructed Bank to return one or more exception items prior to the established deadline. If Customer's requested default setup is for Bank to return all exception items, then Bank is authorized to return all exception items unless Customer instructs bank to pay one or more exception items prior to the established deadline. Bank shall have no responsibility for any liability, loss or damage resulting from: (i) payment in accordance with this section of any exception item that is unauthorized; (ii) the return of any exception item to the Originator in accordance with this section; or (iii) Customer's failure to meet Bank's established deadlines. Bank's failure to report a discrepancy will not discharge Customer's obligation with regard to any item, and shall not obligate Bank to return any item if it is otherwise authorized.

## **F. WIRE TRANSFER SERVICES**

### **1. Introduction**

**a. Governing Law.** Bank sends outgoing and receives incoming wire transfers through Fedwire (the funds transfer system owned and operated by the Federal Reserve Banks or other provider in accordance with section II.23.A.). All funds transfers are governed by this Agreement, Subpart B of Regulation J of the Federal Reserve Board, OFAC regulations, and all other applicable federal, state and local laws and regulations. Customer agrees not to initiate or receive a wire transfer payment order in violation of applicable federal, state or local law.

**b. Authorized Users.** Customer will designate to Bank in the form required by Bank those individuals authorized to instruct Bank regarding wire transfer services including without limitation, individuals authorized to initiate payment orders and select advice methods, confirmation methods, and any or all authorizations and instructions that may be requested by Bank. Bank may rely on any such authorization until it has been revoked in writing by Customer. Bank shall have a reasonable time to process any revocation received pursuant to this section.

### **2. Security Procedures**

Customer and Bank shall agree to use security procedures as established by Bank. Customer acknowledges and agrees that it has been informed of and understands Bank's security procedures. Customer agrees that any agreed security procedures shall be deemed commercially reasonable. Customer understands that the security procedures are not for the purpose of detecting errors in the transmission or content of a payment order controlled by Customer. Customer agrees to be bound by any payment order sent in the name of Customer that is processed by Bank in compliance with the agreed security procedures whether or not authorized. If Bank in good faith believes that changes in security procedures are immediately necessary to reduce the risk of an unauthorized funds transfer, Bank may initiate such changes immediately and give notice to Customer as soon as practicable. Bank, Customer and its Authorized Users and other Agents shall maintain the highest possible level of confidentiality with regard to security codes, test code procedures, other security devices and other aspects of these procedures and will take all steps necessary to prevent access to them by unauthorized persons.

### **3. Inconsistent Names and Account Numbers**

Bank and any other party executing or receiving a payment order, including the beneficiary's bank, may rely on the number in the payment order that identifies the beneficiary and on any numbers that identify the beneficiary's bank and any intermediate financial institutions identified in the payment order, even if such numbers do not correspond to the name of the beneficiary or the financial institution. Bank and any other receiving financial institution have no obligation to determine whether a name and number identify the same person or institution. Customer acknowledges that payment of a payment order initiated by Customer might be made by the beneficiary's bank on the basis of an identifying or bank account number even if it identifies a person different from the named beneficiary. With respect to incoming wire transfers that do not include an account number recognizable to Bank, Bank may return the wire transfer to the sending financial institution without incurring any liability to Customer.

### **4. Routing/Time Deadlines**

Bank may use means and routes that Bank thinks in its own discretion are suitable for each outgoing wire transfer. Bank will establish from time to time a specific time of day after which Bank will not accept an incoming payment order to be processed on the day of receipt. Payment orders received after Bank's established deadline or on any non-Business Day, including any Saturday, Sunday, holiday or any day that Bank's wire department is not open will be considered received on the next Business Day.

### **5. Recordation**

Customer authorizes Bank in its discretion to record electronically or otherwise any telephone instructions and other conversations originated by Customer to Bank and by Bank to Customer.

**6. Payment Orders**

**a. Communication.** Customer may communicate a payment order to Bank by the means and manner agreed to between the parties.

**b. Content of Payment Orders.** Customer will supply to Bank any information Bank may reasonably request regarding any payment order initiated by Customer, including, without limitation, money amounts, affected accounts, dates of transfer, the beneficiary's name and account number, the routing number or BIC of the beneficiary's financial institution, such additional information as Bank may reasonably request and, if necessary, further evidence of any Agent's authority to transfer funds or to do any other act contemplated by this Service.

**c. Execution of Payment Orders.** Customer authorizes Bank to execute and charge Customer's account(s) with Bank for payment orders delivered to Bank in accordance with this Agreement. Bank has no obligation to execute a payment order if Customer's account to be charged has insufficient collected and available funds to cover the order.

**d. Processing Payment Orders.** The order in which Bank processes wire transfer payment orders is determined solely by Bank. Customer does not have the right to reverse, adjust or revoke any payment order after it has been received by Bank, provided, however, that Bank will make a reasonable effort to act on such a request by Customer. With respect to a payment order already transmitted to the beneficiary's financial institution, Bank shall, at Customer's request, request the financial institution to return funds previously transferred. Customer understands that the receiving institution is under no legal obligation to comply with this request.

**e. Rejection of Payment Orders.** Bank may reject a payment order from Customer if such payment order is not initiated in accordance with the applicable security procedure, if there is any inconsistency between a payment order and information previously supplied to Bank, if Bank is unable to obtain confirmation of such payment order satisfactory to Bank, if there are insufficient collected funds in Customer's specified account to fund the payment order, or if Bank has other reasonable grounds not to honor the payment order. Bank will notify Customer by telephone that it has rejected a payment order. Bank may also reject an incoming payment order if it has reasonable grounds to do so.

**f. Standing Payment Orders.** If requested by Customer and agreed to by Bank, Customer may initiate a standing payment order, which is one where the 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 peg balance, the frequency of the order and the day of 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. Bank shall have a reasonable time to act on such notice.

**g. Mainframe Batch Wire Transfers**

**(i) Service Specifications.** If requested by Customer and agreed to by Bank, Customer may initiate payment orders from its mainframe computer to Bank's mainframe computer, subject to the provisions of this Agreement. Customer will comply with interface specifications established by Bank, including, without limitation, file formats and means of data transmission (the "Specifications"). Bank may furnish Customer with modifications to the Specifications and Customer shall implement such modifications as soon as reasonably practicable.

**(ii) Wire Transfer Software, Confidentiality.** Customer shall be solely responsible for creating the computer programs to implement the Specifications ("Wire Transfer Software"). Customer shall maintain the confidentiality of the Specifications and the Wire Transfer Software and permit access solely to those responsible for supporting the Wire Transfer Software or authorized to initiate Payment Orders.

Customer shall implement passwords and other security devices commensurate with the highest level of security afforded by Customer to other computer programs and confidential information of Customer.

**7. Confirmation of Outgoing Wire Transfers**

**a. Confirmation Method.** Customer and Bank shall agree to the method of confirming payment orders received from Customer. Customer shall designate Authorized Users to confirm payment orders. Bank recommends a minimum of three potential Authorized Users to confirm payment orders and that Authorized Users serve as an initiator or a confirmer, but not both. Notwithstanding Bank's recommendation, if Customer permits an Authorized User to act as both initiator and confirmer, Customer hereby authorizes Bank to process a wire initiated and confirmed by such Authorized User. Customer may add, change or delete the Authorized Users in accordance with section II.9. of this Agreement. In the event the designated Authorized Users with authority to confirm are not available to confirm a payment order, Customer agrees that Bank may, at its discretion, elect to process the payment order initiated by an Authorized User. Customer agrees to be bound by any such payment order processed by Bank.

**b. Waiver of Confirmation.** Bank advises Customer not to waive confirmation. If Customer, however, chooses to waive confirmation, Customer agrees to be liable for all outgoing payment orders, except those payment orders where (1) Customer is able to conclusively prove that the unauthorized transfer could not have been prevented by the use of confirmation procedures; (2) Bank is unable to produce any evidence that the unauthorized transfer could have been prevented by the use of confirmation procedures; and (3) Customer is not otherwise liable for the transfer under this Agreement, or applicable law. Customer acknowledges that not using confirmation procedures substantially increases the Customer's risk of liability for an unauthorized wire transfer.

**c. Confirmation of Wire Transfers Initiated through electronic Bank applications.** The confirmation of payment orders initiated by Customer through electronic Bank applications shall be verified and approved by Customer prior to their transmission to Bank. All payment orders shall be initiated and confirmed in accordance with the security procedures established for the relevant application.

**8. Advices**

**a. Advice Method.** Customer will select the type of advice it wishes to receive after Bank sends an outgoing wire transfer or receives an incoming wire transfer. If Customer selects telephonic advices, Customer will designate person(s) to be contacted and telephone numbers to be used for advice purposes. Bank shall not be required to make more than one attempt to reach Customer's designated location by telephone. If Bank is able to reach the Customer's designated location, but not Customer's designated Agent, Bank may leave a message containing the information to be conveyed.

**b. Advices by Facsimile.** If Customer selects advices by facsimile ("fax"), Customer shall exercise extreme care in maintaining its own security in the receipt of fax advices. Customer acknowledges that the information to be received by fax may include confidential information, including, without limitation, names, amounts, phone numbers, originating account information, and the text of incoming wires. Customer further acknowledges that it alone assumes full responsibility for maintenance of its internal security procedures to keep such information confidential. Bank shall not be liable for any and all claims, demands, expenses, liabilities and damages, including attorney fees at trial and on any appeal or petition for review, incurred by Bank arising directly or indirectly from the transmission by fax of an incoming wire transfer advice.

**c. Waiver of Advice.** Customer may waive its right under the Uniform Commercial Code to receive advices by so indicating on the applicable Implementation Documents.

**9. International Wire Transfers**

Wire Transfers across country borders are customarily done by Bank through a correspondent. Any fee, commission or charges assessed by the correspondent shall be passed on to the Customer or deducted from the wire transfer amount by the correspondent. Payment to a foreign country is subject to the laws of the foreign country involved. Bank assumes no liability for delays, non-delivery or other events resulting from causes beyond Bank's control. In refunding unexecuted payment orders, Bank shall be liable to Customer only to the extent it receives payment from the correspondent financial institution processing the transfer. Cancellation of a transfer involving other than domestic currency is subject to any rate exchange loss as determined by Bank. Customer agrees to sell any canceled payment order to Bank at the then current applicable foreign currency buy rate.

**10. Reverse Wire Transfers**

**a. Authorized Debits.** 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 close of business.

**b. Reverse Wire Funding.** Customer agrees not to transmit any reverse wire request in excess of available collected balances on deposit in the designated account(s). Bank may reject any reverse wire request in excess of the collected and available balance. Requesting Bank will be notified if the request is rejected by Bank.

**c. Wire Transfer Numbers.** 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 the wire transfer 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.

**d. Authorizations.** 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.

**e. Limitation on Bank's Liability.** In consideration of Bank's compliance with this authorization, Customer agrees that 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.

**11. Additional Limits on Bank's Liability**

Bank is responsible only for performing the Services described in this Section. Bank shall not be responsible for the acts or omission of Customer, any Federal Reserve Bank or other financial institution, any transmission or communication, or any other person and no such person shall be deemed to be Bank's Agent under this Agreement.

**G. DATA TRANSLATION SERVICES****1. Introduction**

Bank may provide electronic data integration, custom formatting, or data translation ("Data Translation Services") to electronically streamline the exchange of payments, remittance and other information between Customer and Bank and between Customer and its trading partners. If requested by Customer and agreed to by Bank, Bank will provide Data Translation Services in accordance with this Agreement and other procedures provided to the Customer. Customer agrees that Data Translation Services shall be governed by this Section and all other relevant sections of this Agreement.

**2. Scope of Services**

Data Translation Services may be used by Customer to initiate and receive payments sent through payment systems such as wire transfers, ACH and checks and to provide and receive business communications such as remittance reporting, invoices, confirmations, orders, or other information in Customer's preferred format. At all times during the maintenance of Data Translation Services, Customer will maintain an analyzed demand deposit account with Bank.

**3. Accuracy and Timeliness of Information**

Bank will use reasonable efforts to provide Data Translation Services in a prompt fashion. Bank assumes no responsibility for any delays, or for inaccurate or incomplete information with respect to transactions which have not been completely processed or posted to Bank's systems prior to being made available pursuant to Data Translation Services or with respect to payments and related information sent by Customer's trading partners or other financial institutions that are made available through Data Translation Services.

**4. Entry Origination/Processing Dates/Deadlines**

Customer may from time to time deliver to Bank requests to format information for payments and/or other data translation via the agreed upon means (collectively, "Data Translation Request(s)"). All Data Translation Requests shall conform to the content, format, deadlines and other specifications that may be established by Bank in this Agreement and related documentation, or communicated to Customer. Bank may establish different deadlines for Data Translation Requests depending on the method of delivery employed by Customer and all such deadlines are subject to change. Bank must receive Customer's Data Translation Requests at or prior to the deadline established for processing on the business day of receipt. Data Translation Requests received after the deadline will be processed on the next business day. Customer will be notified if a Data Translation Request is rejected in accordance with procedures established by Bank. Customer represents and warrants that all information in each Data Translation Request delivered to Bank by Customer shall be accurate, timely, authorized and will otherwise comply with all applicable laws, rules and regulations.

**5. Content**

Data Translation Requests are only designed to respond to information provided by Customer. Accordingly, any inaccuracy in any information provided by Customer may result in unintended processing by Bank. Bank bears no responsibility for detecting or reporting any error in data supplied by Customer and shall not be liable to Customer for any information provided by Customer with respect to a Data Translation Request which is inaccurate, incomplete or otherwise incorrect. Customer shall retain data on file adequate to permit Customer to remake each request for at least ten (10) business days following the date a file is sent to Bank, and shall provide such data to Bank on request. Customer acknowledges that Bank has no obligation to maintain back-up copies of requests or other information delivered by Customer to Bank.

**6. Payment Order Requests**

Customer agrees that its requests to initiate payment orders utilizing Data Translation Services ("Payment Order Requests") shall be governed by this Section, the sections of this Agreement governing the applicable payment mechanism, and all other applicable laws, rules and regulations governing the relevant payment mechanism. Except as may be provided elsewhere in this Section or Agreement, Customer may not amend or revoke Payment Order Requests after they have been

received by Bank. Customer acknowledges that the rules of NACHA and other electronic funds transfer systems as well as paper check processing systems may make any credit provisional until the financial institution crediting the account of the beneficiary specified in a Payment Order Request receives final settlement and that if the financial institution does not receive final settlement, it is entitled to a refund and Customer shall be deemed not to have paid the beneficiary. Payment Order Requests with settlement dates of more than thirty (30) calendar days from receipt will not be processed unless prior arrangements have been made. Customer is solely responsible for initiating Payment Order Requests sufficiently in advance to meet Customer's contractual obligations to its vendors and/or customers. Bank shall not be responsible for any late payment or finance charges that may result from Customer's failure to allow sufficient lead-time to make a Payment Order Request. Customer authorizes Bank to execute all Payment Order Requests, and settle to the Customer's account all Payment Order Requests, delivered to Bank in compliance with the terms of this Agreement, including the security procedures. Customer authorizes Bank to use whatever means Bank, in good faith, deems reasonable under the circumstances to execute each Payment Order Request, including selection of a funds transfer system, routing, and means of transmission. Customer also authorizes Bank, without prior notice or demand, to debit Customer's account for any other amount payable under this Agreement and to credit the account for any amount payable to Customer.

#### **7. Check Payment Requests**

Customer may from time to time request that Bank print checks and related remittance information ("Check Payment Request(s)") and distribute such checks and information. Customer shall designate the account(s) from which Bank is to make payment ("Payment Account") and shall maintain a sufficient balance in the Payment Account to fund its Check Payment Requests. To mitigate against fraud, Bank may require that Customer utilize positive pay services in conjunction with the Payment Account. Customer agrees that checks drawn in a manner consistent with a Check Payment Request shall be duly authorized to the same extent as a check drawn and signed by Customer and is properly payable by Bank. Customer authorizes Bank to deduct the Payment Account in the amount of the Check Payment Request. If there are insufficient funds in the Payment Account to make a Check Payment Request, Bank may in its sole discretion either refuse to make the payment or make it and overdraw the Payment Account. In either event, Customer shall incur fees as disclosed by Bank in the account agreement and related fee schedules and other disclosures. Customer has no right to reverse, adjust or revoke any Check Payment Request after it has been received by Bank. Bank will, however, make reasonable efforts to act on such a request by Customer.

#### **8. Security Procedures**

Customer shall comply with all security procedures, including any applicable file confirmation procedures, established by Bank for Data Translation Services. Customer agrees that all Data Translation Requests that involve the exchange or transmission of banking information shall only use secure transmission options supported by Bank. For some Services, such as ACH, Customer and Bank may establish alternative, comparable security procedures for accessing such Services when Data Translation Services are utilized. Customer is solely responsible for maintaining its own internal security procedures to prevent errors or unauthorized access to Customer's computer systems by unauthorized employees, vendors or customers. Bank has no responsibility for the security procedures employed by Customer's trading partners.

**a. File Confirmation Procedures.** File confirmation procedures utilizing Data Translation Services are solely for the purpose of verifying Bank's receipt of the Payment Order Requests but not for identifying errors in transmission or content. Where file confirmation procedures are required by Bank or selected by Customer, Customer shall provide Bank with the total items and dollar value of Payment Order Requests or any other necessary information ("Control Totals"). Customer may provide Bank with Control Totals by calling Bank's Interactive Voice Response ("IVR") or by sending a data file to Bank. After Bank receives Customer's Payment Order Requests, Bank will compare the Payment Order Requests to the Control Totals. If the Control Totals match the

Payment Order Requests, Bank will process the Payment Order Requests. Bank will not process Payment Order Requests if Bank does not receive conforming Control Totals on or before the established Payment Order Requests delivery deadline on the Business Day it receives the Payment Order Requests. Bank will notify Customer if the Control Totals do not match the Payment Order Requests, or if Bank receives Payment Order Requests without receiving Control Totals or vice versa.

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**H. COURIER SERVICES**

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**1. Introduction**

Courier Services are offered by Bank for Customers who require ground transportation for the pick-up, transportation and delivery of non-cash banking transactions to Bank locations other than a cash vault. Bank has selected a third party courier ("Courier") to provide the transportation services on Customer's behalf.

**2. Deposit Contents**

Customer acknowledges that the Courier Services is not an armored delivery service and agrees to tender check-only deposits to the Courier. Customer agrees that it shall not deposit any currency, securities, documents or other items which cannot be reconstructed or duplicated. Any deposits of cash using this service shall be at Customer's peril and Customer agrees to assume any and all risk of loss associated with tendering cash deposits.

**3. Courier as Agent of Customer**

Customer acknowledges and agrees that the Courier is the agent of Customer and not of Bank. Until Bank actually receives a delivery in accordance with section 7 below, Bank assumes no risk of loss or theft by third parties or employees of the Customer or the Courier. Bank makes no representation or warranty regarding, and assumes no responsibility with respect to, any services performed or promised by the Courier. The Courier maintains ultimate responsibility for scheduling, movement and routing.

**4. Packaging**

Customer agrees to tender deposits to the Courier using an undamaged and properly fastened bag. Customer shall prepare in duplicate, deposit tickets that list the deposit contents, the total dollar amount of the deposits, and the account or accounts of Customer at Bank to which the checks shall be deposited. Customer agrees to place the original deposit ticket in the bag, and to retain the duplicate ticket.

**5. Reconstruction**

Customer agrees to maintain a complete and accurate reconstructible deposit listing of each deposit given to the Courier. Customer agrees to reasonably and promptly cooperate with Bank and/or the Courier in the notification, identification and replacement of any damaged, lost or destroyed deposit items. Such cooperation shall include reasonable requests by Customer to the makers of the checks to issue duplicates for the damaged, lost or destroyed items. Customer shall notify Bank of any damaged, lost or destroyed items no later than sixty (60) days following the day the items were delivered to the Courier. Bank shall have no obligation to research any damaged, lost or destroyed items if Customer fails to notify Bank within the prescribed time.

**6. Processing**

Bank is authorized to open the bag and to process the contents in accordance with Bank's normal procedures and any applicable availability schedules. All deposits shall be subject to verification and adjustment by Bank. Bank's verification shall be deemed correct and binding upon Customer absent manifest error. If Bank discovers a discrepancy between the contents of the bag and the deposit ticket, Customer hereby authorizes Bank to process and deposit the contents, and to complete an adjustment ticket, which will be mailed or delivered to Customer.

**7. Actual Receipt Required**

Bank is not liable for any losses, damage or destruction of items that occur while in the custody of the Courier. Bank shall not be considered as an insurer of any deposits placed with the Courier until such time the deposits are received and acknowledged by Bank. Deposits delivered to the Courier are not considered received by Bank until they are actually delivered to Bank's processing center.

**8. Delivery of Deposits**

Deposits delivered by the Courier after Bank's deadline for the receipt of deposits may, at Bank's discretion, be held and credited to the Customer's account the next business day. Courier service deliveries on Saturdays, Sundays and on days recognized as bank holidays (when available), shall be held and credited to the Customer's account the next business day.

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**I. CASH VAULT SERVICES**

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**1. U.S. Currency**

The Terms "cash", "coin" and "currency" as used herein shall refer to coin and currency of the United States. Customer shall not deposit coin or currency of any other country.

**2. Account**

All deposits of currency, coin, checks and food coupons will be credited to, and all withdrawals of currency, coin and checks will be debited against, Customer's deposit account at Bank (the "Account") which Customer has designated as being covered by the Services described herein.

**3. Deposits**

a. Customer shall supply and maintain clear disposable plastic bags used for deposits. Plastic bags shall be sealed according to manufacturers' instructions. Customer will prepare deposits in good order as follows: (i) currency and food coupons will be batched separately with each accompanied by a deposit ticket fully completed by Customer; (ii) currency and food coupons will be banded with 100 notes of the same denomination whenever possible; (iii) food coupon deposits must include Agricultural Department Redemption Certificates; (iv) deposits will be delivered by Customer's certified armored carrier to the secured facility specified by Bank; and (v) to receive same date credit, deposits must be made prior to the daily cut-off time established by Bank from time to time, and any deposits received by Bank after its daily cut-off time may be considered to have been received on the next banking day.

b. Bank will process Customer's deposits as follows: (i) deposits will be receipted and conditional (subject to verification) credit assigned based on the amount identified on the deposit ticket; (ii) deposit tickets that are missing, blank or do not contain legible "declared balances are subject to delayed ledger credit of one banking day; and (iii) coins, currency and food coupons will be counted and Bank's count will be the valid and controlling count.

c. If there is a currency and coin variance of more than \$10.00 from the declared balance on Customer's deposit ticket, Bank shall adjust Customer's currency and coin deposits through a separate debit or credit to Customer's account. Any such adjustment shall not be reflected on Customer's deposit ticket. Deposit tickets containing a declared total that includes check deposits, may require a separate and additional adjustment for any variances to Customer's check deposits. If there is a currency and coin variance of \$10.00 or less from the declared balance on Customer's deposit ticket, Bank shall not make any adjustment to Customer's currency and coin deposits, and shall credit Customer's account based on Customer's declared balance. Bank will notify Customer promptly by telephone of any deposit for which Bank's count varies from Customer's count by \$100.00 or more. Upon request, Bank will provide Customer with any available information which may assist Customer in reconciliation of the difference.

d. Deposited items will be deemed received on the day of delivery if Bank receives the deposit prior to Bank's established deadlines. Deposits will be processed in accordance with normal Bank procedure and any applicable availability schedules. All deposits made by Customer shall be subject to verification and adjustment by Bank. Bank's verification shall be deemed correct and binding upon Customer for all purposes, absent manifest error.

e. 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 unencoded deposits if there is an unacceptable rate of encoding errors.

**4. Withdrawals**

a. Bank may provide Customer with United States currency and coin in designated denominations from time to time as requested by Customer through the Bank's automated ordering system ("Cash Orders"). Customer must comply with all of Bank's policies and procedures

regarding the placement and delivery of Cash Orders, including, without limitation, the maintenance of a designated password. Customer shall be responsible for maintaining the confidentiality of Customer's password and restricting access to the system to authorized Agents. All Cash Orders will be charged to the account designated by Customer and must be picked up by Customer's Agent or sent by registered mail to a street address. Only armored couriers may pick up Cash Orders directly from a cash vault operated by Bank. Bank may release any Cash Order to any individual that Bank reasonably believes to be Customer's Agent. Customer shall be responsible for any Cash Order after receipt thereof by the Agent. Bank may specify a daily Cash Order limit and Customer agrees that it will not initiate a Cash Order in excess of the designated limit. In no event shall Customer initiate a Cash Order in excess of the immediately available funds in the designated account.

b. Customer may order currency and coin from Bank as follows:

- (i) The preferred order for currency is in standard full strap quantities only.
- (ii) Coin may be ordered in standard full box units (50 rolls), individual rolls or loose standard bags only.
- (iii) A charge for the face value of the monies ordered will be made to the Account on the day the order is processed by Bank.
- (iv) Orders for coin and currency may be placed no later than the cut-off time established by Bank from time to time for delivery on the next banking day. Depending on Customer's location, select cash vault sites may require a minimum two-day lead time for coin and currency orders.
- (v) Bank must be notified of any discrepancies pertaining to currency or coin orders within two banking days of receipt by Customer of such currency or coin. Customer must return documentation to back-up outages such as strap, coin, wrapper and/or box.

#### 5. Processing Days

Bank will provide processing on all days Monday through Friday, except for holidays on which Bank is closed.

#### 6. Carrier Service

Any carrier service utilized to deliver or secure coin, currency or other property to or from Bank will act as the agent of Customer and not of Bank. Customer and carrier shall agree upon the delivery days and times. Customer will bear the entire risk of loss of coins, currency or other property of Customer when in the custody or control of Customer's carrier service.

#### 7. Representations

Customer represents and warrants to Bank that (a) all funds deposited with Bank will be the proceeds of, and all funds ordered and withdrawn from Bank will be intended for use in, Customer's lawful activities and (b) all of Customer's transactions hereunder will be conducted solely on Customer's behalf and not on behalf of any other person or entity.

#### 8. Regulatory Compliance

Customer shall provide Bank immediately upon request with any information, and otherwise shall cooperate with Bank in every way necessary in order to enable Bank to fulfill its obligations with respect to the reporting of transactions in coin and currency or any other regulatory requirement.

#### 9. Agents

Bank from time to time may use any third party or agent to receive Customer's deposits, to deliver Customer's coin and currency orders, or to perform any other services of Bank hereunder. Bank will provide Customer with all necessary instructions for contact with such third party or agent. Bank's use of such a third party or agent shall not relieve Bank of its obligations or liabilities hereunder.

### J. U.S. BANK EASYTAX<sup>SM</sup>

#### 1. Authorization; Enrollment

If the EasyTax Service is requested by Customer and agreed to by Bank, Bank will electronically enroll Customer in the Electronic Federal Tax Payment System (EFTPS) if Customer desires to make federal tax payments via EFTPS. Electronic enrollment will allow Bank to process Customer's tax payments in compliance with EFTPS through Bank's tax payment system only. If Customer chooses to pay federal taxes by any other means, payments may not be EFTPS compliant. Customer understands that Bank's EFTPS enrollment form 8655 does not replace the EFTPS form 9779, which is sent to mandated companies by the Internal Revenue Service. Customer may also make state tax payments using EasyTax. Customer agrees that the EasyTax Service shall be governed by this Section and all other relevant sections of this Agreement.

#### 2. Submission of Information

Customer shall initiate an ACH Entry furnishing Bank with complete and accurate master file information which shall enable Bank to file tax deposits with the appropriate tax authorities in a timely manner. The Services provided by Bank hereunder shall be based solely upon the information furnished by Customer to Bank. Accordingly, any inaccuracy in any information provided by Customer may result in unintended processing by Bank. Customer bears sole and exclusive responsibility to verify that the information provided to Bank is complete and accurate. Bank bears no responsibility for detecting or reporting any error in data supplied by Customer and shall not be liable to Customer for any information provided by Customer with respect to information which is inaccurate, incomplete or otherwise incorrect. The Service provided hereunder does not relieve Customer of any duty imposed on Customer by law to maintain records or from verifying and, if necessary, immediately correcting in writing all data received from Bank relating to the Service. Customer does not have the right to delete or amend any ACH Entry after it has been received by Bank unless Customer has previously requested, and Bank has agreed to provide, ACH Adjustment Services. If ACH Adjustment Services are provided, subject to certain limitations, Customer may initiate an amendment to its ACH files after receipt by Bank. Such amendment may be initiated via fax and all faxed communications must be received by Bank prior to the established deadlines in order to be effective. Customer agrees to be bound by any instructions, whether or not authorized, issued in its name and accepted by Bank in accordance with the agreed procedures. Customer shall indemnify and hold Bank harmless from and against all liability, loss and damage (including attorneys' fees and other costs incurred in connection therewith) arising out of the use of information provided by Customer.

#### 3. Requests for Payment

Requests for payment to tax authorities must be made in accordance with instructions which Bank shall provide Customer, which may be amended by Bank from time to time at its discretion, and will be considered complete only if actually received by Bank. All tax deposits must be initiated at least one business day before the due date, otherwise deposits may be subject to IRS or state penalties. Any request by Customer to make tax deposits hereunder shall be submitted to Bank prior to the daily cut-off time established by Bank from time to time. Any such request received by Bank after its daily cut-off time may be processed on the next banking day. In the event that an ACH Entry is rejected or returned by an ACH processor for any reason whatsoever, it shall be Customer's responsibility to reinitiate the Entry. Bank will give Customer notice of any rejected or returned ACH Entry in the usual manner agreed to by the parties. Bank shall have no liability for any delay caused by strikes, telephone failure, equipment or electrical failure, or any other condition beyond the reasonable control of Bank.

#### 4. Receipt of Funds

Funds received by Bank from Customer shall be held as a deposit liability of Bank to Customer until such time as such funds are due and paid to the appropriate tax authorities. Customer is not entitled to interest on such funds and Bank may invest such funds solely for Bank's benefit.

**5. Account**

Customer shall maintain with Bank a commercial demand deposit account in which Customer shall maintain immediately available funds in an amount sufficient to cover all tax deposits and fees charged by Bank for the Service hereunder. Failure by Customer to maintain such funds shall relieve Bank from providing such Service, notwithstanding any request by Customer to provide the Service.

**6. Liability**

Bank shall not be liable for any penalties assessed by reason of failure of Customer to make any tax payments. Interruption of the Service or performance hereunder for any reason shall not relieve Customer of its obligation to make any required tax deposits, and Bank shall not incur any liability to Customer for failure by Customer to make any such deposit. If Customer elects to make a tax deposit by any means other than through Bank, Bank shall not be liable for any penalties or interest arising from any error in due date or other calculations for deposits made within the period in which such other deposit was made. Bank may choose to provide its EasyTax Service through a third-party vendor. Bank and its third party vendor's liability to Customer is limited to correcting any error made by the Bank or third-party vendor. The sole and exclusive remedy, at law or in equity, against Bank or third party vendor is limited to money damages in an amount not to exceed the total amount paid to Bank for EasyTax fees during the twelve (12) months preceding the event giving rise to the liability. Neither Bank nor third party vendor will be liable for special, incidental, or consequential damages. Customer acknowledges that the EasyTax Service would not be available or would be available at substantially increased rates without the liability and remedy limitations set forth in this agreement.

**7. Codes**

Customer shall keep confidential the Access and PIN codes issued to Customer in connection with the Service, and only Customer shall use such codes. If Customer suspects that any such codes have become known or otherwise accessed by unauthorized persons, Customer shall notify Bank immediately and follow up such notice with written confirmation. The occurrence of unauthorized access will not affect any deposits made in good faith by Bank before Bank has received such notification and had a reasonable time to act to prevent any unauthorized deposits.

**K. PAPER-BASED DISBURSEMENT SERVICES****1. Controlled Disbursement**

**a. Disbursement Account.** If requested by Customer and agreed to by Bank, Customer will open and maintain a demand deposit account ("Disbursement Account") and a primary funding account ("Funding Account") at Bank. The disbursing bank may be a financial institution that is a subsidiary or affiliate of Bank or Bank itself. Bank reserves the right to require customer to use Bank's positive pay service in conjunction with the use of Disbursement Account(s). Customer hereby authorizes and directs Bank to act on its behalf and as its Agent, as Bank in its sole discretion deems necessary or advisable, in performing any of the Controlled Disbursement Services and related Services.

**b. Funding Procedures.** On each Business Day, Bank shall electronically provide Customer with a report of the total aggregate amount of all presented disbursement checks, and ACH transactions posted in the early morning ACH window, net of the prior day adjustment and other charges to the Disbursement Account (the "Total Clearings"). Customer agrees to maintain sufficient collected balances in the Funding Account by the established deadline to fund the Total Clearings. Bank is hereby authorized to debit the Funding Account in an amount equal to the actual or estimated Total Clearings and to transfer funds in said amount for credit to the Disbursement Account. Bank reserves the right to convert the Disbursement Account into a standard prepaid checking account at any time upon notice to Customer.

**c. Adjustments.** Bank will compare the report of electronic presentments to the checks presented against the Disbursement Account. If the total dollar amount of checks electronically reported is less than the total dollar amount of checks presented, Bank will credit the Disbursement Account for the difference. Bank will add this difference to Customer's Total Clearings the next Business Day.

**d. Daily Dollar Limit.** A daily dollar limit (the "Dollar Limit") may be established from time to time by Bank with respect to the Disbursement Account with reasonable notification to the State. Bank shall have no obligation to pay disbursement checks and ACH transactions (collectively, "Items") in excess of the Dollar Limit. Bank may, at any time, either verbally or in writing (but shall not be deemed obligated to) notify Customer of any change made by Bank in the Dollar Limit. Establishment of the Dollar Limit should not be interpreted or construed by Customer as any commitment or agreement by Bank to provide any credit or loans to Customer, nor as an agreement or commitment to debit the Funding Account when doing so would create a negative balance therein.

**e. Special Circumstances.** Customer acknowledges that Bank, under some circumstances beyond its control, may at times be unable to provide a report of the total amount of its Total Clearings early enough for Customer to make a complete and acceptable funding of the accounts. Customer nevertheless agrees to fund the Funding Account completely by using an estimate of the Total Clearings.

**f. Action Affecting Accounts.** Should Bank receive any process, summons, order, injunction, execution, levy, lien, garnishment, or adverse claim notice (either by a governmental authority or third party) (hereinafter referred to as "Process"), which Bank reasonably believes will adversely affect the Funding Account or the Disbursement Account, Bank may, at its option and without liability, refuse to honor orders to pay or withdraw sums from any Disbursement Account and may either hold the Funding Account balance herein until such Process is disposed of to the satisfaction of Bank or pay the balance over to the source of the Process in accordance with applicable law.

**g. Return of Items Unpaid.** Bank reserves the right, with reasonable notification to the State, to return unpaid any or all Items presented for payment against the Disbursement Account in the event that:

- (i) there are insufficient collected and available balances on deposit in the Funding Account by the established deadline to fund the Total Clearings;

- (ii) debits cannot be posted because the Disbursement Account or Funding Account is frozen, blocked, closed or because of any other condition; or

- (iii) any communications failure or other condition prevents Bank from monitoring Customer's Dollar Limit and/or the Items presented for payment.

**h. Stop Payment Orders.** Customer may issue stop payment orders on Items drawn on the Disbursement Account in accordance with Bank's procedures.

**2. Drafts/Warrants**

**a. Draft/Warrant Account.** If requested by Customer and agreed to by Bank, Customer shall open and maintain a demand deposit account upon which drafts or warrants shall be drawn and will be charged (the "Draft Account"). Customer shall maintain on deposit sufficient collected and available balances to cover items drawn on the Draft Account.

**b. Draft/Warrant Format.** All drafts/warrants shall contain on the face of the item the words "draft" or "warrant," and "payable through U.S. Bank." Customer will also encode all drafts/warrants in accordance with Bank specifications. Customer agrees to immediately make any changes to the format of the drafts/warrants or encoding when requested to do so by Bank and will be solely responsible for its failure or refusal to comply with Bank's specifications.

**c. Presentment and Return.** Bank shall make drafts/warrants presented to Bank available to Customer via electronic presentment. Bank shall notify Customer by electronic means of the account number, draft number and dollar amount of all presented drafts/warrants and provide Customer with a front and back image of each draft/warrant received by Bank. Bank's delivery of the images shall constitute an electronic presentment under the Uniform Commercial Code, Federal Regulation CC and other applicable laws. Draft/Warrant services are additionally subject to the Reverse Positive Pay terms contained elsewhere in this Agreement. Customer shall notify Bank of each draft/warrant that should be returned in the form agreed to by Bank and Customer. If Customer does not specifically decline payment of a draft/warrant by the deadline established by Bank, such draft/warrant will be finally paid by Bank. Customer acknowledges that drafts/warrants payable through Bank are considered to be drawn on Bank for purposes of the expeditious return and notice-of-nonpayment requirements of subpart C of Regulation CC of the Federal Reserve Board. If Bank agrees to return a draft/warrant following Bank's deadline, Customer agrees to be responsible for Bank's failure to return the draft/warrant in an expeditious manner as prescribed in Regulation CC. Bank shall be deemed to have made timely presentment to Customer with respect to any drafts/warrants that Bank receives at a time when it is prevented from making presentment to Customer as a result of any force majeure including, but not limited to, earthquake, flood, hurricane, tornado, volcanic eruption, severe weather event or other act of nature, war, riot, civil disturbance, strike, lockout, and disruption in telecommunications service not the fault of Bank.

**d. Examination of Drafts/Warrants.** Bank shall have no responsibility to examine drafts/warrants prior to presentment to Customer for its payment decision. Bank will take ordinary care to see that the amount of each draft/warrant as drawn is accurately posted to Customer's account. Bank will not make any attempt to verify signatures, endorsements or restrictive clauses on drafts/warrants. Bank will not examine the dates on which drafts/warrants have been drawn for undated, stale or post-dated items. Bank shall have no responsibility for any liability, loss or damage resulting from (i) a payment in accordance with this Section of any draft/warrant that is altered or unsigned or that bears the forged or unauthorized signature of Customer or (ii) return of any check to the depository bank in accordance with this Section.

**e. Encashment of Drafts/Warrants.** Unless otherwise instructed by Customer, Bank is authorized to pay its drafts or warrants issued by Customer that are presented for encashment by payees. Bank will not be liable for the encashment of any draft/warrant which contains, or is purported to contain, a forged signature of a maker or endorser, or any other unauthorized modification, as long as Bank exercises ordinary care in cashing the draft/warrant.

**f. Controlled Funding**

- (i) **Funding Account; Report of Incoming Debits.** If Customer has selected a Controlled Draft/Warrant Account, Customer agrees to open and maintain a primary funding account ("Funding Account"). All drafts/warrants drawn shall be provisionally charged to Customer's Controlled Draft/Warrant Account on the Business Day of receipt by Bank and such charges shall become final and irreversible, except as to drafts/warrants that are dishonored as provided herein. Bank shall on each Business Day make reasonable efforts to electronically provide Customer with a report of the total aggregate amount of all presented drafts/warrants ("Items"), net of the prior day adjustment, and other charges to the Controlled Draft/Warrant Account (the "Total Clearings"). If for any reason Bank is unable to provide Customer with the Total Clearings, the Total Clearings for such day shall be estimated by Customer. Any discrepancies shall be reconciled on the following Business Day.
- (ii) **Funding Procedures.** Customer shall maintain on deposit in the Funding Account sufficient collected and available funds to cover drafts/warrants charged to the Controlled Draft/Warrant Account. Bank is hereby authorized to debit the Funding Account in an amount equal to the actual or estimated clearings charged against the Controlled Draft/Warrant Account. If Bank and Customer agree to other methods of funding the drafts/warrants, Customer shall be responsible for compensating Bank for any uncollected funds which may occur and Bank may require suitable approval and the establishment of daily dollar limits.
- (iii) **Adjustments.** Bank will compare the report of electronic presentments to the drafts/warrants presented against the Controlled Draft/Warrant Account. If the total dollar amount of drafts/warrants electronically reported is less than the total dollar amount of drafts/warrants presented, Bank will credit the Controlled Draft/Warrant Account for the difference. Bank will add this difference to Customer's Total Clearings the next Business Day.
- (iv) **Return of Items Unpaid.** Bank reserves the right, in Bank's sole discretion, to return a draft/warrant unpaid in the event that: (a) there are insufficient available and collected funds in the Funding Account by the established deadline to fund the Total Clearings; or (b) debits or charges cannot be posted because the Controlled Draft/Warrant Account or Funding Account is frozen, blocked, closed or otherwise unavailable.
- (v) **Account Limitations.** Customer shall not initiate or authorize an ACH debit entry or other electronic debit or payment order from the Controlled Draft/Warrant Account.

**L. POSITIVE PAY SERVICES****1. Introduction**

Positive Pay Services are offered by Bank as the most effective way to minimize loss from fraudulent check issuance or payment. If Positive Pay Services are requested by Customer and agreed to by Bank, Customer and Bank agree that in the event of an inconsistency between this Agreement and applicable law, the provisions of this Agreement shall prevail to the extent permitted. Nothing in this Agreement is intended to limit Bank's right to return an item unpaid if there are insufficient available funds in the designated account.

**2. Format Specifications**

Customer shall comply at all times with Bank's format and data transmission standards for the Positive Pay Service. Customer agrees to issue checks, drafts, warrants or other items (collectively, "Items") in accordance with Bank's specifications and will change the Item format when requested to do so by Bank. Bank shall not be responsible for correcting or resolving processing problems caused by substandard quality magnetic encoding. Customer shall supply Bank with sample Items for testing.

**3. Positive Pay**

**a. Customer Responsibilities.** Customer shall designate to Bank all account(s) that are to be used with the Positive Pay Service ("Account"). Customer will provide Bank with a file of all outstanding Items prior to activation of this Service. On each day that an Item is written against the Account, Customer shall supply Bank with all required Item issue information prior to the deadline established by Bank. Such information shall include, without limitation, the account number, the issue date, the Item number and the face amount. Customer shall be responsible for the accuracy and completeness of all information provided to Bank.

**b. Bank's Responsibilities.** In reliance on the information provided by Customer, Bank shall create a master issue file for each designated Account ("Issue File"). If ARP File Confirmation service is selected by Customer, Bank shall process the Issue File and provide a confirmation to Customer that the Issue File was received and processed. Excluding valid stop payment orders and issue records voided by Customer request, all Items, including those that have been electronically converted, that match by serial number and amount to Bank's Issue File will be deemed properly payable and Bank is authorized to pay all such Items.

**c. Paid No Issues.** Each business day, Bank shall make report to Customer any Item serial numbers that do not match the Issue File ("Paid No Issue") and, if requested and available, provide the front and back images of those Items for that day's presentment; provided, however, no images shall be provided in the case of electronically converted Items. Customer agrees to review and make payment decisions on the Paid No Issue Items prior to Bank's established deadline. If Customer's requested default setup is for Bank to pay all Paid No Issue Items, then Bank is authorized to finally pay any Paid No Issue Item unless Customer has instructed Bank to return the Paid No Issue Item prior to the established deadline. If Customer's requested default setup is for Bank to return all Paid No Issue Items, then Bank is authorized to return any Paid No Issue Item unless Customer instructs bank to pay a Paid No Issue Item prior to the established deadline. Bank may rely on any instructions received from Customer that Bank reasonably believes to be genuine. Bank shall have no responsibility for any liability, loss or damage resulting from: (i) payment in accordance with this section of any Paid No Issue Item that is altered or unsigned or which bears the forged or unauthorized signature of Customer; (ii) the return of any Paid No Issue Item to the depository bank in accordance with this section; or (iii) Customer's failure to meet Bank's established deadlines. Customer may be required to place a stop payment order on any returned Paid No Issue Item, which shall be subject to Bank's customary stop payment fee. Bank's failure to report a discrepancy will not discharge Customer's obligation with regard to any Item, and shall not obligate Bank to return any Item if it is otherwise properly payable.

**d. Teller Positive Pay.** All positive pay accounts will interface with the Bank's teller system unless otherwise agreed by Bank. Bank will compare Items presented for cash at a branch of the Bank with

Customer's Issue File. Customer agrees that Bank may refuse to cash any Paid No Issue Item and such refusal will not be deemed to be a wrongful dishonor. In the event of dishonor, Bank will refer the presenter to Customer. Customer acknowledges that under some circumstances issuance information submitted by Customer may not be reflected in Customer's Issue File until the opening of the following business day. Customer agrees to follow established procedures should it need to manually add an Item to the Issue File. Bank will make reasonable efforts to assist Customer, but Customer acknowledges that Bank may be unable to process such requests on a same day basis. In the event that Customer requests Bank not activate or temporarily deactivate teller positive pay, Customer agrees to assume all risk of loss for any Bank teller-cashed Item that would have been identified as a Paid No Issue Item prior to acceptance.

**e. Payee Positive Pay.** If Customer selects this option which is available only through SinglePoint®, Customer's Item stock shall first be tested to ensure it meets Bank's payee name readability rate. Customer shall designate to Bank all positive pay accounts that shall use Payee Positive Pay. In addition to the Item issue information provided by Customer for the positive pay service, Customer shall supply Bank with the payee name(s) for each Item issued by Customer. Customer shall be responsible for the accuracy and completeness of the payee information provided to Bank. In reliance on the payee information provided by Customer, Bank will compare the payee information on the Item with Customer's Issue File for Items presented in the back office and at the teller line. Customer acknowledges that Bank will not be able to validate payee information for electronically converted Items presented to Bank for payment. Bank may, in its sole discretion, impose variable parameters for which the payee information will not be reviewed for certain Items processed through the back office. If such parameters are imposed, Bank agrees to assume the risk of loss for an Item that would have been identified as a Paid No Issue solely on the basis of the payee information.

**f. Teller Payee Positive Pay.** If Customer selects this option, Customer shall designate to Bank all positive pay accounts that shall use Teller Payee Positive Pay. In addition to the Item issue information provided by Customer for the positive pay service, Customer shall supply Bank with the payee name(s) for each Item issued by Customer. Customer shall be responsible for the accuracy and completeness of the payee information provided to Bank. In reliance on the payee information provided by Customer, Bank will compare the payee information on the Item presented for cash at a branch of the Bank with Customer's Issue File. Customer agrees that Bank may refuse to cash any Item where the payee name is not an exact match and such refusal will not be deemed to be a wrongful dishonor. In the event of dishonor, Bank will refer the presenter to Customer. Customer acknowledges that under some circumstances issuance information submitted by Customer may not be reflected in Customer's Issue File until the opening of the following business day.

#### **4. Reverse Positive Pay**

**a. The Paid File.** Customer shall identify all accounts subject to Reverse Positive Pay ("Account"). When an Item is presented for payment against an identified Account, Bank shall notify Customer prior to the designated time, and in no case later than the business day following the day of presentment, of the Account number, Item number and amount of the presented Item (the "Paid File") and, if requested and available, shall provide Customer with the front and back images of the Items. By electing Reverse Positive Pay, Customer assumes all fraudulent and other risks associated with teller-cashed Items unless Customer provides standing instructions to Bank to disallow encashment at the teller line.

**b. Payment Instructions.** Customer shall compare the information provided by Bank with Customer's Item issuance records. Customer shall notify Bank prior to the deadline established by Bank of Customer's decision on any reported Items 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 Item listed on the Paid File unless the Customer instructs Bank to return the Item prior to the established deadline. Bank shall have no responsibility for any liability, loss or damage resulting from (i) a payment in accordance with this section of any Item that is altered or unsigned or which bears the forged or unauthorized signature of Customer or (ii) return of any Item to the

depository bank in accordance with this section. Bank reserves the right to require Customer to place a stop payment order on any Item to be returned. Any such orders will be subject to Bank's customary stop payment fee. 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.

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## M. LOCKBOX SERVICES

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### 1. Lockbox Service Requirements

Bank provides retail and wholesale Lockbox Services to assist customers in expediting receipt of their remittances. Customer will have its customers forward their payments to the location designated by Bank ("Lockbox"). Prior to initiation of any Lockbox Service, Customer must maintain a demand deposit account with Bank.

### 2. Access to Mail

Customer authorizes Bank to pick up mail at the appropriate postal facility, to have custody of the keys or combinations and unrestricted and exclusive access to such box, and to collect the mail therein to be processed by Bank as agreed by the parties. Bank shall process remittances in accordance with its standard procedures or in accordance with prior instructions received from Customer and agreed to by Bank. Upon termination of Customer's Lockbox Service, mail received shall be forwarded for sixty (60) days following termination.

### 3. Proprietary Rights

Bank possesses all proprietary rights to written material, including, without limitation, all computer programs written for Bank's Lockbox processing system, portable media, listings, and other documentation originated and prepared by Bank. Customer shall not duplicate, sell, or use in any manner such programs or documentation without the prior written consent of Bank.

### 4. Collections/Availability

Unless otherwise agreed, while Customer receives Lockbox Services, all collected funds held in the account shall be deemed to be Customer's funds for all purposes, including adjustment, attachment, execution, garnishment and other forms of legal process. The crediting and collection of items will be handled under the same agreement as applied to other commercial deposits and shall be subject to Bank's then current funds availability schedule.

### 5. Transmission of Information

Bank shall transmit to Customer remittance information or other information received at the lockbox ("Lockbox Information") via secure electronic transmission. Customer acknowledges that the Lockbox Information may include consumer information that is confidential and may be subject to privacy laws and regulations, including unauthorized access or breach notification regulations. Customer further acknowledges that Bank has a duty to protect Lockbox Information and ensure that it is safely delivered to Customer and that Bank has deemed secure electronic transmissions to be the safest mechanism for delivery. If Customer elects to receive the Lockbox Information using other delivery means including paper reports, CDs, DVDs, or other portable electronic media, Customer acknowledges that such delivery means are susceptible to risk and agrees that Bank shall not be liable for any obligations, liability or losses that results from the non-receipt, disclosure, dissemination, alteration or unauthorized access of the Lockbox Information.

### 6. Retail Lockbox Processing

Bank is authorized to open each envelope and remove the contents, disregarding all notations and other marks on the envelopes. Bank shall not examine checks or other items with respect to payee names, check dates and check signatures. Bank is not required to retain remittance envelopes or forward them to the Customer. Bank will disregard any restrictive notation on any check, including but not limited to "paid in full", whether preprinted or handwritten, and shall treat any such check as though such language did not appear thereon. Bank will process, endorse and deposit remittances in accordance with its standard procedures. If Bank is unable to determine the amount of a check, such check will be forwarded to Customer as non-processable. Bank will deliver miscellaneous enclosures, non-processable transactions and remittance data in accordance with the Implementation Documents. Payment coupons and envelopes submitted to Bank for processing must meet the specifications designated by Bank from time to time. All changes in coupon and return envelope design are subject to prior testing and approval by Bank. Bank may adjust the price for processing Customer's payments if changes are made to Customer's coupons and/or envelopes (including coupon scan line configuration) without such prior approval.

### 7. Wholesale Lockbox Processing

Bank is authorized to remove and examine the contents of each envelope in accordance with Bank's wholesale lockbox servicing guidelines and shall observe the following guidelines provided in this section. Bank shall capture, format and send remittance data to Customer via information reporting or data transmission in accordance with the Implementation Documents. Customer shall not use any form of prepaid business reply mail envelopes for its lockbox remittances and shall review any proposed envelope changes with Bank prior to use.

**a. Check Date.** Bank will not examine any checks or other items with respect to check dates.

**b. Check Amount.** If Bank is unable to determine the amount of a check, such check will be forwarded unprocessed to Customer as an exception.

**c. Payee.** Checks made payable to the acceptable payees listed in the Implementation Documents or any reasonable derivation thereof are acceptable for deposit. Checks made payable to others will be returned by Bank as exceptions.

**d. Missing Signature.** In the absence of a signature, Bank will process the check.

**e. Exceptions.** If a check is treated as an exception, it will be forwarded by Bank to Customer with the remittance data, and not deposited or otherwise reflected in the account of Customer.

**f. Correspondence.** Any correspondence, invoices and miscellaneous enclosures which are included with a payment, as well as any envelope that does not contain a check, will be returned to Customer.

**g. Notation.** Customer agrees that Bank shall disregard any notation on a check containing "paid in full" or other restrictive notation, whether preprinted or handwritten, and treat any such check as though such notation did not appear thereon.

## N. RETAIL LOCKBOX CHECK CONVERSION SERVICES

U.S. Bank's Retail Lockbox Check Conversion ("RLCC") services provides Customer with the services necessary to convert eligible check payments received within U.S. Bank's retail lockbox into ACH Entries or other check collection mechanisms. Customer agrees that RLCC services shall be governed by this Section and other relevant sections of this Agreement.

### 1. Processing Options

Depending on current technological availability and the processing options selected by Customer, checks received from Payor Customers at Customer's designated U.S. Bank lockbox will be processed via ACH, original paper check presentation, or captured into Check Images and/or MICR Data. Bank may seek to collect such Check Images and/or MICR Data through the check collection system by presenting or exchanging Check Images and/or MICR Data, or using Check Images and/or MICR Data to create a Substitute Check, a Demand Draft or a Photo-In-Lieu ("PIL") for collection.

### 2. Definitions

- a. "ACH Entry" means an ARC or other ACH check conversion debit entry originated to debit funds from a Payor Customer's account at a financial institution in accordance with the Operating Rules of the National Automated Clearing House Association ("NACHA").
- b. "Check Image" means an electronic image of an original paper check or an electronic image of a Substitute Check that is created by Bank or another bank or depository institution in the check collection system.
- c. "Electronic Deposit" means electronic information (including Check Images, MICR Data, dollar amount or ACH Entry information) obtained from capturing information from an original paper check and related remittance documentation.
- d. "MICR Data" means information from the Magnetic Ink Character Recognition stylized printing on the bottom of checks comprising of routing, transit, account and check serial numbers.
- e. "Payor Customers" means clients and/or customers of Customer that send checks to Customer's lockbox for payment of obligations owed to Customer.
- f. "Photo-In-Lieu Instrument" or "PIL" means a copy of an original paper check, other than a Substitute Check, created from a Check Image.
- g. "Remotely-Created Demand Draft" or "Demand Draft" means a paper item, other than a Substitute Check or PIL, that (i) is drawn on a Payor Customer account, (ii) does not bear the signature of the Payor Customer, and (iii) is authorized by the Payor Customer to be issued in the amount for which the item is drawn.
- h. "RLCC services" means the Retail Lockbox Check Conversion services as described in this Agreement.
- i. "RLCC system" means Bank's retail lockbox computer systems and databases.
- j. "Substitute Check" means a paper check document that meets the definition of a "substitute check" in the Check Collection for the 21<sup>st</sup> Century Act as implemented by Regulation CC of the Federal Reserve Board.
- k. "Transaction Data" means any information obtained from Payor Customer's checks, Check Images, remittance slips, including without limitation, MICR Data, check amount, Payor Customer address or check number.

### 3. Customer Authorizations and Notifications

Customer shall adhere to any and all applicable clearinghouse, local, state, or federal laws, rules or regulations, including but not limited to, obtaining all necessary consents and authorizations from, and/or providing all necessary disclosures and notifications to, its Payor Customers concerning the creation and use of the Payor Customers'

checks or any other use of Transaction Data by Customer or Bank, and the conversion of Payor Customers' checks or check information to ACH Entries and/or Check Images (including subsequent Substitute Checks, Demand Drafts or PILs created from such Images). Customer is solely responsible for ascertaining the content, method, and frequency of any required authorizations and notifications.

### 4. Determination of Items Eligible for ACH Processing

Only original paper checks that qualify as a source document may be converted to an ACH Entry under NACHA Rules. Customer or its agent is responsible for providing and updating Bank with current information on those Payor Customers that have opted-out of ACH check conversion. Customer or its agent shall provide this opt-out information to Bank in a timely manner and in the appropriate MICR Data format that includes correct MICR line spacing and other technical details per Bank's requirements, so as to allow Bank to rely on this information prior to processing the checks. If Customer has selected a processing option that uses ACH Entries to collect payments from Payor Customers, Bank will apply certain automated internal edits and screens to determine whether the original paper check is a source document that qualifies for conversion to an ACH Entry. Customer acknowledges and agrees that Customer is the Originator of such ACH Entries under NACHA Rules regardless of whether Customer or Bank initiates the ACH Entry into the payment system. Bank shall have no liability to Customer or any other person in the event that a Payor Customer's check or check information is processed or converted by Bank to an ACH Entry, Check Image, Substitute Check, Demand Draft or PIL, and such check or check information was not eligible for any reason for processing as, or conversion to, such an item.

### 5. Processing of Checks

a. Bank shall image all checks that are mailed to Customer's lockbox and shall process checks based on the processing options selected by Customer. Bank shall send Customer a file containing information on all payments that have posted to Customer's lockbox account. Customer acknowledges that current image technology may not capture all security features (e.g. watermarks) contained in the original paper checks

b. Bank shall not be liable to Customer for (i) electronically converting checks for which Payor Customers had electronically opted-out and for which Customer or its agent did not provide Bank with timely or accurate MICR Data formatting requirements; and (ii) for failure to electronically process checks if such processing would violate this Agreement, or any other agreement between Customer and Bank.

### 6. Collection of Checks

Bank may in its sole discretion determine the manner in which Bank will seek to collect a check received at Customer's lockbox. Without limiting the generality of the preceding sentence, Bank may, at its option: (i) present or transfer a Check Image or MICR Data to the paying bank, a Federal Reserve Bank, image share/exchange network, or other collecting bank; (ii) create a Substitute Check, a Demand Draft or a PIL from the Check Image and/or MICR Data and collect such item, or (iii) collect the original paper check.

### 7. Returns

- a. Customer agrees that Bank may charge the account of Customer for any and all returned items and ACH Entries, including a returned Check Image, a returned Substitute Check or a returned Demand Draft or PIL that relates to the original paper check.
- b. Bank will provide Customer with a report of Check Images, paper items (which may include Substitute Checks, Demand Drafts or PILs) and ACH Entries that are returned. If Bank receives a Check Image as a return, Bank may provide Customer with: (i) a report of returned Check Images, or (ii) Substitute Checks or other copies created from the returned Check Images. Bank is not obligated to produce a Substitute Check from a returned Check Image.
- c. If Customer elects to have its returned paper items directed to another financial institution or entity apart from Bank, Bank shall not be liable for any late returned items.

### 8. Representation of Returns

a. If an ACH Entry is returned because the original paper check was ineligible as a source document for the ACH Entry, Bank shall use reasonable efforts to collect the check related to the ACH Entry by presenting the original paper check (if not destroyed) or creating, in Bank's sole discretion, a Substitute Check, a Demand Draft or a PIL from the image of the original paper check. Customer represents and warrants to Bank that Customer has obtained all necessary and appropriate authorizations from its Payor Customers for Bank to create, and present for payment to Payor Customer's financial institution, any such Substitute Check, Demand Draft or PIL.

b. In the event the original paper check is required for representment in order to collect a returned Check Image, ACH Entry, Substitute Check, Demand Draft or PIL, Customer shall attempt to obtain a replacement check, or otherwise collect from the Payor Customer, if the original paper check has been destroyed.

#### **9. Storage of Check Images**

Bank shall store Check Images, MICR Data and ACH Entry information on the RLCC system or other similar system, and shall make Check Images, MICR Data or ACH Entry information available to Customer according to the fee schedule. Customer may purchase internet access, CDs, DVDs or file transmission, if available, of Check Images, MICR Data or ACH Entry information, at the price outlined in the fee schedule. Customer is solely responsible for safeguarding the security and confidentiality of, Transaction Data, Check Images and other information that is stored on, printed or downloaded from, the internet, CDs, DVDs, other portable media, file transmissions, or Customer's computer systems. If RLCC services are terminated, Bank will retain Check Images, MICR Data or ACH Entry information for the duration required under NACHA Rules or applicable law.

#### **10. Substitute Check Received for Deposit**

Bank reserves the right to reject the deposit of a Substitute Check that was created by another financial institution, Customer, Payor Customers or any other person.

#### **11. No Authorization to Create Substitute Checks**

Customer agrees that Customer and any of its agents may not use the Check Images created by, or stored in, the RLCC system or other similar system, CDs or DVDs, or otherwise transmitted to Customer, to print a Substitute Check for any reason.

#### **12. Representations and Warranties**

With respect to each original paper check, Check Image or Electronic Deposit, Customer is deemed to make to Bank any representation or warranty that Bank makes, under applicable law, clearinghouse rule, Federal Reserve Operating Circular, bi-lateral agreement or otherwise, to any person (including without limitation a collecting bank, a Federal Reserve Bank, a Receiving Depository Financial Institution, a paying bank, a returning bank, the drawee, the drawer, any endorser, or any other transferee) when Bank transfers, presents or originates the original paper check, Electronic Deposit or Check Image, or a Substitute Check, Demand Draft, PIL or ACH Entry created from that Check Image or MICR Data.

#### **13. Customer Responsibility**

With respect to each original paper check, Check Image or Electronic Deposit, Customer agrees Bank shall not be liable for any and all claims, demands, damages, losses, liabilities, penalties and expenses (including, without limitation, reasonable attorney fees and court costs at trial or on appeal) arising directly or indirectly: (a) from Customer's breach of a representation or warranty as set forth in section 12 above, (b) as a result of any act or omission of Bank in the capturing, creation or transmission of the Check Image or Electronic Deposit, including without limitation the encoding of the MICR Data from the original paper check; (c) from any duplicate, fraudulent or unauthorized check, Check Image, MICR Data, Substitute Check, Demand Draft, PIL or ACH Entry; or (d) for any loss caused by Bank's creation of a Check Image, MICR Data, Substitute Check, Demand Draft, PIL or ACH Entry instead of presentment of the original paper check; or (e) from any other act or omission arising out of Bank's action or inaction taken pursuant to any request by Customer or pursuant to this Agreement. This section 13 shall survive termination of the Agreement.

#### **14. Rules Applicable to Collection of Checks**

Customer acknowledges and agrees that an original paper check, Check Image, MICR Data, Substitute Check, Demand Draft or PIL may, in the sole discretion of Bank, be collected through one or more check clearinghouses, one or more Federal Reserve Banks, or an agreement with another financial institution or image share/exchange network. In such cases, the original paper check, Check Image, MICR Data, Substitute Check, Demand Draft or PIL is subject to the rules of that clearinghouse, Federal Reserve Bank, or image share/exchange network or financial institution agreement.

#### **15. Accuracy and Timeliness of RLCC services**

Performance of the RLCC services may be affected by external factors such as communication networks latency, mail delays and other factors beyond Bank's control. Information with respect to all transactions is provided solely for Customer's convenience, and Customer shall have no recourse to Bank as to use of such information.

**O. RETURNED CHECK MANAGEMENT**

If selected by Customer and agreed to by Bank, Customer may direct that checks deposited by Customer at multiple bank locations and which are returned by the drawee bank(s) ("Returned Items"), be processed by Bank regardless of the identity of the bank of first deposit. Customer agrees that this Service shall be governed by this Section and all other relevant sections of this Agreement.

**1. Returned Items**

All checks deposited by Customer shall have been endorsed by Customer using a form of endorsement and routing number(s) prescribed by Bank directing that all Returned Items be sent to Bank. Upon receipt of any Returned Items (which may include the original, replacement paper document, or electronic image, of such Returned Items), Bank will process them as consolidated returned items and charge Customer's designated account. Customer acknowledges that the success of items processed via Returned Check Management is dependent on the quality, consistency and location of the routing information and endorsement stamp placed by Customer. All uncollected Returned Items shall be forwarded by Bank to Customer as described in the Implementation Documents.

**2. Redeposited Returned Items**

Upon Customer's request, Bank will automatically redeposit checks returned unpaid due to insufficient funds. Customer has a right to be notified whenever a check Customer deposits is returned unpaid. To simplify collection of these items, Customer agrees to waive this right of notification for redeposited items. If these items are returned a second time, Customer will receive a standard notification together with the original, replacement paper document, or electronic image, of the Returned Items. Bank reserves the right to place a hold on any redeposited Returned Item.

**3. Adjustments.**

Customer shall not receive provisional credit if Customer's adjustment request is received by Bank fifteen (15) days past the initial return date that the Returned Item posted to the account. (In the case of a duplicate Returned Item, the 15 days runs from the date of posting of the first Returned Item). For these adjustment requests, Bank shall provide Customer with credit only upon Bank's receipt of credit from the Federal Reserve or from another financial institution.

**4. Reporting; Fees and Charges**

Bank shall provide Customer with Returned Item activity reports using the reporting method described in the Implementation Documents. The fees and charges assessed by Bank for processing Returned Items are described in the Implementation Documents or in the fee schedules provided by Bank to Customer.

**5. Late Returns**

Bank will not submit any late return claims for Returned Items, unless requested by Customer and subject to the late return fees described in the Implementation Documents or in the fee schedules provided by Bank to Customer. Bank will not give preliminary credit to Customer for any late return claims. If any late return claim is accepted, Bank shall credit Customer's designated account, as soon as, but not before, the funds relating to such late return claim are made available to Bank by the financial institution to which said late return claim was made. Bank shall not be liable for any loss or damage (including attorneys' fees and other costs incurred in connection therewith) relating to or arising out of any late Returned Item, including those claimed or incurred under Regulation CC of the Board of Governors of the Financial Reserve System ("Regulation CC") or otherwise as a result of: (a) any delay in returning an item to the depository bank; (b) any noncompliance with the expeditious return and notice-of-nonpayment requirements of Regulation CC; and (c) any breach of warranty made by Customer or Bank.

**6. Misrouted Items**

From time to time, Returned Items may be routed by the drawee banks to the bank of first deposit. Customer shall provide all of its banks of first deposit with instructions, in a form acceptable to Bank, describing the procedures for re-directing misrouted items to Bank.

**7. Electronic Return Services**

National Automated Clearinghouse Association ("NACHA") Rules allows Customer to utilize ACH to electronically collect certain checks that have been returned unpaid for insufficient funds. In the event that Customer, Bank or its third party vendor initiates an ACH entry on Customer's behalf for check collection purposes ("RCK Entry") on Returned Items, Customer agrees that such RCK Entry will comply with all relevant provisions of this Agreement and NACHA Rules. Customer shall provide clear and conspicuous notice of its electronic check representation policy at the time the check is initially presented to Customer.

**8. Collection Fee Services**

Customer may request that Bank or its third party vendor collect Returned Item fees on Customer's behalf. Customer agrees to comply with all relevant provisions of this Agreement and all applicable laws, rules and regulations governing collection fees, including but not limited to, the Fair Debt Collection Practices Act and NACHA Rules. If Customer elects to collect Returned Item fees via ACH, Customer makes the following representations and warranties regardless of which party initiates the ACH entry on its behalf:

- a. Customer has obtained the consumer's authorization to collect Returned Item fees and has provided the consumer with an electronic or hard copy of the authorization.
- b. The authorization (i) is signed by the consumer and the signature stands alone and relates to the authorization language; (ii) is identifiable as an ACH debit authorization and clearly and conspicuously states its terms; (iii) contains information about how the consumer may revoke the authorization; and (iv) if stamped on the back of the check, is in the endorsement space provided.
- c. Customer shall retain the original or microfilm copy of the authorization for two years from the termination or revocation of the authorization.

**9. Customer Authorizations**

Customer authorizes (i) Bank to disclose to its third party vendor information concerning Customer to the extent required to deliver the requested Services; (ii) Bank or its third party vendor to debit or credit Customer's accounts to perform the Services hereunder; and (iii) Bank or its third party vendor to initiate RCK Entries, or collect Returned Item fees, on Customer's behalf in the event Customer selects Electronic Return Services or Collection Fee Services.

**10. Compliance with Law**

Bank shall not be liable for any and all claims, demands, expenses, losses, liabilities, and damages, including reasonable attorney fees and court costs at trial or on appeal that arise directly or indirectly out of Customer's failure to comply with the provisions of this Agreement or applicable law, regulations and operating rules, including without limitation, the NACHA Rules.

**P. COMMERCIAL SWEEP ACCOUNTS – LOAN OPTION****A. Definitions**

1. "Account" means Customer's deposit account at Bank which Customer has designated as being covered by the Services described herein.
2. "Available Funds" means the total of the collected funds in the Account as of the close of business on any Business Day, determined in accordance with the manner in which Bank generally provides credit for deposited checks.
3. "Business Day" means any day other than a Saturday or Sunday on which Bank is open to the public for carrying on substantially all of its banking functions.
4. "Credit" means any loan arrangement which is designated as a line of credit where Bank has agreed will be subject to the Services described herein.
5. "Credit Agreement" means any loan agreement, promissory note, guaranty or other agreement, instrument or document which evidences, secures or guarantees the Credit.
6. "Deficiency Amount" means the amount by which the Target Balance exceeds the amount of Available Funds as of the close of business on any Business Day.
7. "Event of Insolvency" means any of the following: (i) Customer or Guarantor shall die or cease to exist; (ii) any Guarantor shall attempt to revoke its guaranty or other obligation to Bank, or such guaranty or other obligation shall become unenforceable in whole or in part; (iii) any bankruptcy, insolvency or receivership proceeding, or any assignment for the benefit of creditors, shall be commenced under any Federal or state law by or against Customer or any Guarantor; (iv) Customer or any Guarantor shall become the subject of any out-of-court settlement with its creditors; or (v) Customer or any Guarantor is unable or admits in writing its inability to pay its debts as they mature.
8. "Excess Funds" means the amount of Available Funds as of the close of business on any Business Day which exceeds the Target Balance.
9. "Guarantor" means any guarantor, surety, accommodation party or joint obligor of the obligations of Customer under the Credit.
10. "Target Balance" means that amount of funds which Customer desires to maintain in the Account and which is mutually agreeable to Bank and Customer from time to time.
11. "Transaction" means either a Loan Transaction or a Repayment Transaction.

**B. Initiation of Transactions**

1. As of the close of business on each Business Day, Bank will determine the amount of Excess Funds, if any. If Bank determines that there are Excess Funds, Bank will debit the Account and credit the Credit in an amount equal to the lesser of (i) the amount of Excess Funds or (ii) the outstanding principal balance of the Credit plus all interest, fees and charges then outstanding under the Credit (a "Repayment Transaction"); provided, however, that Bank will not be required to initiate any Repayment Transaction in an amount less than a minimum sum mutually agreeable to Bank and Customer. Customer grants Bank a security interest in and right of set-off with respect to the Account for purposes of effecting Repayment Transactions.
2. As of the close of business on each Business Day, Bank will determine the Deficiency Amount, if any. If Bank determines that there is a Deficiency Amount, Bank will charge the Credit in an amount equal to the lesser of (i) the amount by which such available balance is less than the Target Balance or (ii) the amount which is available to be borrowed under the Credit (the lesser of such amounts being referred to as the "Loan Amount"), plus the amount of any fees and charges under the Credit, and credit the Account in an amount equal to the Loan Amount (a "Loan Transaction"); provided, however, that Bank will not be

required to initiate any Loan Transaction in an amount less than a minimum sum mutually established by Bank, and Bank will not be required to initiate any Loan Transaction if any default exists under any Credit Agreement or these Terms and Conditions or Bank is otherwise excused or prohibited under any Credit Agreement or applicable law from making an advance to Customer. In addition, Bank will not be required to initiate any Loan Transaction, and the Services hereunder shall immediately and automatically terminate without notice, if: (A) the Credit has matured or been terminated; (B) Customer has cancelled the Credit; (C) an Event of Insolvency has occurred; or (D) Bank has demanded payment under the Credit.

3. If Bank has agreed to provide any other service to Customer pursuant to which Bank is authorized to transfer Excess Funds from the Account, (i) these Terms and Conditions shall prevail over the terms and conditions of such other service, (ii) Bank may initiate a Repayment Transaction or Loan Transaction under these Terms and Conditions in lieu of or prior to initiating the transfer of Excess Funds under such other service and (iii) Bank shall not be in default as to such other service solely by reason of not initiating the transfer of Excess Funds under such other service.

**4. Overdrafts**

Bank may debit the Account as set forth in section 1 above, even though, subsequent to such debit, and as a result of additional transfers or withdrawals from the Account, the return of checks unpaid, or any other cause, the Account becomes overdrawn. In such event, Customer will be assessed Bank's then prevailing charges for overdrafts.

**5. Ordinary Course**

Customer and Bank intend that each Repayment Transaction hereunder be (a) in the ordinary course of business or financial affairs of Customer and Bank and (b) made according to ordinary business terms.

**Q. COMMERCIAL SWEEP ACCOUNTS – INVESTMENT OPTION**

**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 UNITED STATES GOVERNMENT OR ANY AGENCY OR INSTRUMENTALITY THEREOF, U.S. BANK, OR ANY OF ITS AFFILIATES, AND ARE SUBJECT TO INVESTMENT RISKS, INCLUDING LOSS OF PRINCIPAL OF THE AMOUNT INVESTED. IN ADDITION, AN INVESTMENT IN A MONEY MARKET MUTUAL FUND IS NEITHER INSURED NOR GUARANTEED BY THE U.S. GOVERNMENT AND THERE IS NO ASSURANCE THAT THE FUND WILL BE ABLE TO MAINTAIN A STABLE NET ASSET VALUE OF \$1.00 PER SHARE.**

**1. General Terms Applicable to All Investment Options**

**a.** If a Commercial Sweep Account Investment Option has been requested and agreed to by Bank, Customer authorizes Bank to transfer funds on a manual or automated basis to and from the demand deposit account (“DDA”) and investment device selected by Customer. Funds will be transferred between the accounts so that: (a) to the extent funds are available in either account, Customer’s DDA maintains an average collected balance equal to a pre-established balance (“Peg Balance”); and (b) any collected funds in the DDA that exceed the Peg Balance are invested by Bank as directed by Customer in accordance with this Agreement. Amounts invested in money market mutual funds, including investment income, will be liquidated and credited back to the DDA as needed so that the average collected balance of Customer’s DDA equals the Peg Balance. 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 Peg Balance on a particular Business Day. If Customer’s Investment Option is not available on a given Business Day, then all excess funds will remain in the DDA until the next Business Day.

**b.** Bank is authorized to accept verbal 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.

**c.** 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.

**d.** 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.

**e.** Bank will act as agent to invest on the order and for the benefit of Customer. The Services described herein are provided by Bank to Customer solely as bona fide treasury management services. Bank does not undertake any fiduciary obligation to Customer with respect to these services. Bank’s duties to act for Customer hereunder are solely mechanical and administrative in nature.

**2. Investment Options****a. Repurchase Agreements**

- (i) **Terms.** If Customer chooses to invest excess funds in repurchase agreements, Customer and Bank agree to be bound by the Master Repurchase Agreement with Bank. If Customer’s investments in repurchase agreements exceed its typical investment amount by \$10 million or more on a given Business Day, Customer agrees to notify Bank by providing sufficient advance notice to allow Bank to adequately collateralize the

investments. Bank will exercise reasonable efforts to invest the entire amount but cannot guarantee full investment under these circumstances. If Customer fails to notify Bank in advance or if Bank is unable to invest any or all of the additional funds in repurchase agreements, Customer agrees that Bank may be required to withhold or withdraw any interest that may have been previously paid.

- (ii) **Confirmations.** After each repurchase transaction, Bank will deliver to Customer (via mail, fax, email, or other electronic means, including without limitation, posting to a password protected website) a confirmation (“Confirmation”) describing any information required by applicable law, and any other terms and information which Bank may include at its discretion. The information contained in the Confirmation shall be considered true and correct and conclusively binding unless Customer notifies Bank of any error therein within three (3) business days after the date the Confirmation is mailed, faxed, emailed, personally delivered to Customer or sent via other electronic means, including without limitation, posting to a password protected website. If Customer elects to receive Confirmations electronically, Customer acknowledges and agrees that Customer will no longer receive Confirmations by mail. If Customer desires to discontinue receiving Confirmations electronically, Customer shall provide written notice to Bank, whereupon Bank shall resume delivering mailed Confirmations.

**b. Eurodollar Investments**

- (i) **Terms.** If Customer chooses to invest excess funds in Eurodollars, Bank is authorized to sweep excess funds from Customer’s DDA into overnight Eurodollar time deposits at the Cayman Islands branch of Bank. The minimum amount that may be swept pursuant to this option is \$100,000. Excess funds less than \$100,000 in a given business day will not be invested unless otherwise agreed by Bank. Customer’s Eurodollar investments may be registered in the name of Bank’s nominee or nominees. Earnings in Eurodollar investments shall be credited to Customer’s DDA on a daily basis.

- (ii) **IMPORTANT DISCLOSURES REGARDING CAYMAN ISLAND DEPOSITS.** CAYMAN ISLAND DEPOSITS ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION. IN THE EVENT OF THE FAILURE AND LIQUIDATION OF BANK, THE PROCEEDS OF SUCH LIQUIDATION WILL BE APPLIED TO THE CAYMAN DEPOSIT, IF AT ALL, ONLY AFTER PAYMENT OF ALL INSURED AND UNINSURED DOMESTIC DEPOSITS OR BANK, AND THE CAYMAN DEPOSIT WILL SHARE IN ANY REMAINING PROCEEDS OF LIQUIDATION WITH OTHER NON-DOMESTIC DEPOSITS AND CERTAIN GENERAL CREDITORS OF BANK. CUSTOMER ASSUMES ALL RISK OF LOSS ARISING FROM ANY ACTION TAKEN WITH RESPECT TO THE CAYMAN DEPOSIT BY THE GOVERNMENT OF THE CAYMAN ISLANDS OR ANY SOVEREIGN OR MILITARY POWER (DE FACTO OR DE JURE).

**c. Mutual Funds**

- (i) **Terms.** If Customer chooses the Mutual Fund sweep option, excess funds will be invested in the First American fund offered for this service. Bank affiliates serve as investment advisor, custodian, transfer agent, and accounting services agent and receive compensation for such services as disclosed in the prospectus for the selected fund.
- (ii) **Customer Acknowledgments.** BY ACCEPTING THIS SERVICE, CUSTOMER HEREBY ACKNOWLEDGES THAT IT HAS RECEIVED A COPY OF THE PROSPECTUS OF ANY DESIGNATED FUND. CUSTOMER FURTHER ACKNOWLEDGES THAT BANK IS NOT PROVIDING ANY INVESTMENT ADVICE HEREIN TO CUSTOMER AND MAKES NO REPRESENTATION OR WARRANTY AS TO THE SUITABILITY OR SAFETY OF THE INVESTMENTS IN ANY FUND OFFERED UNDER THIS SERVICE.

**d. Commercial Paper.** If Customer chooses the Commercial Paper sweep option, excess funds shall be invested in an unsecured short-term promissory note issued by Bank. At the end of each Business Day, excess funds are automatically transferred from Customers' DDA into a sweep account that invests in overnight commercial paper. The minimum amount that may be swept pursuant to this option is \$25,000. Excess funds less than \$25,000 on a given business day will not be invested in the Commercial Paper sweep.

## **R. MASTER REPURCHASE AGREEMENT (MRA)**

### **1. Applicability**

From time to time the parties hereto may enter into transactions in which one party ("Seller") agrees to transfer to the other ("Buyer") securities or other assets ("Securities") against the transfer of funds by Buyer, with a simultaneous agreement by Buyer to transfer to Seller such Securities at a date certain or on demand, against the transfer of funds by Seller. Each such transaction shall be referred to herein as a "Transaction" and, unless otherwise agreed in writing, shall be governed by this MRA.

### **2. Definitions**

**a.** "Act of Insolvency", with respect to any party, (i) the commencement by such party as debtor of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, moratorium, dissolution, delinquency or similar law, or such party seeking the appointment or election of a receiver, conservator, trustee, custodian or similar official for such party or any substantial part of its property, or the convening of any meeting of creditors for purposes of commencing any such case or proceeding or seeking such an appointment or election, (ii) the commencement of any such case or proceeding against such party, or another seeking such an appointment or election, or the filing against a party of an application for a protective decree under the provisions of the Securities Investor Protection Act of 1970, which (A) is consented to or not timely contested by such party, (B) results in the entry of an order for relief, such an appointment or election, the issuance of such a protective decree or the entry of an order having a similar effect, or (C) is not dismissed within 15 days, (iii) the making by such party of a general assignment for the benefit of creditors, or (iv) the admission in writing by such party of such party's inability to pay such party's debts as they become due;

**b.** "Additional Purchased Securities", Securities provided by Seller to Buyer pursuant to Paragraph 4(a) hereof;

**c.** "Buyer's Margin Amount", with respect to any Transaction as of any date, the amount obtained by application of the Buyer's Margin Percentage to the Repurchase Price for such Transaction as of such date;

**d.** "Buyer's Margin Percentage", with respect to any Transaction as of any date, a percentage (which may be equal to the Seller's Margin Percentage) agreed to by Buyer and Seller or, in the absence of any such agreement, the percentage obtained by dividing the Market Value of the Purchased Securities on the Purchase Date by the Purchase Price on the Purchase Date for such Transaction;

**e.** "Confirmation", the meaning specified in Paragraph 3(b) hereof;

**f.** "Income", with respect to any Security at any time, any principal thereof and all interest, dividends or other distributions thereon;

**g.** "Margin Deficit", the meaning specified in Paragraph 4(a) hereof;

**h.** "Margin Excess", the meaning specified in Paragraph 4(b) hereof;

**i.** "Margin Notice Deadline", the time agreed to by the parties in the relevant Confirmation, or otherwise as the deadline for giving notice requiring same day satisfaction of margin maintenance obligations as provided in Paragraph 4 hereof (or, in the absence of any such agreement, the deadline for such purposes established in accordance with market practice);

**j.** "Market Value", with respect to any Securities as of any date, the price for such Securities on such date obtained from a generally recognized source agreed to by the parties or the most recent closing bid quotation from such a source, plus accrued Income to the extent not included therein (other than any Income credited or transferred to, or applied to the obligations of, Seller pursuant to Paragraph 5 hereof) as of such date (unless contrary to market practice for such Securities);

**k.** "Price Differential", with respect to any Transaction as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Transaction to the Purchase Price for such Transaction on a 360

day per year basis for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on (but excluding) the date of determination (reduced by any amount of such Price Differential previously paid by Seller to Buyer with respect to such Transaction);

**l.** "Pricing Rate", the per annum percentage rate for determination of the Price Differential;

**m.** "Prime Rate", the prime rate of U.S. commercial banks as published in The Wall Street Journal (or, if more than one such rate is published, the average of such rates);

**n.** "Purchase Date", the date on which Purchased Securities are to be transferred by Seller to Buyer;

**o.** "Purchase Price", (i) on the Purchase Date, the price at which Purchased Securities are transferred by Seller to Buyer, and (ii) thereafter, except where Buyer and Seller agree otherwise, such price increased by the amount of any cash transferred by Buyer to Seller pursuant to Paragraph 4(b) hereof and decreased by the amount of any cash transferred by Seller to Buyer pursuant to Paragraph 4(a) hereof or applied to reduce Seller's obligations under clause (ii) of Paragraph 5 hereof;

**p.** "Purchased Securities", the Securities transferred by Seller to Buyer in a Transaction hereunder, and any Securities substituted therefor in accordance with Paragraph 9 hereof. The term "Purchased Securities" with respect to any Transaction at any time also shall include Additional Purchased Securities delivered pursuant to Paragraph 4(a) hereof and shall exclude Securities returned pursuant to Paragraph 4(b) hereof;

**q.** "Repurchase Date", the date on which Seller is to repurchase the Purchased Securities from Buyer, including any date determined by application of the provisions of Paragraph 3(c) or 11 hereof;

**r.** "Repurchase Price", the price at which Purchased Securities are to be transferred from Buyer to Seller upon termination of a Transaction, which will be determined in each case (including Transactions terminable upon demand) as the sum of the Purchase Price and the Price Differential as of the date of such determination;

**s.** "Seller's Margin Amount", with respect to any Transaction as of any date, the amount obtained by application of the Seller's Margin Percentage to the Repurchase Price for such Transaction as of such date;

**t.** "Seller's Margin Percentage", with respect to any Transaction as of any date, a percentage (which may be equal to the Buyer's Margin Percentage) agreed to by Buyer and Seller or, in the absence of any such agreement, the percentage obtained by dividing the Market Value of the Purchased Securities on the Purchase Date by the Purchase Price on the Purchase Date for such Transaction.

### 3. Initiation; Confirmation; Termination

**a.** An agreement to enter into a Transaction may be made orally or in writing at the initiation of either Buyer or Seller. On the Purchase Date for the Transaction, the Purchased Securities shall be transferred to Buyer or its agent against the transfer of the Purchase Price to an account of Seller.

**b.** Upon agreeing to enter into a Transaction hereunder, Buyer or Seller (or both), as shall be agreed, shall promptly deliver to the other party a written confirmation of each Transaction (a "Confirmation"). The Confirmation shall describe the Purchased Securities (including CUSIP number, if any), identify Buyer and Seller and set forth (i) the Purchase Date, (ii) the Purchase Price, (iii) the Repurchase Date, unless the Transaction is to be terminable on demand, (iv) the Pricing Rate or Repurchase Price applicable to the Transaction, and (v) any additional terms or conditions of the Transaction not inconsistent with this MRA.

The Confirmation, together with this MRA, shall constitute conclusive evidence of the terms agreed between Buyer and Seller with respect to the Transaction to which the Confirmation relates, unless with respect to the Confirmation specific objection is made promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this MRA, this MRA shall prevail.

**c.** In the case of Transactions terminable upon demand, such demand shall be made by Buyer or Seller, no later than such time as is customary in accordance with market practice, by telephone or otherwise on or prior to the business day on which such termination will be effective. On the date specified in such demand, or on the date fixed for termination in the case of Transactions having a fixed term, termination of the Transaction will be effected by transfer to Seller or its agent of the Purchased Securities and any Income in respect thereof received by Buyer (and not previously credited or transferred to, or applied to the obligations of, Seller pursuant to Paragraph 5 hereof) against the transfer of the Repurchase Price to an account of Buyer.

### 4. Margin Maintenance

**a.** If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Buyer is less than the aggregate Buyer's Margin Amount for all such Transactions (a "Margin Deficit"), then Buyer may by notice to Seller require Seller in such Transactions, at Seller's option, to transfer to Buyer cash or additional Securities reasonably acceptable to Buyer ("Additional Purchased Securities"), so that the cash and aggregate Market Value of the Purchased Securities, including any such Additional Purchased Securities, will thereupon equal or exceed such aggregate Buyer's Margin Amount (decreased by the amount of any Margin Deficit as of such date arising from any Transactions in which such Buyer is acting as Seller).

**b.** If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Seller exceeds the aggregate Seller's Margin Amount for all such Transactions at such time (a "Margin Excess"), then Seller may by notice to Buyer require Buyer in such Transactions, at Buyer's option, to transfer cash or Purchased Securities to Seller, so that the aggregate Market Value of the Purchased Securities, after deduction of any such cash or any Purchased Securities so transferred, will thereupon not exceed such aggregate Seller's Margin Amount (increased by the amount of any Margin Excess as of such date arising from any Transactions in which such Seller is acting as Buyer).

**c.** If any notice is given by Buyer or Seller under subparagraph (a) or (b) of this Paragraph at or before the Margin Notice Deadline on any business day, the party receiving such notice shall transfer cash or Additional Purchased Securities as provided in such subparagraph no later than the close of business in the relevant market on such day. If any such notice is given after the Margin Notice Deadline, the party receiving such notice shall transfer such cash or Securities no later than the close of business in the relevant market on the next business day following such notice.

**d.** Any cash transferred pursuant to this Paragraph shall be attributed to such Transactions as shall be agreed upon by Buyer and Seller.

**e.** Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer or Seller (or both) under subparagraphs (a) and (b) of this Paragraph may be exercised only where a Margin Deficit or Margin Excess, as the case may be, exceeds a specified dollar amount or a specified percentage of the Repurchase Prices for such Transactions (which amount or percentage shall be agreed to by Buyer and Seller prior to entering into any such Transactions).

**f.** Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer and Seller under subparagraphs (a) and (b) of this Paragraph to require the elimination of a Margin Deficit or a Margin Excess, as the case may be, may be exercised whenever such a Margin Deficit or Margin Excess exists with respect to any single Transaction hereunder (calculated without regard to any other Transaction outstanding under this MRA).

**5. Income Payments**

Seller shall be entitled to receive an amount equal to all Income paid or distributed on or in respect of the Securities that is not otherwise received by Seller, to the full extent it would be so entitled if the Securities had not been sold to Buyer. Buyer shall, as the parties may agree with respect to any Transaction (or, in the absence of any such agreement, as Buyer shall reasonably determine in its discretion), on the date such Income is paid or distributed either (i) transfer to or credit to the account of Seller such Income with respect to any Purchased Securities subject to such Transaction or (ii) with respect to Income paid in cash, apply the Income payment or payments to reduce the amount, if any, to be transferred to Buyer by Seller upon termination of such Transaction. Buyer shall not be obligated to take any action pursuant to the preceding sentence (A) to the extent that such action would result in the creation of a Margin Deficit, unless prior thereto or simultaneously therewith Seller transfers to Buyer cash or Additional Purchased Securities sufficient to eliminate such Margin Deficit, or (B) if an Event of Default with respect to Seller has occurred and is then continuing at the time such Income is paid or distributed.

**6. Security Interest**

Although the parties intend that all Transactions hereunder be sales and purchases and not loans, in the event any such Transactions are deemed to be loans, Seller shall be deemed to have pledged to Buyer as security for the performance by Seller of its obligations under each such Transaction, and shall be deemed to have granted to Buyer a security interest in, all of the Purchased Securities with respect to all Transactions hereunder and all Income thereon and other proceeds thereof.

**7. Payment and Transfer**

Unless otherwise mutually agreed, all transfers of funds hereunder shall be in immediately available funds. All Securities transferred by one party hereto to the other party (i) shall be in suitable form for transfer or shall be accompanied by duly executed instruments of transfer or assignment in blank and such other documentation as the party receiving possession may reasonably request, (ii) shall be transferred on the book entry system of a Federal Reserve Bank, or (iii) shall be transferred by any other method mutually acceptable to Seller and Buyer.

**8. Segregation of Purchased Securities**

To the extent required by applicable law, all Purchased Securities in the possession of Seller shall be segregated from other securities in its possession and shall be identified as subject to this MRA. Segregation may be accomplished by appropriate identification on the books and records of the holder, including a financial or securities intermediary or a clearing corporation. All of Seller's interest in the Purchased Securities shall pass to Buyer on the Purchase Date and, unless otherwise agreed by Buyer and Seller, nothing in this MRA shall preclude Buyer from engaging in repurchase transactions with the Purchased Securities or otherwise selling, transferring, pledging or hypothecating the Purchased Securities, but no such transaction shall relieve Buyer of its obligations to transfer Purchased Securities to Seller pursuant to Paragraph 3, 4 or 11 hereof, or of Buyer's obligation to credit or pay Income to, or apply Income to the obligations of, Seller pursuant to Paragraph 5 hereof.

**Required Disclosure for Transactions in Which the Seller Retains Custody of the Purchased Securities**

Seller is not permitted to substitute other securities for those subject to this MRA and therefore must keep Buyer's securities segregated at all times, unless in this MRA Buyer grants Seller the right to substitute other securities. If Buyer grants the right to substitute, this means that Buyer's securities will likely be commingled with Seller's own securities during the trading day. Buyer is advised that, during any trading day that Buyer's securities are commingled with Seller's securities, they [will]\* [may]\*\* be subject to liens granted by Seller to [its clearing bank]\* [third parties]\*\* and may be used by Seller for deliveries on other securities transactions. Whenever the securities are commingled, Seller's ability to re-segregate substitute securities for Buyer will be subject to Seller's ability to satisfy [the clearing]\* [any]\*\* lien or to obtain substitute securities.

\* Language to be used under 17 C.F.R. §403.4(e) if Seller is a government securities broker or dealer other than a financial institution.

\*\* Language to be used under 17 C.F.R. §403.5(d) if Seller is a financial institution.

**9. Substitution**

a. Seller may, subject to agreement with and acceptance by Buyer, substitute other Securities for any Purchased Securities. Such substitution shall be made by transfer to Buyer of such other Securities and transfer to Seller of such Purchased Securities. After substitution, the substituted Securities shall be deemed to be Purchased Securities.

b. In Transactions in which Seller retains custody of Purchased Securities, the parties expressly agree that Buyer shall be deemed, for purposes of subparagraph (a) of this Paragraph, to have agreed to and accepted in this MRA substitution by Seller of other Securities for Purchased Securities; provided, however, that such other Securities shall have a Market Value at least equal to the Market Value of the Purchased Securities for which they are substituted.

c. In the case of any Transaction for which the Repurchase Date is other than the business day immediately following the Purchase Date and with respect to which Seller does not have any existing right to substitute substantially the same Securities for the Purchased Securities, Seller shall have the right, subject to the proviso to this sentence, upon notice to Buyer, which notice shall be given at or prior to 10 am (New York time) on such business day, to substitute substantially the same Securities for any Purchased Securities; provided, however, that Buyer may elect, by the close of business on the business day notice is received, or by the close of the next business day if notice is given after 10 am (New York time) on such day, not to accept such substitution. In the event such substitution is accepted by Buyer, such substitution shall be made by Seller's transfer to Buyer of such other Securities and Buyer's transfer to Seller of such Purchased Securities, and after such substitution, the substituted Securities shall be deemed to be Purchased Securities. In the event Buyer elects not to accept such substitution, Buyer shall offer Seller the right to terminate the Transaction.

d. In the event Seller exercises its right to substitute or terminate under sub-paragraph (c), Seller shall be obligated to pay to Buyer, by the close of the business day of such substitution or termination, as the case may be, an amount equal to (A) Buyer's actual cost (including all fees, expenses and commissions) of (i) entering into replacement transactions; (ii) entering into or terminating hedge transactions; and/or (iii) terminating transactions or substituting securities in like transactions with third parties in connection with or as a result of such substitution or termination, and (B) to the extent Buyer determines not to enter into replacement transactions, the loss incurred by Buyer directly arising or resulting from such substitution or termination. The foregoing amounts shall be solely determined and calculated by Buyer in good faith.

**10. Representations**

Each of Buyer and Seller represents and warrants to the other that (i) it is duly authorized to execute and deliver this MRA, to enter into Transactions contemplated hereunder and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery and performance, (ii) it will engage in such Transactions as principal (or, if agreed in writing in advance of any

Transaction by the other party hereto, as agent for a disclosed principal), (iii) the person signing this MRA on its behalf is duly authorized to do so on its behalf (or on behalf of any such disclosed principal), (iv) it has obtained all authorizations of any governmental body required in connection with this MRA and the Transactions hereunder and such authorizations are in full force and effect and (v) the execution, delivery and performance of this MRA and the Transactions hereunder will not violate any law, ordinance, charter, bylaw or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected. On the Purchase Date for any Transaction Buyer and Seller shall each be deemed to repeat all the foregoing representations made by it.

#### 11. Events of Default

In the event that (i) Seller fails to transfer or Buyer fails to purchase Purchased Securities upon the applicable Purchase Date, (ii) Seller fails to repurchase or Buyer fails to transfer Purchased Securities upon the applicable Repurchase Date, (iii) Seller or Buyer fails to comply with Paragraph 4 hereof, (iv) Buyer fails, after one business day's notice, to comply with Paragraph 5 hereof, (v) an Act of Insolvency occurs with respect to Seller or Buyer, (vi) any representation made by Seller or Buyer shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, or (vii) Seller or Buyer shall admit to the other its inability to, or its intention not to, perform any of its obligations hereunder (each an "Event of Default"):

**a.** The non-defaulting party may, at its option (which option shall be deemed to have been exercised immediately upon the occurrence of an Act of Insolvency), declare an Event of Default to have occurred hereunder and, upon the exercise or deemed exercise of such option, the Repurchase Date for each Transaction hereunder shall, if it has not already occurred, be deemed immediately to occur (except that, in the event that the Purchase Date for any Transaction has not yet occurred as of the date of such exercise or deemed exercise, such Transaction shall be deemed immediately canceled). The non-defaulting party shall (except upon the occurrence of an Act of Insolvency) give notice to the defaulting party of the exercise of such option as promptly as practicable.

**b.** In all Transactions in which the defaulting party is acting as Seller, if the non-defaulting party exercises or is deemed to have exercised the option referred to in subparagraph (a) of this Paragraph, (i) the defaulting party's obligations in such Transactions to repurchase all Purchased Securities, at the Repurchase Price therefor on the Repurchase Date determined in accordance with subparagraph (a) of this Paragraph, shall thereupon become immediately due and payable, (ii) all Income paid after such exercise or deemed exercise shall be retained by the non-defaulting party and applied to the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder, and (iii) the defaulting party shall immediately deliver to the non-defaulting party any Purchased Securities subject to such Transactions then in the defaulting party's possession or control.

**c.** In all Transactions in which the defaulting party is acting as Buyer, upon tender by the non-defaulting party of payment of the aggregate Repurchase Prices for all such Transactions, all right, title and interest in and entitlement to all Purchased Securities subject to such Transactions shall be deemed transferred to the non-defaulting party, and the defaulting party shall deliver all such Purchased Securities to the non-defaulting party.

**d.** If the non-defaulting party exercises or is deemed to have exercised the option referred to in subparagraph (a) of this Paragraph, the non-defaulting party, without prior notice to the defaulting party, may: (i) as to Transactions in which the defaulting party is acting as Seller, (A) immediately sell, in a recognized market (or otherwise in a commercially reasonable manner) at such price or prices as the non-defaulting party may reasonably deem satisfactory, any or all Purchased Securities subject to such Transactions and apply the proceeds thereof to the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder or (B) in its sole discretion elect, in lieu of selling all or a portion of such Purchased Securities, to give the defaulting party credit for such Purchased Securities in an amount equal to the price therefor on such date, obtained from a generally recognized

source or the most recent closing bid quotation from such a source, against the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder; and (ii) as to Transactions in which the defaulting party is acting as Buyer, (A) immediately purchase, in a recognized market (or otherwise in a commercially reasonable manner) at such price or prices as the non-defaulting party may reasonably deem satisfactory, securities ("Replacement Securities") of the same class and amount as any Purchased Securities that are not delivered by the defaulting party to the non-defaulting party as required hereunder or (B) in its sole discretion elect, in lieu of purchasing Replacement Securities, to be deemed to have purchased Replacement Securities at the price therefor on such date, obtained from a generally recognized source or the most recent closing offer quotation from such a source. The parties acknowledge and agree that (1) the Securities subject to any Transaction hereunder are instruments traded in a recognized market, (2) in the absence of a generally recognized source for prices or bid or offer quotations for any Security, the non-defaulting party may establish the source therefor in its sole discretion and (3) all prices, bids and offers shall be determined together with accrued Income (except to the extent contrary to market practice with respect to the relevant Securities).

**e.** As to Transactions in which the defaulting party is acting as Buyer, the defaulting party shall be liable to the non-defaulting party for any excess of the price paid (or deemed paid) by the non-defaulting party for Replacement Securities over the Repurchase Price for the Purchased Securities replaced thereby and for any amounts payable by the defaulting party under Paragraph 5 hereof or otherwise hereunder.

**f.** For purposes of this Paragraph 11, the Repurchase Price for each Transaction hereunder in respect of which the defaulting party is acting as Buyer shall not increase above the amount of such Repurchase Price for such Transaction determined as of the date of the exercise or deemed exercise by the non-defaulting party of the option referred to in subparagraph (a) of this Paragraph.

**g.** The defaulting party shall be liable to the non-defaulting party for (i) the amount of all reasonable legal or other expenses incurred by the non-defaulting party in connection with or as a result of an Event of Default, (ii) damages in an amount equal to the cost (including all fees, expenses and commissions) of entering into replacement transactions and entering into or terminating hedge transactions in connection with or as a result of an Event of Default, and (iii) any other loss, damage, cost or expense directly arising or resulting from the occurrence of an Event of Default in respect of a Transaction.

**h.** To the extent permitted by applicable law, the defaulting party shall be liable to the non-defaulting party for interest on any amounts owing by the defaulting party hereunder, from the date the defaulting party becomes liable for such amounts hereunder until such amounts are (i) paid in full by the defaulting party or (ii) satisfied in full by the exercise of the non-defaulting party's rights hereunder. Interest on any sum payable by the defaulting party to the non-defaulting party under this Paragraph 11(h) shall be at a rate equal to the greater of the Pricing Rate for the relevant Transaction or the Prime Rate.

**i.** The non-defaulting party shall have, in addition to its rights hereunder, any rights otherwise available to it under any other agreement or applicable law.

#### 12. Single Agreement

Buyer and Seller acknowledge that, and have entered hereinto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, each of Buyer and Seller agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder, (ii) that each of them shall be entitled to set off claims and apply property held by them in respect of any Transaction against obligations owing to them in respect of any other Transactions hereunder and (iii) that payments, deliveries and other transfers made by either of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of

any other Transactions hereunder, and the obligations to make any such payments, deliveries and other transfers may be applied against each other and netted.

### 13. Notices and Other Communications

Any and all notices, statements, demands or other communications hereunder may be given by a party to the other by mail, facsimile, telegraph, messenger or otherwise to the address specified by Bank, or so sent to such party at any other place specified in a notice of change of address hereafter received by the other. All notices, demands and requests hereunder may be made orally, to be confirmed promptly in writing, or by other communication as specified in the preceding sentence.

### 14. Entire Agreement; Severability

This MRA shall supersede any existing agreements between the parties containing general terms and conditions for repurchase transactions. Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

### 15. Nonassignability; Termination

a. The rights and obligations of the parties under this MRA and under any Transaction shall not be assigned by either party without the prior written consent of the other party, and any such assignment without the prior written consent of the other party shall be null and void. Subject to the foregoing, this MRA and any Transactions shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. This MRA may be terminated by either party upon giving written notice to the other, except that this MRA shall, notwithstanding such notice, remain applicable to any Transactions then outstanding.

b. Subparagraph (a) of this Paragraph 15 shall not preclude a party from assigning, charging or otherwise dealing with all or any part of its interest in any sum payable to it under Paragraph 11 hereof.

### 16. Governing Law

This MRA shall be governed by the laws of the State of New York without giving effect to the conflict of law principles thereof.

### 17. No Waivers, Etc.

No express or implied waiver of any Event of Default by either party shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by any party shall constitute a waiver of its right to exercise any other remedy hereunder. No modification or waiver of any provision of this MRA and no consent by any party to a departure herefrom shall be effective unless and until such shall be in writing and duly executed by both of the parties hereto. Without limitation on any of the foregoing, the failure to give a notice pursuant to Paragraph 4(a) or 4(b) hereof will not constitute a waiver of any right to do so at a later date.

### 18. Use of Employee Plan Assets

a. If assets of an employee benefit plan subject to any provision of the Employee Retirement Income Security Act of 1974 ("ERISA") are intended to be used by either party hereto (the "Plan Party") in a Transaction, the Plan Party shall so notify the other party prior to the Transaction. The Plan Party shall represent in writing to the other party that the Transaction does not constitute a prohibited transaction under ERISA or is otherwise exempt therefrom, and the other party may proceed in reliance thereon but shall not be required so to proceed.

b. Subject to the last sentence of subparagraph (a) of this Paragraph, any such Transaction shall proceed only if Seller furnishes or has furnished to Buyer its most recent available audited statement of its financial condition and its most recent subsequent unaudited statement of its financial condition.

c. By entering into a Transaction pursuant to this Paragraph, Seller shall be deemed (i) to represent to Buyer that since the date of Seller's latest such financial statements, there has been no material adverse change in Seller's financial condition which Seller has not disclosed to Buyer, and (ii) to agree to provide Buyer with future audited and unaudited statements of its financial condition as they are issued, so long as it is a Seller in any outstanding Transaction involving a Plan Party.

### 19. Intent

a. The parties recognize that each Transaction is a "repurchase agreement" as that term is defined in Section 101 of Title 11 of the United States Code, as amended (except insofar as the type of Securities subject to such Transaction or the term of such Transaction would render such definition inapplicable), and a "securities contract" as that term is defined in Section 741 of Title 11 of the United States Code, as amended (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).

b. It is understood that either party's right to liquidate Securities delivered to it in connection with Transactions hereunder or to exercise any other remedies pursuant to Paragraph 11 hereof is a contractual right to liquidate such Transaction as described in Sections 555 and 559 of Title 11 of the United States Code, as amended.

c. The parties agree and acknowledge that if a party hereto is an "insured depository institution," as such term is defined in the Federal Deposit Insurance Act, as amended ("FDIA"), then each Transaction hereunder is a "qualified financial contract," as that term is defined in FDIA and any rules, orders or policy statements thereunder (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).

d. It is understood that this MRA constitutes a "netting contract" as defined in and subject to Title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") and each payment entitlement and payment obligation under any Transaction hereunder shall constitute a "covered contractual payment entitlement" or "covered contractual payment obligation", respectively, as defined in and subject to FDICIA (except insofar as one or both of the parties is not a "financial institution" as that term is defined in FDICIA).

### 20. Disclosure Relating to Certain Federal Protections

The parties acknowledge that they have been advised that:

a. In the case of Transactions in which one of the parties is a broker or dealer registered with the Securities and Exchange Commission ("SEC") under Section 15 of the Securities Exchange Act of 1934 ("1934 Act"), the Securities Investor Protection Corporation has taken the position that the provisions of the Securities Investor Protection Act of 1970 ("SIPA") do not protect the other party with respect to any Transaction hereunder;

b. In the case of Transactions in which one of the parties is a government securities broker or a government securities dealer registered with the SEC under Section 15C of the 1934 Act, SIPA will not provide protection to the other party with respect to any Transaction hereunder; and

c. In the case of Transactions in which one of the parties is a financial institution, funds held by the financial institution pursuant to a Transaction hereunder are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, as applicable.