



# TREASURY MANAGEMENT SERVICES AGREEMENT

## PART II: SERVICE TERMS & CONDITIONS

The following Service Terms & Conditions are effective when Client selects each Service through Bank’s standard onboarding process or when Client otherwise uses a Service. The Service Terms & Conditions apply only to the selected Service and do not apply to Services not used by Client.

Capitalized Terms used herein have the meanings provided in Section 23 at the end of this Part II.

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## Section 2. ONPOINTE TREASURY COMMERCIAL ONLINE BANKING

This Section 1 applies to the *ONPointe Treasury* solution. If you are using the *ONPointe Essentials* solution, it is governed by a separate agreement. Any Services you use will continue to be governed by the terms of this Agreement, including Part I.

(a) *Description.* Bank provides information reporting and transaction services to Client using the Internet through *ONPointe* and SFTP. By agreeing to these terms, Client authorizes Bank to store, process, transmit and make available information regarding Client Accounts and transactions at Bank and accounts of Client at other institutions designated by Client. Client may access *ONPointe* 7 days a week, 24 hours a day to automate many of the Services offered by Bank and provide access to other Bank systems that initiate transactions. Some or all features may occasionally be unavailable due to emergencies or scheduled system maintenance. Bank may add or remove certain features and/or functionality available from time to time at Bank's sole discretion.

(b) *User Hierarchy.* *ONPointe* recognizes a hierarchy of users and user privileges with Client-level and user-level limits and controls to assist segregation of duties and to enable Dual Control.

(i) System Administrators. Client shall appoint one or more agents or employees as System Administrators as designated by Client to Bank, and received and acknowledged by Bank, from time to time. System Administrators will have oversight over online security and entitlements. System Administrators may: (A) designate via *ONPointe* only one or more other persons as System Administrators; (B) change Account nicknames; (C) be designated as a point of contact for Bank's support staff; (D) request temporary increases to Commercial Mobile Deposit, Wire Transfer and ACH limits; and (E) engage in other additional functions as may be added from time to time. Client acknowledges that Bank does not control or oversee the role of System Administrator, nor is it responsible for the security capabilities within the applicable Service provided by the Bank that may be available to the System Administrator. Client shall notify Bank in writing immediately if Company's System Administrator is terminated or changes.

(ii) Users. The System Administrator will name Users who will access *ONPointe*, and will establish, and may change or terminate, User: (A) Account access privileges and authority; (B) product capability access and authority; and (C) Wire Transfer and ACH limits, privileges, and authority. They may act as Users if established as such online.

(c) *Hardware and Software.* Client is solely responsible for maintaining its computer system in good working order, with the necessary compatibility and format to interface with *ONPointe*, including, without limitation, the ability to support Bank's Security Procedures. License Agreements for necessary Software shall either be embedded in the Software or separately documented. Client agrees to comply with all applicable Software license agreements, whether or not such agreements have been executed by Client. Client shall return all such Software and users manuals associated with any Software upon request.

(d) *Security Procedures.* Access to *ONPointe* is controlled through the use of Security Procedures. Bank uses multi-level and multi-factor authentication to help prevent unauthorized access to Accounts. Bank reserves the right to issue new Security Procedures and/or to cancel or change any Security Procedures from time to time. Client agrees to the adoption of such Security Procedures and that such mutually agreed-upon Security

Procedures are commercially reasonable. In the event of any system failure, Bank reserves the right to require additional documentation, including written authorization via facsimile from an Authorized Representative before accepting any order reinstating Client's access to *ONPointe*.

(i) Secure Browser. Client will be required, unless a special exemption is granted by Bank, to use a Secure Browser to access services on all desktop devices that access *ONPointe*. Users must use a Software Activation Key provided by the System Administrator for installation of the Secure Browser. Client will review documentation provided by Bank about Secure Browser and its compatibility requirements prior to installation of the Software and holds Bank harmless of system issues resulting from installation of this software in an incompatible environment. Client further agrees that it will prompt its Users to update Secure Browser as updates are made available. Users will be provided a Software Activation Key in order to access the Secure Browser on first use.

(ii) Credentials. Each User will create a unique Login PIN that may only be used to login to *ONPointe* on the specific User device. Client must develop adequate internal procedures to prevent the disclosure of the Credentials to other persons and the unauthorized use of *ONPointe*. Bank will have no knowledge of the Login PINs established by each User and will have no responsibility for ensuring compliance with the procedures Client develops for protecting the confidentiality of such Credentials. Login PINs should be changed regularly on a risk-based basis. Each Login PIN should incorporate industry standard complexity requirements, be unique and not be shared.

(iii) Enhanced Multi-Factor Authentication. Each User who is authorized for initiation and/or approval of ACH Entries and Wire Transfers will be required to create a Transaction PIN that, when input, will generate a One-time Password pushed to email or text, as selected by the User, to be used as a second factor for authentication. Bank will require a transaction initiated electronically to be confirmed by a One-time Password delivered to the User with authority to confirm the transaction such that authentication of the transaction requires two different signals from two different networks or channels.

(iv) Client Internal Controls for Use of *ONPointe*. Client must implement, among other measures, internal controls, and procedures to ensure that terminals used to access *ONPointe* are attended only by Users while accessing such Services and that sessions are fully terminated when authorized use is completed. Bank strongly recommends that Client's internal controls include Dual Control features. Client's failure to use available Dual Control features may constitute negligence, in which case Client shall be responsible for resulting losses which could have been prevented by having Dual Control features in place. Client must also ensure that Users use Bank Confidential Information only as authorized and only for the Services for which the User has authority. Bank is not responsible if any User exceeds the limits of his/her authority. Bank strongly recommends regular audits of Users for the *ONPointe* Services.

CLIENT SHALL IMMEDIATELY NOTIFY BANK BY PHONE IF THE CONFIDENTIALITY OR INTEGRITY OF ANY SECURITY PROCEDURE IS BREACHED OR THREATENED, FOLLOWED BY A WRITTEN CONFIRMATION OF SECURITY BREACH. BANK WILL HAVE NO LIABILITY TO THE CLIENT FOR ANY UNAUTHORIZED TRANSACTION MADE USING

CREDENTIALS THAT OCCURS BEFORE THE CLIENT HAS NOTIFIED BANK OF THE POSSIBLE UNAUTHORIZED USE AND BANK HAS HAD A REASONABLE OPPORTUNITY TO ACT ON THAT NOTICE. CLIENT AGREES TO COOPERATE WITH BANK IN CONNECTION WITH ITS INCIDENT RESPONSE INVESTIGATION IN A TIMELY MANNER AND TO PROVIDE ANY INFORMATION REQUESTED BY BANK WITHIN TWO BUSINESS DAYS OF THE REQUEST.

(e) *Accuracy and Timeliness of Information.* Bank may make available to Client information regarding its Account(s) and non-Bank accounts on a periodic basis. Bank will use commercially reasonable care in submitting data through *ONPointe* but assumes no responsibility for the accuracy or timeliness of the Account information and other financial data supplied regarding non-Bank accounts. Bank will provide the information requested through the Services in a prompt fashion, and in accordance with any agreed-upon timeframes, but shall not be liable for temporary failure to provide timely information. If *ONPointe* becomes unavailable to Client for its use for any period of time, Client must promptly notify Bank. In such event, Client shall be responsible for carrying out banking business through alternative delivery channels. Bank is not liable for any incomplete or inaccurate information with respect to transactions that have not been completely processed or posted to *ONPointe* prior to being made available pursuant to this Service. Bank will have no liability to Client based on the unavailability of *ONPointe* or these Services or its failure to remedy the problem in a timely manner.

(f) *ONPointe Standard Functions.* Client will select the functions appropriate for its business as designated by Client to Bank, and received and acknowledged by Bank, from time to time.

(g) *Balance Reporting.* Those Users to whom Client permits access to *ONPointe* may request and receive all Account information about one or more of the specified Accounts. This includes: the Account balance information, the status and description of any or all Items, debits, credits, or charges related to the Account, the Account history and all other information about activity associated with the Account. Client's Users are able to export data from *ONPointe*.

(i) *Funds Transfers.*

a. Client authorizes Bank to transfer funds of Client between any Accounts of Client at Bank when requested to do so in an instruction by Client to Bank. Each such internal Bank transfer is deemed a Payment Order. Client is responsible for the accuracy of the information in any such Payment Order and Bank is not responsible for detecting errors in internal orders delivered to it.

b. Client shall be solely responsible for promptly discovering any error due to incorrect or incomplete information provided by Client, promptly reporting any error in information to Bank, and for providing additional information necessary to correct the error for prompt processing by Bank.

c. Bank shall not be liable for failure to execute any funds transfer order for which Client has not provided Bank with complete information or which would violate these Service Terms & Conditions or any other agreement between Client and Bank. Client shall submit funds transfer orders to Bank prior to the daily Cutoff Time established for this Service. Bank reserves the right to change daily Cutoff Times established for this Service from time to time. Any funds transfer order received by Bank after its daily Cutoff Time may be processed on the next Business Day. Client assumes responsibility for verifying availability of funds at the time of funds transfer orders.

(ii) *Data Back-Up.* Client shall maintain accurate and complete records and copies of all input data, information, instructions, and requests provided by Client to Bank and accurate and complete back-up on electronic, written, or other media for all Client information provided to Bank to enable Bank to effectively correct, reconstruct and restore any lost or damaged Client information. Client should adhere to industry standards to secure back-up, including encryption for electronic versions.

(iii) *Stop Payments.* Stop payments can be placed through the *ONPointe* Service. If a stop payment is placed directly through the *ONPointe* stop payment function, it provides real time capabilities, and that stop payment is effective immediately. Client is solely responsible for entering the correct Check number, exact Check amount, payee, Check date, and reason for the stop payment. Bank shall not be liable for any incorrect information entered by Client. Prior to transmitting a stop payment, Client agrees to review previous Account statements and activity on the Account since the last statement and shall not hold Bank liable for any Checks shown to be paid on Client's Account. The stop payment terminates at the end of the period designated in the Account Agreement unless the stop payment is renewed or canceled by Client. Bank cannot stop payment on a Check it has already cashed or a deposited Check where the funds have already been withdrawn.

(iv) *SMS Messaging.* Bank may send text messages to Client based upon instructions Client provides. For instance, Client may set an alert for a low balance threshold Client established. Each SMS message is sent to Client without being encrypted and will include certain information requested on Client's linked Account(s). SMS Messaging is provided for Client's convenience and does not replace Periodic Statement(s), which are the official records of Client's Accounts.

a. Client must provide a valid telephone number for this Service so that Bank may send information about Client's applicable Account. Bank will determine in its sole discretion what information it makes available through this Service.

b. Bank may send any SMS Message through Client's Vendor in order to deliver it to Client. Bank will not send marketing messages through the SMS Messaging Service.

c. Receipt of Account information through SMS Messaging may be delayed or impacted by factor(s) pertaining to Client's phone carrier or other parties. The SMS Messaging Service is subject to the terms and conditions of Client's agreement with its wireless carrier, and use of the SMS function may result in additional fees. Nothing about SMS Messaging creates new or different liability for Bank beyond what is already applicable under the Account Agreements.

d. The *ONPointe* Program SMS short code is 99453.

(v) *eStatements.* Client may also elect to receive eStatements in *ONPointe*. Upon such election, Bank will no longer send Periodic Statements in the mail but will prompt Client via email to access such statements online. The same terms apply with respect to eStatements as for those delivered in paper form, and the Account Agreement remains in effect. The frequency of eStatements is dependent upon the account type and applicable regulations. Bank may change, suspend, or eliminate any or all aspects of this delivery service upon notice to Client, and Client may cancel eStatements at any time by contacting Bank.

(h) *Limitations.* Use of *ONPointe* is subject to certain limitations imposed for security reasons, which may be changed from time to time. There may be a limit on the dollar amount of the transactions made using the Services or there may be limits on the number of transactions. Additional limitations may be contained in the Service Terms & Conditions for a particular Service or may be required by Applicable Law.

(i) *Remote Access Rights.* From time to time, personnel of Bank's Vendor will use Software to create a remote access online session with Users for the purpose of troubleshooting problems, training on products or for related purposes. Such sessions will be solely for the purposes established at the time.

(j) *Intellectual Property.* All pages, screens, text, and other materials, or other works of authorship and material on or utilized in connection with *ONPointe*, the names, trademarks, logos, slogans and services mark used, displayed and found on the *ONPointe* website, the Security Procedures and all other intellectual property relating to the websites are owned by and proprietary to Bank or Bank's Affiliates or licensors, except as otherwise indicated on the *ONPointe* website. Except as expressly permitted under the Vendor service documentation, no such intellectual property may be copied, modified, reproduced, used in any way or publicly displayed, or distributed in any medium of expression without Bank's prior written permission. All additions and improvements to the intellectual property, regardless of whether created by Client or Bank, if any, shall automatically become Bank's exclusive property (or our licensor's) without further action of the parties. Client agrees that Client will only use the Intellectual Property to conduct Services on *ONPointe* and for no other purposes.

(k) *Third Party Information and Linked Websites.* Financial market data, quotes, news, research, and other information developed by third parties and transmitted by Bank will be available on *ONPointe* (or sites linked to *ONPointe*). The posting of third-party information or other information or data on *ONPointe* (or sites linked to *ONPointe*) will not be a recommendation by Bank that a particular service or transaction is suitable or appropriate for Client. Although Bank strives to ensure that information Bank obtains from third parties is reliable, Bank does not guarantee the accuracy, completeness or timeliness of such third-party information, nor is Bank in any way responsible for any decision Client makes or action Client takes in reliance on such information.

(l) *Additional ONPointe Services.* ACH and Wire Transfer Services are available via *ONPointe*, each subject to the applicable Service Terms & Conditions provided below. Client may also choose to monitor and detect unusual or unauthorized ACH Debit Entries and Check issuances or payments in *ONPointe* through use of the Bank's ACH Positive Pay and Check Positive Pay Services. Single sign-on is also available for FX Transaction Services.

#### **ONPOINTE MOBILE by OLD NATIONAL**

(a) *Description.* Client may download the *ONPointe* Mobile App and use *ONPointe* Mobile in the same manner Client uses *ONPointe*, to: (i) view current balance information for Accounts linked to the Service; (ii) review available transactions for Accounts; (iii) view Account alerts and notifications; and (iv) view payment history. In addition, Users may (A) create ACH and Wire Transfer payments to existing, known payees; (B) approve or reject ACH and Wire Transfer requests; (C) make decisions in Check Positive Pay; and (D) use Business Bill Pay Services.

(i) Users must have a Software Activation Key provided by the System Administrator for first-time access to *ONPointe* Mobile. Users must create a Login PIN specific to each device

and request an out-of-band Password to be sent to the email address on file for secure access to Mobile Services.

(ii) Only one User is permitted per Mobile Device.

(iii) Neither Bank nor its Vendor will be liable for any errors in the content of information obtained or transmitted through *ONPointe* Mobile, or for any actions taken in reliance thereon (including, but not limited to, the type of alerts and other preferences Client select). Client is responsible for any and all charges, including, but not limited to, fees associated with text messaging or data usage rates imposed by Client's telecommunications carrier. Bank is not responsible for any damages resulting from Client's failure to comply with any terms and conditions provided by any telecommunications carrier or any app store. Any losses or charges incurred through the loss of a Mobile Device or the safeguarding (or failure to adequately safeguard) of Credentials will remain Client's sole responsibility.

(b) *Information Sharing.* Bank and its Vendor may receive and may share with one another names, domain names, addresses, telephone and device numbers, the content of messages, data files and other data and information provided by Client or from other sources in connection with *ONPointe* Mobile. Bank and the Vendor will maintain reasonable safeguards to protect Client information from unauthorized disclosure or use, but Bank reserves the right to use and disclose Client information as reasonably necessary to deliver the Services and as otherwise permitted by law, including, without limitation, compliance with court orders or instructions from a government agency, to protect the personal safety of subscribers or the public, to defend claims, and as otherwise authorized by Client. Bank and its Vendor also reserve the right to monitor the use of *ONPointe* Mobile for purposes of verifying compliance with Applicable Law, these Service Terms & Conditions, and any applicable license, but disclaim any obligation to monitor, filter, or edit any content.

(c) *Limitations.* It is important that Client understands the limitations of *ONPointe* Mobile, including but not limited to the following: (i) because Mobile Banking is accessible only through Client's Mobile Devices, Client's access to the Mobile App may be limited by the service provided by Client's telecommunications carrier and (ii) there may be technical or other difficulties related to *ONPointe* Mobile, which difficulties may result in loss of data, personalized settings or other Service interruptions. Bank does not assume any responsibility for the timeliness, deletion, or misdelivery of Client data, failure to store Client data, communications, or personalized settings in connection with Client's use of *ONPointe* Mobile; nor for the delivery or the accuracy of any information requested or provided through *ONPointe* Mobile. Bank reserves the right to block access or delete the *ONPointe* Mobile App from Client's Mobile Device if Bank or Bank's Vendor has reason to believe Client is not complying with these Service Terms & Conditions or has reason to suspect a Mobile Device has been infected with malicious software or virus.

#### **COMMERCIAL MOBILE DEPOSIT**

(a) *Description.* Once Client has requested and enrolled in Commercial Mobile Deposit and set up Users, Client will be able to take pictures of Checks for deposit. Client will need to provide an image from both the front and the back of the Check and provide the information required. Notifications will be sent to let Client know its transaction was successful.

(i) All of the terms applicable to the Remote Deposit Capture Service, including Customer's representations and warranties and limitations, apply to Commercial Mobile Deposit.



(ii) Customer must restrictively endorse any Check transmitted through Commercial Mobile Deposit as "For mobile deposit only, Old National Bank" or as otherwise instructed by Bank. Customer agrees to follow any and all other procedures and instructions for use of ONPointe Mobile as Bank may establish from time to time.

### **ONPOINTE DELIVERY SFTP ACCESS**

(a) *Description.* Client may elect to securely transmit certain files via Bank's SFTP Service, in lieu of accessing ONPointe's User interface. Upon Client request, Bank will supply Client with access to certain files relating to Client's Account through a file lockbox repository over the Internet through a web interface offered by Bank or by directly sending files to Client.

(b) *Payments.* The SFTP Service also allows Client to disburse funds and/or deliver payment-related information to Client's receivers electronically. When Client wishes to pay receivers, it will transmit a data file to Bank that contains instructions for payment, in the format acceptable by Bank and by the Cutoff Times specified in the Availability & Retention Guide (or a successor published guide).

(c) *Security Procedures.* Bank requires the use of compatible encryption for transmissions involving SFTP. For file transmissions to Bank, Bank will provide Client with a User ID and Password to access SFTP. Bank is entitled to act upon the instructions received with respect to any service under Client's User ID and Password without inquiring into the identity of the person using the Password. Client agrees that Bank has no responsibility for establishing the identity of any person who uses the Password. Client agrees that it will be responsible for properly safeguarding and maintaining the secrecy of its User ID and Password and that the failure to do so is done at the sole risk of Client. If Bank sends files directly to Client through SFTP, Client will provide Bank with necessary authentication information in order to provide the SFTP to Client. Client acknowledges and understands that software may be necessary to decrypt files sent from Bank in providing the SFTP. Client acknowledges that Bank may, from time to time, as part of its Security Procedures, refuse Client access to SFTP. If Client becomes aware of unauthorized access to SFTP, Client shall promptly notify Bank.

on or before the daily Cutoff Time. The total dollar amount of Entries transmitted by Client for any given Settlement Date shall not exceed the approved Max File Total or the Daily Exposure Limit otherwise established by Bank and communicated to Client as a part of Client's set-up. The limits may be changed at Bank's discretion. Client acknowledges Bank may reject Entries that exceed the established limit.

(ii) Client may designate to Bank whether Client will submit ACH files in either unbalanced or balanced format, and thereafter Bank requires that ACH files always be submitted in the designated form. An unbalanced file means it contains only the originating items without any corresponding offset or settlement transaction. All ACH files must be in the standard ACH format based on the NACHA Rules. Bank may reject or refuse to execute an Entry or files containing Entries not prepared in accordance therewith.

(iii) Bank processes CCD, CTX and PPD Entries as part of its standard service package, including child support and tax payments. WEB, TEL and IAT (when available) Entries may be processed as well, but those will require Client to make additional representations and warranties. Bank will notify Client if it determines to process additional Entry types. To the extent Client conducts transactions through the EFTPS - Electronic Federal Tax Payment System- Client represents and warrants (A) all transactions will be conducted in accordance with the terms and conditions established by and applicable to EFTPS and (B) Client will use the CCD+TXP record layout as established by EFTPS.

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

(v) Client shall ensure that any Addenda Information, in the form of payment, remittance or related data that Client seeks to transmit electronically through Bank in conjunction with an Entry, is accurate, in proper form, and conforms to any and all requirements of the NACHA Rules. Bank reserves the unrestricted right to decline to transmit any Addenda Information on the basis that it is unreadable or not processable as well as for any other reason provided for under the NACHA Rules. In the event that Bank agrees to transmit and/or receive any Addenda Information on Client's behalf, Bank shall not be responsible for insuring and/or maintaining the confidentiality of any such Addenda Information.

## **Section 2. ACH ORIGINATION**

(a) *Description.* Client may initiate Credit and/or Debit Entries by means of ACH pursuant to these Service Terms & Conditions, and the NACHA Rules and in accordance with the instructions designated by Client to Bank, and received and accepted by Bank, from time to time. Bank will act as an ODFI with respect to such Entries. The System Administrator designated for ONPointe (or an Authorized Representative for a Client utilizing this Service through Guardian) shall also serve as the System Administrator for all Accounts that are to be used with this Service. Unless otherwise defined herein or in the Schedule of Defined Terms, capitalized terms shall have the meanings provided in the NACHA Rules.

(b) *Compliance with NACHA Rules.* Client shall comply with, and be bound by, the NACHA Rules, as are in effect from time to time and acknowledges that it has access to a copy of the NACHA Rules, it has received a copy of the NACHA Rules, or it has the capability to purchase a copy of the NACHA Rules if it so desires.

(c) Transmittal of Entries by Client.

(i) Client shall prepare and transmit Credit and/or Debit Entries to Bank via ONPointe or via SFTP to Bank's processor in accordance with the instructions submitted by Client to Bank, and received and accepted by Bank, from time to time

(d) *Security Procedures.* Entries transmitted via ONPointe must comply with the Security Procedures described, and agreed to, in the ONPointe Service Terms & Conditions, including using a Transaction PIN to generate a One-time Password at transaction approval. Bank recommends Dual Control. If Client creates ACH files for direct transmittal and only submits instructions via ONPointe, thereby avoiding the ONPointe Security Procedures, Client represents and warrants that it requires Dual Control in connection with the origination and transmission of Entries, and Client assumes the risk if Dual Control is not utilized by its Users. Client acknowledges that the purpose of such Security Procedures is for verification of authenticity and not to detect an error in the

transmission or content of a file. No Security Procedures for the detection of any such error has been agreed upon by Bank and Client.

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

(f) *Processing, Transmittal and Settlement by Bank.*

(i) Except as provided in subsection (g), On-Ups Entries, and subsection (h), Rejection of Entries, Bank shall (A) process Entries received from Client to conform with the file specifications set forth in the NACHA Rules; (B) transmit such Entries as an ODFI to the Federal Reserve acting as the ACH Operator; and (C) settle for such Entries as provided in the NACHA Rules.

(ii) Bank shall transmit such Entries to the ACH Operator prior to the Effective Settlement Date shown in such Entries, provided (A) such Entries are received by Bank's related Cutoff Time on a Business Day; (B) except for Same Day Entries, the Effective Entry Date is at least one day prior to Effective Settlement Date; and (C) the ACH Operator is open for business on such Business Day. Entries shall be deemed received by Bank in the case of transmittal by electronic transmission when the transmission (and compliance with any related Security Procedures provided for herein) is completed.

(iii) Provided Client has enrolled in Same Day ACH Origination, Same Day Entries may be initiated, subject to a fee disclosed by Bank, as long as the amount is less than the per Item limitation established by NACHA, which may change from time to time, and the format requirements are met. In the event Client transmits an Entry on the same Business Day as the requested Effective Settlement Date, Bank will treat the Entry as a Same Day Entry, subject to the appropriate fee.

(iv) If any of the requirements of clause (A), (B), or (C) of paragraph (f)(ii) is not met, Bank shall use reasonable efforts to transmit such Entries to the ACH Operator by the next deposit deadline of the ACH Operator which is a Business Day and a day on which the ACH Operator is open for business.

(g) *On Us Entries.* Except as provided in subsection (h), *Rejection of Entries*, in the case of an On-Ups Entry received for credit or debit, Bank shall credit or debit the Receiver's account in the amount of such Entry on the Effective Settlement Date contained in such Entry, provided the requirements set forth in clauses (A) and (B) of paragraph (f)(ii) are met. If either of those requirements is not met, Bank shall use reasonable efforts to credit the Receiver's account in the amount of such Entry no later than the next Business Day following such Effective Settlement Date.

(h) *Rejection of Entries.* Entries may be rejected by Bank or the ACH Operator for reasons specified in the NACHA Rules. Bank may reject any Entry which does not comply with the requirements of subsection (c), *Transmittal of Entries by Client*, or subsection (d), *Security Procedures*, or which contains an Effective Settlement Date more than twenty-one (21) days after the Business Day such Entry is received by Bank. Bank may reject an On-Ups Entry, for any reason for which an Entry may be returned under the NACHA Rules. Bank may reject any Entry if Client has failed to comply with its Account balance obligations under subsection (m), *Payment*.

Bank will notify Client by phone, Electronic Transmission or in writing of such rejection no later than the Business Day such Entry would otherwise have been transmitted by Bank to the ACH Operator or, in the case of an On-Ups Entry, its Effective Settlement Date. Notices of rejection shall be effective when given. Bank shall have no liability to Client by reason of the rejection of any such Entry or the fact that such notice is not given at an earlier time than that provided for herein. Client may remake any rejected Entry as long as it corrects the cause of the rejection.

(i) *Returns and Notifications of Change.*

(i) Returns. The system will auto-post detail on Entries returned by the ACH Operator in ONPointe for review by Client. Except for an Entry retransmitted by Client in accordance with the requirements of subsection (c), Transmittal of Entries by Client, Bank shall have no obligation to reinitiate a returned Entry to the ACH Operator if Bank complied with the terms of this Agreement with respect to the original Entry. Client shall be responsible for remaking and resubmitting any Debit Entries that may be returned. Bank may debit the Account for all funds that Client has received for Entries that are subsequently returned.

(ii) Limits on Reinitiation of Returned Entries. Client's rights to reinitiate a returned Entry is limited: where Client requests, and Bank is capable, Bank may reinitiate Debit Entries returned due to insufficient or uncollected funds, but not more than two times following the return; (B) Client may also reinitiate an Entry when corrective action has been taken to remedy the reason for the return; (C) neither Client nor Bank shall knowingly resubmit Debit Entries returned due to stop payment unless reinitiation has been separately authorized by the Receiver after the Entry was returned; and (D) Client may not reinitiate Entries returned as unauthorized or returns due to revocation or termination of an authorization. Entries must in all events be reinitiated no later than 180 days of the Settlement Date of the original Entry.

(iii) Excess Return Rates. Bank will monitor the return rates of Client's Entries and will require, within ten (10) Business Days of request, a detailed plan from Client to reduce return rates considered excessive under the NACHA Rules within thirty (30) days from NACHA's request for information or may terminate this Agreement. Bank may charge Client any fines or fees assessed against it by NACHA or an RDFI for returned Entries.

(iv) Dishonor of Returned Entry. Bank may dishonor a returned Entry to the RDFI if the returned Entry was untimely, contained incorrect information, was misrouted, was a duplicate, or, resulted in an unintended credit to a Receiver related to the reversal process. Bank will transmit any dishonored return Entry within five (5) Business Days of the Settlement Date of the return.

(v) Notification of Change. Bank shall provide Client all information, as required by the NACHA Rules, with respect to each Notification of Change ("NOC") Entry or Corrected NOC Entry received by Bank relating to Entries transmitted by Client. Client shall ensure that changes requested by the NOC or Corrected NOC are made within six (6) Business Days of Client's receipt of the NOC from Bank or prior to initiating another Entry to the Receiver's account, whichever is later. Bank may refuse an NOC containing incorrect or incomplete information. If Client fails to correct on-file payment information after receiving an NOC, Bank reserves the right to correct the payment information provided in subsequent ACH batches to comply with network rules and reserves the right

to assess a fee when such corrections are made on behalf of Client.

(vi) Access to Return Notifications and NOCs. Client will have access to reports with push notifications for Returns and NOCs in ONPointe once it has created the requested alerts in the system.

(j) *Reversals, Adjustments, Cancellations and Amendments.*

(i) Reversals. Client or Bank may initiate Reversing Entries as permitted by the NACHA Rules to correct Erroneous Entries. The initiation of Reversing Entries for any reason other than those explicitly permissible in the definition of Erroneous Entry is prohibited. In initiating a Reversing Entry, Client warrants that it has initiated Reversing Entries or files within twenty-four (24) hours of discovery, no more than five (5) Business Days of the original Entry or Entries. Client also warrants that the account holder of a Reversing Entry has been notified of the reversal, and the reason for the reversal, no later than the Settlement Date of the reversal. For both Reversing Entries and files, Client shall indemnify all parties to the transactions(s) from and against any claim, demand, loss, liability, or expense.

(ii) Adjustments. Bank will give Client prompt notice of Adjustment Entries received by Bank, and Bank is authorized to debit or credit the Account for such Adjustment Entries.

(iii) Cancellations or Amendment by Client. Client shall have no right to cancel or amend any individual Entry after release to the ACH Operator, except as permitted by the NACHA Rules. However, if such request complies with the Security Procedures, Bank will use reasonable efforts to act on a request by Client for cancellation of an Entry batch or file prior to transmitting it to the ACH Operator or, in the case of an On Us Entry, prior to crediting a Receiver's account. Bank shall not be responsible if such cancellation is not effected. Client shall reimburse Bank for any expenses, losses, or damages Bank may incur in effecting or attempting to effect the cancellation or amendment of an Entry.

(k) *Prenotifications.* Client may (or, if NACHA Rules require, will) send prenotification that it intends to initiate an Entry to a particular account in accordance with the procedures and requirements set forth in the NACHA Rules or as established by Bank. If Client chooses not to use prenotifications, Client warrants to Bank that the information on Entries will be correct. Client may not initiate live dollar Entries until at least three (3) Business Days following the Settlement Date of the prenotification (as long as there is not a return or NOC related to the prenotification received by Bank by the opening of business on the second Business Day following such Settlement Date). The prenotification can be returned or result in an NOC. If the prenotification is returned, Client shall research the reason for return and make any necessary corrections before transmitting another Entry.

(l) *Right to Refund for Debit Entries.* When initiating a Debit Entry, Client acknowledges the right of a third party to stop payment on such Entry to a Consumer's account or to obtain a return of the funds withdrawn from a Consumer's account in accordance with the procedures set forth in the NACHA Rules and pursuant to Regulation E. Client shall promptly reimburse Bank for all funds Client has received when a Consumer follows these procedures.

(m) *Payment.*

(i) Client Payment. Bank shall debit Client's designated Account(s) for the amount of each Credit Entry that Client transmits to Bank pursuant to this Agreement and for each Debit Reversal on the Effective Settlement Date unless Client Prefunds Credit Entries by paying for them on the same date

as the Entries are received by Bank. Bank reserves the right at any time to require such payment before Bank processes Credit Entries. Client will immediately pay Bank for any returned Debit Entry and any adjustment Entries Bank previously credited to the Account. Client shall pay applicable fees.

(ii) Bank Payment. Bank shall pay Client the amount of each Debit Entry transmitted by Bank pursuant to this Agreement at such time on the Effective Settlement Date with respect to such Debit Entry as Bank, in its discretion, may determine, and the amount of each On Us Entry at such time on the Effective Entry Date with respect to such Entry as Bank, in its discretion, may determine. Bank reserves the right, in its discretion, to delay payment of any or all Debit Entries to Client hereunder. Bank shall promptly pay Client the amount of each Credit Entry returned by an RDFI that was transmitted by Bank pursuant to this Agreement.

(n) *Accounts.* Client shall at all times maintain a balance of Collected Funds in the designated Account(s) sufficient to cover its payment obligations under these ACH Service Terms & Conditions. Bank may, without prior notice or demand, obtain payment of any amount due and payable to it hereunder by debiting the Accounts identified as Client's Accounts on Entries that Client transmits to Bank. In the event there are not sufficient Available Funds in such Account(s) to cover Client's obligations under this Agreement, Client agrees that Bank may, but it is not obligated to, debit any Account maintained by Client with Bank or any Affiliate of Bank or that Bank may set off against any amount it owes to Client, in order to obtain payment of Client's obligations under this Agreement.

(o) *Prefunding.* Bank reserves the right on notice to Client to require Client to prefund Entries in advance of transmittal by Bank or otherwise to require adequate collateral to secure in advance the amount of such payment. Once Bank has given notice of such requirement, Client agrees to comply with this prepayment or collateralization obligation until such time as Bank shall give notice waiving all or any part of such requirement. Bank will communicate to Client if prefunding is no longer required.

(i) Prefunding requires the Client to provide Collected Funds sufficient to pay all ACH Credit Entries initiated by Client to the Account no later than the deadline established by Bank one Business Day before each Settlement Date. Bank will transfer such amounts into a Bank controlled account for further processing according to these Service Terms & Conditions.

(ii) If Client does not have an adequate amount of Collected Funds on deposit in the Account for any ACH Credit Entries or ACH file by the deadline above, Bank will periodically attempt to complete the batch until successful or until two business days have elapsed, whichever comes first. Client will be notified by Bank when a Prefunding failure occurs and acknowledges the ACH batch's status in ONPointe will reflect that a Prefunding failure occurred. Service Terms & Conditions.

(p) *Client Representations and Agreements; Indemnity.*

(i) In addition to the representations and warranties of Client that are included in the General Terms, Client represents, warrants, and agrees that with respect to each and every Entry transmitted by Client:

a. Each person or company shown as the Receiver on an Entry received by Bank from Client has authorized the initiation of such Entry and the crediting or debiting of its



account in the amount and on the Effective Settlement Date shown on such Entry;

b. Such authorization was obtained in the manner permitted by the NACHA Rules or under Applicable Law;

c. Such authorization is operative at the time of transmittal or crediting or debiting by Bank as provided herein and has not been revoked; and

d. Entries transmitted to Bank by Client are limited to those types of Credit or Debit Entries authorized by Bank.

(ii) Client shall perform its obligations under this Agreement in accordance with all Applicable Laws, including, but not limited to, the sanctions laws, regulations and orders administered by OFAC, laws, regulations, and orders administered by the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN"), restrictions imposed under the Unlawful Internet Gambling Enforcement Act of 2006 ("UIGEA"), and any state laws, regulations, or orders applicable to the providers of ACH payment services. Without limiting the foregoing, with respect to each and every Entry transmitted by Client, Client represents and warrants to Bank and agrees that (A) it will not initiate any transactions in violation of the requirements or sanctions of OFAC or act on behalf of, or transmit funds to or from, any party subject to OFAC sanctions, and (B) it will not initiate any transactions in violation of or restricted under the UIGEA or its implementing regulations.

(iii) Client shall, with respect to information transmitted or exchanged between Client and Bank or a Receiver using an Unsecured Electronic Network, both prior to the key entry and through transmission of any such information (A) encrypt the information or (B) transmit or receive the information via a secure session, in either event using a level of encryption that is commercially reasonable; Client shall implement advancements to such encryption technology as they become available.

(iv) Client shall be bound by and comply with the provision of the NACHA Rules (among other provisions of the NACHA Rules) making payment of an Entry by the RDFI to the Receiver provisional until receipt by the RDFI of final settlement for such Entry. Client specifically acknowledges that it has received notice of the rule regarding provisional payment and of the fact that, if such settlement is not received, the RDFI shall be entitled to a refund from the Receiver of the amount credited and Client shall not be deemed to have paid the Receiver the amount of the Entry. Client shall indemnify Bank against any loss, liability, or expense (including attorneys' fees and costs) resulting from or arising out of any breach of any of the foregoing warranties, representations, or agreements.

(v) If a Receiver alleges an error in accordance with the Electronic Fund Transfer Act, Regulation E of the thereunder or any other Applicable Law with regard to a Debit Entry, including a claim that a Debit Entry was unauthorized, Client shall promptly investigate the claim of error and shall, upon Bank's request, provide Bank with copies of all documentation relating to such error to allow for appropriate adjustments to the Receiver's account, if any are required.

(q) *Certain Credit Entries.* For a non-consumer credit to Client's Account (CCD or CTX), Client understands: (i) the credit may be transmitted through the ACH system; (ii) the rights and obligations of the Originator concerning the Entry are governed by and construed in accordance with the laws of the State of New York, unless the Originator and its bank have agreed that the laws of

another jurisdiction govern their rights and obligations; (iii) credit given by Bank to Client for the Entry is provisional until Bank has received final settlement through a Federal Reserve Bank or otherwise has received payment as provided for in Section 4A-403(a) of UCC Article 4A; and (iv) if Bank does not receive such payment for the Entry, Bank is entitled to a refund from Client in the amount of the credit to the Account, and the Originator will not be considered to have paid the amount of the Credit Entry to Client.

(r) *Authorizations and Data Retention.* Client shall retain data on file adequate to permit remaking of Entries for fourteen (14) Business Days following the date of their transmittal by Bank as provided herein and shall provide such data to Bank upon its request. Without limiting the generality of the foregoing provision, Client specifically agrees to be bound by and comply with all applicable provisions of the NACHA Rules regarding the retention of documents or any record, including, without limitation, Client's responsibilities to retain all items, source documents, and records of authorization in accordance with the NACHA Rules. The NACHA Rules require Client to obtain authorizations from all Receivers, consumer and corporate, and provide proof of authorization to each Consumer Receiver of a Debit Entry. Client shall retain proof of authorizations for two years after they expire. Client must respond to Bank within five (5) Business Days of a request with an accurate record evidencing the Receiver's authorization. Upon request, Bank will provide forms for written authorizations.

(s) *ACH Security Framework.* The NACHA Rules require that each non-consumer Originator must establish, implement, and update, as appropriate, policies, procedures, and systems with respect to the initiation, processing, and storage of Entries that are designed to: (i) protect the confidentiality and integrity of Protected Information until its destruction; (ii) protect against anticipated threats or hazards to the security or integrity of Protected Information until its destruction; and (iii) protect against unauthorized use of Protected Information that could result in substantial harm to a natural person. "Protected Information" for this purpose means the non-public personal information, including financial information, of a natural person used to create, or contained within, an Entry and any related addenda record. Such policies, procedures, and systems must include controls that comply with applicable regulatory guidelines on access to all systems used by such non-consumer Originator to initiate, process, and store Entries. Client agrees to develop and implement policies and procedures and establish oversight that will comply with the ACH Security Framework to ensure the protection of security and integrity of ACH sensitive data throughout its lifecycle. Client shall notify Bank immediately upon learning that any unauthorized person may have gained access to sensitive ACH data as defined by the ACH Security Framework. Client must also protect Depository Institution account numbers by rendering them unreadable when stored electronically no later than the time it reaches the Entry thresholds established by NACHA.

(t) *Financial Information and Audit.* Client agrees to furnish Bank with financial statements, in a form acceptable to the Bank, upon Bank's request. Client further agrees to furnish Bank upon request with copies of Federal Tax Returns upon their preparation each year together with all other financial information reasonably requested by Bank. Bank shall have the right from time to time in its sole discretion to audit Client's compliance with the terms of this Agreement, including Client's compliance with the NACHA Rules and these Service Terms & Conditions, and to require that Client submit to Bank the results of Client's audit of such compliance in a form as required by Bank.

(u) *Client's Use of Third-Party Service Provider.* Client shall not engage a third-party service provider as a Vendor to generate and/or transmit Entries to Bank without the prior written consent of



Bank and without requiring such third party to first enter into a written agreement with Bank setting out the relationship, rights and duties between such Vendor and Bank. Client agrees any such Vendor shall be Client's agent for all purposes under this Service, including the right of Bank to give notices to such Vendor and receive directions as created by Bank from such Vendor, all on behalf of Client. Vendor must also comply with the ACH Security Framework rule described above and be subject to audits as required by NACHA. Client shall indemnify Bank against any loss, liability, or expense, including reasonable attorney's fees, with regard to any breach of these Service Terms & Conditions that may result from the actions of any such Vendor.

(v) *Bank Responsibilities; Liability; Limitations on Liability; Indemnity.* In the performance of the Service, Bank shall be entitled to rely solely on the information, representations, and warranties provided by Client pursuant to this Agreement, and shall not be responsible for investigating or confirming the accuracy or completeness thereof. Bank shall not be responsible for Client's acts or omissions (including without limitation the amount, accuracy, timeliness of transmittal or authorization of any Entry received from Client) or those of any other person, including without limitation any Federal Reserve Bank (including any service provided by any Federal Reserve Bank), ACH or transmission or communications facility, any Receiver or RDFI (including without limitation the return of an Entry by such Receiver or RDFI), and no such person shall be deemed Bank's agent. Client shall indemnify Bank against any loss, liability, or expense (including attorneys' fees and expenses) resulting from or arising out of any claim of any person that the Bank is responsible for any act or omission of Client or any other person described in this subsection.

(w) *Cooperation in Loss Recovery Efforts.* In the event of any damages for which Bank or Client may be liable to each other or to a third party pursuant to the services provided under this Agreement, Bank and Client will undertake reasonable efforts to cooperate with each other, as permitted by Applicable Law, in performing loss recovery efforts and in connection with any actions that the relevant party may be obligated to defend or elects to pursue against a third party.

(x) *Client Acting as a Third-Party Sender.* Client is prohibited from acting as a Third-Party Sender on behalf of Originators without (i) disclosing the identity of and/or other requested information concerning such potential Originator to Bank so that Bank may perform its due diligence review with respect to such Originator; and (ii) entering into a separate ODFI/Third-Party Sender Agreement with Bank prior to transmission of any entries for such Originator.

### Section 3. ACH POSITIVE PAY

(a) *Description.* The ACH Positive Pay Service is accessed through *ONPointe* to block unauthorized ACH Entries to Accounts as defined by Client and automatically allow authorized ACH Entries to Accounts as defined by Client. Any person who may access *ONPointe* as a User of Client may use ACH Positive Pay if entitled.

(b) *Authorization Criteria.* Client will establish its authorization criteria in *ONPointe* and may make changes to any existing authorization criteria using *ONPointe*, which will become effective after the next ACH Positive Pay Decision Deadline.

(c) *Process.* Each Business Day Bank will notify Client of each ACH Entry presented to Bank for payment that does not meet the authorization criteria for ACH Entries provided by Client. Client must review the Exception Entries provided by Bank each Business Day via *ONPointe* and notify Bank before the ACH

Positive Pay Decision Deadline posted on the *ONPointe* website whether to pay or return each Exception Entry. If Client fails to notify Bank whether to pay or return an Exception Item by the ACH Positive Pay Decision Deadline, Bank will return as unpaid the Exception Entry using an ACH return code that indicates the Entry is not authorized. Where available Client may request to receive certain types of electronic notifications of Exception Entries.

(d) *ACH Entries Not Subject to ACH Positive Pay.* Client acknowledges that this Section does not preclude Bank from debiting Client's Account for (i) settlement activity related to Client origination activities; (ii) any fees or other amounts owed by Client to Bank or specially designated Bank Vendors; or (iii) On-Us Entries. Client acknowledges and agrees that this Section does not preclude Bank from implementing its standard ACH processing procedures which may cause an ACH Entry to be returned even if the ACH Entry meets Client's authorization criteria.

(e) *Bank Rights.* Client acknowledges that Bank's ACH Positive Pay Service does not preclude Bank's standard ACH processing procedures, which may cause an ACH Entry to be dishonored even if Client instructions do not otherwise require Bank to return such ACH Entry. Client acknowledges that Bank's ACH Positive Pay Service is intended to be used to identify and return ACH Entries which Client suspects in good faith are unauthorized. The Service is not intended to be used as a substitute for authorization instructions or to delay Client pay/accept return decisions on Exception Entries, including, and not limited to, stop payment orders on ACH Entries which are not suspected in good faith to be unauthorized. If Bank suspects or deems, in Bank's sole discretion, that Client is using the ACH Positive Pay Services contrary to those intentions, Bank may require Client to provide evidence that ACH Entries Bank returns pursuant to Client instructions were in fact unauthorized. In addition, Bank may hold Client liable for losses Bank sustains on ACH Entries which Bank is requested to return under such ACH Positive Pay Services and which Client does not reasonably establish as unauthorized ACH Entries.

(f) *Limitation of Liability/Indemnification.* In no instance shall Bank be liable for any amounts debited to an Account for ACH Entry that does not match the authorization criteria established by Client. In addition to the indemnification obligations of Client provided elsewhere in the Agreement, Client agrees to indemnify and hold Bank harmless from any and all expenses (including reasonable attorneys' fees and court costs), costs, liabilities, claims and losses as a result of or relating to Bank's failure to honor any ACH transfer to or reject an ACH Entry to an Account subject to the ACH Positive Pay Service.

### Section 4. ACH BLOCK & FILTER

(a) *Description.* The ACH Block Service is used to block all ACH Entries to Accounts indicated by Client. ACH Entries will be flagged as return items, blocked, and returned unpaid and marked as unauthorized. ACH blocks on Client's Account will not become effective until instructions to utilize this Service have been submitted by Client to Bank, and received, accepted, and implemented by Bank.

(b) *ACH Entries Not Subject to ACH Block & Filter.* This Section in no way precludes Bank from otherwise debiting Client's Account for (i) settlement activity related to Client origination activities; (ii) any fees or other amounts owed by Client to Bank or specially designated Bank Vendors; or (iii) On-Us Debit Entries. The ACH Block & Filter Service does not apply to transactions between Client and Bank, and Bank may pay Entries that Client has authorized Bank to originate against Client's Account (e.g., loan or

credit card payments), whether or not Client has included these in Client's authorization criteria.

(c) *Effect of Termination.* If an ACH Block is terminated for any reason, Bank will no longer be obligated to monitor Entries against Client's authorization criteria and will receive and accept or return Entries to Client's Account in accordance with Bank's normal procedures. Client still has the right to return Entries in accordance with the NACHA Rules.

(d) *Limitation of Liability/Indemnification.* In no instance shall Bank be liable for any amount debited to an Account for ACH Entry that does not match the instructions provided by Client. In addition to the indemnification obligations of Client provided elsewhere in the Agreement, Client agrees to indemnify and hold Bank harmless from any and all expenses (including reasonable attorneys' fees and court costs), costs, liabilities, claims and losses as a result of or relating to Bank's failure to honor any ACH transfer to or rejecting an ACH Entry to an Account restricted by the ACH Block & Filter Service.

## Section 5. ACCOUNT RECONCILIATION

(a) *Description.* Bank shall provide certain reports and statements of Account activity to Client relating to deposits or paid Items for the designated Account(s) in accordance with instructions submitted by Client to Bank, and received and accepted by Bank, from time to time. Client may choose to receive or send Check Register Information to aid Client with the reconciliation of Client's Accounts. Use of Account Reconciliation does not affect Client's obligations under the Account Agreement to discover and report unauthorized or missing signatures and endorsements, alterations on Checks drawn, or any other discrepancies or problems with Client's Accounts.

(b) *Full Account Reconciliation.* The Service will provide an Account reconciliation of Client's Account by matching the Check Issue File provided by Client containing the Check Register Information against Checks actually paid from the Client's Account for the respective reconciliation period selected by Client. Client can send Check Issue File information online via *ONPointe*.

(c) *Process.* On any day, whether or not a Business Day, on which Client issues a Check or other debit Item drawn on the Account, Client shall prepare and electronically transmit to Bank, prior to the Cutoff Time, the required Check Register Information identifying each Check issued. If Client is unable to electronically transmit Check Register Information on the day of such issue, Client shall electronically transmit such Check Register Information to Bank on the next Business Day.

(i) *Accuracy and Timeliness of Information.* Client represents and warrants that all Check Issue Files provided to Bank by Client will be accurate and complete. Client accepts full responsibility for the accuracy of the Check Issue File. Bank will use reasonable efforts to provide the reports requested through the Service in a prompt fashion but shall not be liable for temporary failure to provide timely information. In such event, Client shall be responsible for carrying out banking business through alternative delivery channels.

(ii) *Bank-Prepared Reconciliation.* If Client elects to have Bank conduct a reconciliation of its Account, Bank agrees to provide a Coversheet report containing starting balance, debits and credits posted, and a closing balance to Client within a commercially reasonable period of time after the Account's cycle close date. This report will be made available electronically via *ONPointe*.

(iii) *Paid No Issue Items.* If Client elects to use Account Reconciliation Service without also enrolling in Bank's Check

Positive Pay Service, Client agrees that paid items presented on the account that have not been reported as Issued items will be permitted to post to the account and will be reported in Account Reconciliation reporting as "Paid No Issue" items. Client understands that Bank has no obligation under the terms of this Service to return or otherwise notify Client intra-month of Paid No Issue items received.

(d) *Partial Account Reconciliation.* Bank will provide a listing of Checks paid during the selected reconciliation period using *ONPointe*.

(e) *Deposit Reconciliation.* Reconciliation of deposits is based on serial numbers placed on the MICR line of a deposit ticket to designate distinctions (such as location) per deposit. At the end of each reconciliation period, Bank will provide reports in electronic format via *ONPointe* in accordance with set-up instructions. Client will report the addition or removal of serial numbers used for compiling this report to Bank for their inclusion in reporting.

(f) *Discrepancy.* Client shall review reports received under the Service promptly to ensure accuracy and completeness of the information. If Client fails to notify Bank within thirty (30) days after receipt of a report that any information is inaccurate, incomplete, unclear, unreadable, or otherwise unacceptable, the Client shall be deemed to have accepted the report and to have waived (i) any and all objections including but not limited to objections concerning its accuracy, completeness, clarity, readability or quality, and (ii) the right to bring any action or raise any claim against Bank based on any such objection. Bank shall not be liable for any loss, including loss of interest, resulting from Client's failure to give such notice and Client shall be precluded from asserting such discrepancy against Bank.

(g) *Voiding a Serial Number.* If Client desires to void a Check serial number or range of Check serial numbers not yet issued, Client must deliver to Bank a void file in a method or format mutually agreed upon by Client and Bank. A void file will not stop payment on an issued Check. If Client seeks to stop payment on an issued Check, Client must issue a stop-payment order with respect to such Check in accordance with Bank's usual stop-payment procedures.

(h) *Deadline.* Bank's acceptance of Check Issue File after the Cutoff Time shall in no way be deemed a waiver by Bank of the Cutoff Time or the Service Terms & Conditions by Bank.

(i) *Bank's Duty.* Bank assumes no duty to identify and/or return duplicate Checks, Checks with poor MICR quality, mis-encoded Items, or Checks lacking an encoded serial number unless Client is enrolled in and under the terms of Bank's Check Positive Pay Service.

## Section 6. BILL PAYMENT CONSOLIDATION

(a) *Description.* Client may authorize Bank to process indirect transactions such as online "bill pay" Checks and other third-party payment mechanisms ("*Payment Data*") and reconcile the Payment Data with the corresponding bill payment funds ("*Payment Funds*") paid to Client by a bill payment consolidator. The Service is available for Client's remittances made via bill payment services and bill collection agents who have processing agreements in place with Bank's Vendor. This Service on Client's Account will not become effective until instructions and required set-up forms to utilize this Service have been submitted by Client to Bank, and received, accepted, and implemented by Bank and Bank's Vendor. Client hereby authorizes Bank's Vendor to transmit Client's Payment Data to Bank under these Service Terms & Conditions and authorizes Bank's Vendor to perform all actions

necessary to enroll Client in the Vendor's payment processing service.

(b) *Process.* Client will access the Service via the separate Vendor portal and shall appoint a System Administrator to comply with the Security Procedures required by the Vendor.

(c) *Obligations of Bank.* In connection with this Service, Bank shall:

- Each Business Day, access Payment Data and related information from various sources with whom the Vendor has established a relationship to effectuate electronic payments;
- Separate and reformat the Payment Data to Client's specifications and transmit all account debtor payments to Client in agreed upon format and at the agreed upon time each Business Day;
- Provide assurance that data submitted to Client has been validated, passes the appropriate account masks and have been processed through any "repairs" mechanism;
- Provide a research portal for exception payments handling and repairs handling;
- Provide a research portal for historical and settlement data;
- Deposit Payment Funds received into Client's Account;
- Provide the ability for Client to return payments to concentration sources; and
- Maintain records of the transactions processed for two years; and provide Client with a daily report summary of the number of payment transactions processed and all funds collected.

(d) *Rejections.* No Payment Funds may be rejected by Bank or Client unless the Payment Data for such payment is incorrect, incomplete or the account is blocked or closed. If any payment is rejected and Bank or Client is unable to determine the correct posting information, Client shall return the Payment Data and Payment Funds to the Vendor.

(e) *Late Charges.* Client may not charge its account debtors a late fee if payment is late by reason of the fact that the Payment Data was not timely posted by Bank.

## Section 7. BUSINESS MONEY MARKET SWEEP

(a) *Description.* The Business Money Market Sweep Service allows Client to link its eligible checking Account ("*Transactional Account*") to its eligible money market deposit Account ("*MMDA*") so that funds can be automatically transferred to maintain the Target Balance and address any surplus or deficiency in the Transactional Account.

(b) *Transfer of Funds.* At the close of each Business Day, Bank shall make a determination whether to sweep funds from the Transactional Account to the MMDA or from the MMDA to the Transactional Account. When sweeping funds from the Transactional Account to the MMDA, the transfer amount will be the amount by which the Collected Balance in the Transactional Account exceeds the Target Balance ("*Balance Surplus*"). When sweeping funds from the MMDA to the Transactional Account, the transfer amount will be the difference between the Collected Balance in the Transactional Account and the Target Balance ("*Balance Deficiency*"). These transfers are automatic and will occur on any Business Day after the final posting of Items to the Accounts.

(c) *Notice.* The FDIC requires that Bank gives its depositors notice of the status of their deposits and transactions in the event of a Bank failure. Funds swept to the Transactional Account and funds swept to the MMDA through the Service will be considered a deposit with Bank and insured under the applicable FDIC insurance rules and limits.

(d) *Overdrafts, Transfer Limits.* It is Client's responsibility to ensure that there are sufficient Collected Funds in each of the Transactional Account and the MMDA to cover all Items drawn on that Account each Business Day. The transfer of funds to or from the MMDA may be subject to transfer limitations and/or fees under Applicable Law or as set forth in the Account Agreement or fee schedule for that Account. In the event transfer limitations apply to the MMDA and the transfers made through the Service exceed such limits, Bank reserves the right to suspend the Service.

## Section 8. BUSINESS ONLINE BILL PAYMENT

(a) *Description.* With the Business Online Bill Pay Service, Client can authorize Bank to remit funds from Client's designated Account to make bill payments to persons or business entities as specified by Client ("*Billers*"). There is a separate enrollment process for this Service and there may be additional terms and instructions presented when Client accesses the Service. Client may also elect to use the e-Bills feature of this Service, as described further below.

(b) *Scheduling Payments.* Client can use this Service to schedule a one-time payment or automatic recurring payments to its Billers. Each Biller must be an eligible business, merchant or professional with a valid United States address. Client must provide the correct information for the Biller, including their name, address, payment amount, and such other information as is required to schedule a payment.

By scheduling a payment through the Service, Client authorizes Bank to debit Client's designated Account and remit funds on its behalf to the Biller in accordance with Client's payment instructions. It is Client's responsibility to schedule payments in such a manner that the Biller receives the payment no later than the due date on the statement provided to Client by the Biller. Payments can only be processed on Business Days. If the due date falls on a non-Business Day, Client should schedule the payment at least one (1) Business Day before the actual due date.

(c) *Processing Payments.* Bank will use commercially reasonable efforts to make payments scheduled through the Service properly. Client's designated Account must contain sufficient funds to make the payment on the date it is processed. Bank reserves the right to select the payment method used to remit funds on Client's behalf to the Biller. This may include payment by check, ACH, electronic check, laser draft payment, or any other method chosen by Bank. In order to process payments more efficiently and effectively, Bank may edit or alter payment data or data formats in accordance with Biller directives.

(d) *Canceling Payments.* Client may cancel or change any scheduled payment without charge before it has begun processing. Once a payment has begun processing, Client cannot cancel or change it unless Client makes a timely stop payment request and Bank is able to act on that request before the payment has been processed. See the Account Agreement for information on how to make a stop payment request on an electronic funds transfer.

(e) *Limits, Exception Payments.* Bank reserves the right to limit the amount of payments, the number of payments, or the Billers that Client may designate through the Service. Client agrees not to send payments for gambling debts or other payments that are prohibited by Applicable Law through the Service ("*Exception Payments*"). Tax payments or court-ordered payments are also Exception Payments, and Client agrees that any such payments are at Client's own risk. Bank will not be liable for any Losses resulting from Client scheduling Exception Payments through the Service or from Bank refusing to make any Exception Payments. Client agrees that Bank will have no obligation to research or



resolve any claims resulting from Exception Payments being misapplied, misdirected or mis-posted.

(f) *Liability Limits.* Client agrees that Bank will not be liable if Bank is unable to complete any payment Client schedules through the Service due to: (i) incomplete or erroneous information provided by Client; (ii) insufficient funds in Client's designated Account to make the payment; (iii) the payment processing center is not working properly and Client knows or has been advised about the malfunction; (iv) the Biller cannot or will not accept a payment delivered by Bank; (v) the Biller delays crediting the payment to Client's billing account; (vi) Bank suspects the payment is fraudulent or is an Exception Payment; (vii) Bank suspects the Biller is a restricted or blocked entity under Applicable Law, including OFAC sanctions; or (viii) circumstances beyond Bank's control prevent the proper execution of the payment, such as emergency conditions, power failure, outages or delays of any payment processing network or clearinghouse, malfunction or failure of any equipment or communication lines, or other force majeure event.

(g) *Service Guarantee.* In the event a payment is delayed for reasons other than those described in the "Liability Limits" paragraph above, Bank will reimburse Client for up to \$50 of any fees or charges imposed by the Biller as a result of the late payment (the "Service Guarantee"). The Service Guarantee does not apply with respect to Exception Payments, and it is conditioned on Client scheduling the payment such that it should have been delivered to the Biller timely (i.e., taking into account the due date for the bill and the fact that payments are only processed on Business Days).

(h) *Electronic Bill Delivery and Presentment ("e-Bills").* With e-Bills, Client can request its Billers to provide electronic bills to be presented through the Services. The following terms apply to e-Bills:

(i) Upon activation of e-Bills, Bank may notify the Biller of Client's request to receive electronic billing information. The timing for presentment of the first electronic bill may vary from Biller to Biller and may take up to sixty (60) days, depending on the billing cycle of each Biller. Additionally, the ability to receive a paper copy of Client's billing statement(s) is at the sole discretion of the Biller. While e-Bills is being activated, it is Client's responsibility to keep its Biller accounts current. Each Biller reserves the right to accept or deny Client's request to receive e-Bills.

(ii) Client's activation of e-Bills for a Biller shall be deemed to be Client's authorization for Bank to obtain bill data from that Biller on Client's behalf. For some Billers, Client will be asked to provide Bank with its username and password for Client's account with that Biller. By providing Bank with such information, Client authorizes Bank to use it to obtain Client's bill data.

(iii) Bank will present Client's e-Bills by notification within the Service. In addition, Bank may send an email notification to Client. It is Client's sole responsibility to ensure that its contact information is accurate. In the event Client does not receive notification, it is Client's responsibility to periodically login to the Service and check on the delivery of new e-Bills. The time for notification may vary from Biller to Biller. It is Client's responsibility to contact its Biller directly if Client does not receive its billing statement.

(iv) Bank is unable to update or change Client's contact information with the Biller, such as name, address, phone number and email address. Client must contact its Biller directly to make any such changes. Additionally, it is Client's responsibility to maintain all usernames and passwords for its

accounts with its Billers. Client agrees not to use someone else's information to gain unauthorized access to another person's bill. Bank may, at the request of the Biller, provide to the Biller Client's email address, service address, or other data specifically requested by the Biller at the time of activating e-Bills for that Biller.

(v) The Biller reserves the right to cancel e-Bills at any time. Client may also cancel e-Bills at any time for any or all of its Billers. The time frame for cancellation may vary from Biller to Biller. It may take up to sixty (60) days, depending on the billing cycle of each Biller. Bank will notify the Biller(s) as to the change in status of Client's account and it is Client's sole responsibility to make arrangements for an alternative form of bill delivery. Bank is not responsible for presenting any e-Bills that are already in process at the time of cancellation.

(vi) Client's use of e-Bills does not change its liability or the obligations that exist between Client and its Billers. Client agrees to hold Bank harmless in the event Client fails to receive any e-Bill. Client is solely responsible for ensuring timely payment to its Billers. Copies of previously delivered bills must be requested from the Biller directly. Bank is not responsible for the accuracy of Client's e-Bills. Bank only presents the information it receives from the Biller. Any discrepancies or disputes regarding the accuracy of Client's e-Bill must be addressed with the Biller directly.

## Section 9. CHECK POSITIVE PAY

(a) *Description.* Check Positive Pay is offered by Bank and accessed through *ONPointe* to enable Client to monitor and detect unusual or unauthorized Check issuance or payment. Client may select traditional Check Positive Pay, Payee Positive Pay, or Reverse Positive Pay. Check Positive Pay decisions may also be made through *ONPointe* Mobile. Client agrees to comply with check stock and Check Issue File requirements as noted in the Check Positive Pay Enrollment Requirements Guide (or a successor published guide). Check Positive Pay will not become effective until instructions to utilize this Service have been submitted by Client to Bank, and received, accepted, and implemented by Bank.

(b) *Client Responsibilities.*

(i) Unless Reverse Positive Pay is selected as described in paragraph (c)(iii) below, Client will provide Bank through *ONPointe* a Check Issue File of all outstanding Checks prior to activation of this Service and thereafter from time to time each Business Day new Checks are issued by Client. Client shall comply at all times with Bank's format and data transmission standards for the Check Positive Pay Service. The Check Issue File shall accurately state the issue date, Check number and the exact amount of each Check drawn on each Account since the last Check Issue File was submitted. Client shall send the Check Issue File to Bank by the applicable Cutoff Time every Business Day Checks are issued. Any Check Issue File received after Bank's Cutoff Time may be treated as received the next Business Day.

(ii) Client must monitor this Service every Business Day and decision any Exception Checks by the applicable response Cutoff Time. Decision processing options include: "Pay" or "Return." Unless specifically requested otherwise by Client to Bank, and received and accepted by Bank, Exception Checks will be returned unless a "Pay" decision is made by the applicable response Cutoff Time (unless Reverse Positive Pay is selected, see paragraph 9(c)(iii) below).

(iii) Stale-dated and post-dated Checks will be Exception Checks on which Client will need to make a decision regarding disposition as "Pay" or they will be returned. Exception items may include duplicate checks, checks that do not match the check issue data that was provided, checks with duplicate serial numbers, misencoded items, or checks lacking an encoded serial number.

(c) *Positive Pay Options.*

(i) Check Positive Pay. Bank will check the MICR encoding and the dollar amount on the Checks against the Check Issue File.

(ii) Payee Positive Pay. If this option is selected, Bank will check MICR information, dollar amount and payees against the Check Issue File.

(iii) Reverse Positive Pay. If Reverse Positive Pay is selected, on each Business Day, Bank will provide notification and post a list of Presented Checks on ONPointe for Client to make "Return" decisions. Checks will be paid unless Client makes a "Return" decision by the applicable response Cutoff Time.

(d) *Bank Responsibilities.* Bank will make the decision to pay each Check drawn on the Account based on an automated computer comparison of the pertinent information appearing on such Checks and the Check Issue File. Bank may pay and charge to the Account each Presented Check that matches the Check information in the Check Issue File. Bank's failure to report a discrepancy will not discharge Client's obligation on any Check and shall not obligate Bank to return any Check if it is otherwise properly payable.

(e) *Limitations.*

(i) Checks Covered by Service. This Service applies to Checks that are presented for payment to Bank through normal inter-bank clearings. It is not designed to compare Client's list of issued Checks against Checks that are presented in any other manner (e.g. at a teller window, through an automated teller machine, or by mail). At Bank's sole discretion, Bank may attempt to compare Client's list with such Checks, however, Bank will not be liable for failure or refusal to do so.

(ii) Reliance. Bank will not be obligated to verify signatures on any Checks that match the Check Issue File. Bank will not be required to physically examine matching Checks to confirm they are properly signed, completed, and encoded. Bank may rely on such a process and the process will be deemed an acceptable standard of care for this Service and Account. Client understands that the Service may not identify counterfeit or duplicate Checks. As such, Client must review promptly all statements, returned Checks, reports and other Item and transaction information Bank makes available to it.

(iii) Accuracy of Information. Client assumes full responsibility for the completeness and accuracy of all information furnished to Bank. Bank assumes no responsibility for detecting or correcting ambiguous, incomplete, untimely, or inaccurate information provided by Client. Bank's willingness to process nonconforming information will not be considered a waiver of any requirement of this Product Addendum, and Bank may discontinue processing nonconforming information without prior notice. Client remains responsible for maintaining its own records of Check Issue data, including copies of the Check Issue Files, for Client's accounting recordkeeping, and internal control purposes.

(f) *Reporting.* Bank will provide Client with reports detailing Check information. Additional enrollment may be required.

(g) *Limitation of Liability.* Nothing in these Service Terms & Conditions is intended to limit Bank's right to return a Check unpaid if there are insufficient Available Funds in the designated Account(s). Bank shall have no responsibility for liability, loss or damage resulting from (i) the return of any Exception Check to the depository bank in accordance with these Service Terms & Conditions or Client's failure to meet the established deadlines. Bank shall have no liability for paying a Check where the presentment data matches the Check Issue File data even if its serial number or amount is altered, or it is counterfeit, bears a forged or unauthorized signature or was otherwise not validly issued. Client agrees to indemnify and hold Bank harmless from any liability for failure to pay an Exception Check at Client's instruction or because of a default "Return" option and agrees that the refusal to pay any Exception Check at Client's request or pursuant to this Service shall not be deemed a wrongful dishonor.

## Section 10. COIN & CURRENCY – CASH VAULT

(a) *Description.* The purpose of this Service is to provide Client with secure, accurate, and efficient processing of Client's coin, currency, and Check deposits, including for the purposes of this Service money orders, traveler's checks and cashier's checks, into Bank and the preparation of Client's coin and currency shipment requests.

(b) *Access to Bank's Coin and Cash Order System and Security.* Client will control access to the Service in accordance with its own predetermined company policy and procedures. Client shall designate individuals authorized to access the Service, and access to the Service will be provided pursuant to instructions to utilize this Service as submitted by Client to Bank, and received, accepted, and implemented by Bank and Bank's Vendor. It is the Client's responsibility to establish internal policy and procedures to safeguard against unauthorized use. Client understands and acknowledges that anyone with knowledge of Client's User IDs and Passwords will be able to access the Service. Client is responsible for any access to the Service through the use of the User ID and Password.

(c) *Deposits by Client.* Client shall supply and maintain sealed locking or tamper resistant deposit bags. Deposit bags shall be sealed according to manufacturers' instructions. Client will prepare deposits in good order as follows:

- Currency and Checks will be batched separately and reflected on separate deposit tickets fully completed by Client;
- Currency will be banded with 100 notes of the same denomination whenever possible;
- Deposits will be delivered by Client's Carrier to the secured facility specified by Bank; and
- To receive same day credit, deposits must be made prior to the Cutoff Time established by Bank from time-to-time. Any deposits received by Bank after its Cutoff Time may be considered to have been received on the next Business Day.
- Client may deposit coin and currency of the United States only and shall not deposit coin or currency of any other country.
- For Clients identified as Money Service Businesses, Bank disallows Checks to be deposited in conjunction of this Service. Checks are prohibited from inclusion in deposits sent to be processed at cash vault site.

(d) *Processing of Deposits.* Client shall supply and utilize serialized, tamper-proof bags to be used for delivery of its vault deposits. Client shall place checks, coin, and currency for deposit in a bag with a completed deposit slip for the Account. The Bank is not responsible for the Bag or its contents until accepted at the Bank branch or designated vault location. Deposits will be

received, and provisional credit assigned (subject to verification), based on the amount identified on the deposit ticket, and in accordance with the terms of Client's Accounts.

- Deposits that do not contain legible "said to contain" deposit amounts on the deposit ticket are subject to delayed ledger credit of one Business Day;
- Deposits that do not contain a deposit slip are subject to immediate rejection and return by Bank to Client or if accepted by request of the Client, the count performed by Bank will stand as final verification of the deposit;
- Coin and currency will be counted, and Bank's count will be the valid and controlling count;
- If Bank's count varies from Client's count, a credit or debit adjustment will be made to the Account for the difference, and upon request, Bank will provide Client with any available information reasonably related to assisting Client in the reconciliation of the difference;
- Crediting and availability of all Check deposits is subject to the terms of Client's Account Agreements; and
- Client shall be responsible for any foreign coin or currency items, slugs, tokens, counterfeit items, or other items that are not valid U.S. coin or currency.

(e) *Coin and Currency Orders.* Client may order currency and coin from Bank through the Vendor hosted coin and cash website, or by the telephone order entry system as follows:

- Currency may be ordered in standard full strap or custom quantities;
- Coin may be ordered in standard box or custom quantities;
- A charge for the face value of the monies ordered will be made to the Account on the Business Day the order is processed by Bank;
- Orders for coin and currency may be placed no later than the Cutoff Time set forth in the Cash Vault User Guide (or a successor published guide), or such time that Bank designates from time to time, for delivery on the next Business Day.

(f) *Discrepancies.* Client must notify Bank of any discrepancies pertaining to deposits or orders within one Business Day of the deposit or receipt by Client. For coin and currency orders, Client must provide documentation to back-up shortages, such as returning the strap, coin, wrapper and/or box. In no event will Client provide notice of any discrepancy more than three (3) days after the deposit or receipt of the orders which is the subject of the notice.

(g) *Processing Days.* Bank will provide processing on all Business Days.

(h) *Cooperation.* Client shall cooperate with and provide assistance to Bank in order to investigate any discrepancy, loss, or other matter relating to the Service.

(i) *Carrier.* Any Carrier utilized to deliver or secure coin, currency, or other property to or from Bank will act as the agent of Client and not of Bank. Client will bear the entire risk of loss of coin, currency, or other property of Client when in the custody or control of Client's Carrier. Client represents and warrants to Bank that all insurance coverage of its couriers will name Client as beneficiary.

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

(k) *Regulatory Compliance.* Client 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.

## Section 11. COIN & CURRENCY—SMART SAFE

(a) *Description.* Under the Bank's Smart Safe Service, Bank may extend provisional credit to Client based on cash deposited in the currency validating portion of the safe provided by Client's provider ("Provider") (while the safe may be branded differently depending on the Provider, for the purposes of this Service, the safe is referred to as a "Smart Safe"). All extensions of credit are discretionary, and Bank may consider credit worthiness, the length and extent of Client's relationship with Bank and its Affiliates, transaction and experience history, and such other factors as Bank, in its sole discretion, deems relevant.

(b) *Provider Relationship.* Client acknowledges that the Provider must be a Bank-approved provider of a Smart Safe and that it is a separate entity from Bank and is not operating as a partnership, joint venture, or other combined enterprise with Bank. The Smart Safe, the Software and systems used in connection therewith, and the related services are provided to Client under the Provider's agreement and are not part of the Service or any other service Bank provides. Client agrees to look solely to the Provider for resolution of any problems or disputes under the Provider agreement or with respect to the Smart Safe. Bank is not responsible for any obligation or liability of the Provider to Client under the Provider agreement. Bank relies on the continued effect of the Provider agreement in providing the Service to Client including Client's compliance with the terms of the Provider agreement. Client agrees to promptly notify Bank of any material change in the Provider agreement.

(c) *Deposit and Secured Funds.*

(i) *Deposits.* Client must follow the Provider's instructions for the deposit of currency in the cassette in the Smart Safe. The currency will be counted by the Smart Safe on a daily basis. Once Client completes its end-of-day process, the Smart Safe will then transmit data to the Provider who will in turn transmit the Smart Safe data to Bank.

(ii) *Secured Funds.* The placement and counting of currency in, and the compilation and transmission of data from the Smart Safe, are subject exclusively to the terms of the Provider agreement and are not part of the Service. The Service depends on the accurate and timely receipt in readable, agreed-upon format of the data from the Provider reporting the amount of funds counted and secured in a Smart Safe cassette ("Secured Funds"). Secured Funds must not be removed from the Smart Safe or used by Client for any purpose. The Service only applies to Secured Funds. If Client places cash, Checks, or other instruments in the Smart Safe outside the cassette that are picked up by Client's Carrier, such cash, Checks, or other instruments are not Secured Funds under these Service Terms & Conditions.

(iii) *Transmission of Data.* Client authorizes the Provider to transmit the Smart Safe data to Bank. Bank will rely exclusively on the accuracy of the information transmitted to Bank by the Provider in determining the amount of provisional credit Bank will provide to Client, and Client agrees to hold Bank harmless for any discrepancies between the Smart Safe data and the credit extended by Bank. Bank is not responsible for any failure of the data to be timely communicated to Bank or for any errors in the data. Client expressly grants Bank authority to review and access the data and other data



generated by the Smart Safe or the Provider relating to Secured Funds in the Smart Safe.

(d) *Advance Credit: Ownership of Secured Funds.* Bank will post advance credit in the Account on the Business Day Bank receives the Smart Safe data, subject to the Service Cutoff Time and the Smart Safe limits established by Bank. If Bank receives the data after the Service Cutoff Time, Bank will post advance credit on the next Business Day.

(i) All credit Bank provides to Client for deposits is provisional and subject to verification and correction for the amount of Secured Funds actually received by Bank including for errors, counterfeit currency, and miscounts. If the contents of the Smart Safe for which Bank provided advance credit are not delivered to the vault location approved by Bank in the set-up process by the Cutoff Time on the 5th Business Day after the credit is extended, or, if the amount of legal currency contained in the Smart Safe cassette and delivered to Bank or the vault is less than the amount reported in the Smart Safe data, or exceeds Bank-approved limits, then regardless of the reason or circumstances, Bank will reverse any credit Bank gave to Client and, in any case, Client is obligated to pay Bank for any adjustment and related interest or credit provided to Client.

(ii) Once Bank posts advance credit in Client's Account based on the data transmitted by the Provider, the Secured Funds are Bank's sole and exclusive property, and Client shall be responsible to Bank for all Secured Funds. To the extent Client retains any interest in the Secured Funds by operation of law, Client hereby grants Bank a first priority and properly perfected security interest in all such Secured Funds and agrees such funds are under Bank's possession and control once they have become Secured Funds as described above. Client further agrees that once cash deposited in the Smart Safe has become Secured Funds, Client has relinquished all ownership, rights, possession and control over such funds and the Provider shall be deemed to be holding the Secured Funds in the Smart Safe for Bank's exclusive benefit.

(e) *Pick-up.* Client is responsible for arranging for transportation of the Secured Funds to Bank or one of Bank's vault locations as designated by Client to Bank and Client's Provider, and such location designations received and accepted by Bank, from time to time. Client agrees to monitor daily the amount of Secured Funds in the cassette(s) in the Smart Safe and schedule one or more additional pick-ups of Secured Funds any time the on-premises amount exceeds \$75,000 (the "Maximum On-Premises Amount"). Client must use the Provider as its Carrier.

(f) *Counts.* Client agrees that Bank's cash processing agent's count of Secured Funds is final and conclusive. Bank is not liable for any shortage due to any counterfeit or contraband, whether discovered upon delivery to Bank or any time after delivery. In no event is Client entitled to any amount in excess of the correct balance of Client's deposit, whether the error was caused by improper commingling of funds, inaccurate counts, clerical error or otherwise.

(g) *Carrier.* Any Carrier utilized to deliver or secure coin, currency, or other property to or from Bank will act as the agent of Client and not of Bank. Client will bear the entire risk of loss of coin, currency, or other property of Client when in the custody or control of Client's Carrier. Client represents and warrants to Bank that all insurance coverage of its couriers will name Client as beneficiary.

(h) *Representations.* Client represents and warrants to Bank that (i) all funds deposited with Bank will be the proceeds of, and all funds ordered and withdrawn from Bank will be intended for use in, Client's lawful activities and (ii) all of Client's transactions

hereunder will be conducted solely on Client's behalf and not on behalf of any other person or entity.

## Section 12. COMMERCIAL CREDIT CARDS (BANK-ISSUER CARD PROGRAM)

(a) *Description.* Bank will issue commercial credit cards ("Cards") for use by Client's employees and other persons authorized to receive and use a Card ("Cardholders") to charge purchases and/or travel and entertainment expenses solely for business purposes (collectively "Card Transactions") upon Bank's acceptance of Client's application and will establish a credit card account ("Client Account") and an account for each Cardholder (a "Cardholder Account"), subject to Client's agreement with Bank to be liable for all Client and Cardholder Account Card Transactions and related interest, fees, and charges in accordance with these Service Terms & Conditions and the terms of any separate agreement, regulations or terms providing the specific attributes of the Card program selected by Client (each a "Credit Card Agreement"). The Credit Card Agreement, disclosures, application, loan and security agreement and guaranty terms, which are part of the instructions and/or forms submitted by Client to Bank, and received and accepted by Bank, are incorporated herein and made a part of this Agreement. To the extent of any inconsistency in the terms of the Credit Card Agreement and these Service Terms & Conditions, the Credit Card Agreement will prevail as to the specific attributes of the Cards and Card Accounts. This Section 12 does not apply to Bank's First National Bank of Omaha referral card program.

(b) *Card Programs.* Bank offers the following commercial card programs (availability is based on criteria that Bank establishes):

(i) Business Credit Cards or Combination Corporate and Purchasing Cards – programs designed for all Card Transactions.

(ii) Business Professional or Corporate Credit Card. – programs designed for Cards to be used for business travel and entertainment expenses.

(iii) Purchasing Cards – a program designed for Cards to be used solely to pay Client's suppliers for business expenses.

(iv) Virtual Cards – a program designed for Card numbers to be used for Card Transactions effected online or via telephone. Virtual Accounts are issued generically to the Client and are not personalized for individual users.

(v) ScoreCard Reward Program – allows Client with eligible Cards to earn points based on business-related purchases and redeem points for merchandise, statement credits, gift cards, ACH credits and travel. Bank reserves the right to modify or discontinue reward program at any time. Additional program details and terms are posted on the ScoreCard online portal: [www.scorecardrewards.com](http://www.scorecardrewards.com).

(vi) Rebate Program – allows Client to earn rebates in accordance with Bank's rebate terms provided separately.

(c) *Card Program Administration.* Client will designate a System Administrator for the commercial credit card program to act on its behalf, and such System Administrator, for online application purposes, may designate Cardholders, establish access to Accounts, and carry out other activities, including reporting, Card additions and deletions, address changes and individual credit limit changes.

(d) *Card Use.*

(i) Cards and Cardholder Accounts may be used for Card Transactions appropriate to the program selected by Client everywhere the Card is accepted; provided, Bank reserves the right to restrict certain merchant codes in its discretion or at the request of Client. Bank is not responsible if a merchant, financial institution, or other person refuses to honor the Card. Bank reserves the right to deny authorization for any Card Transaction.

(ii) Client represents and warrants that (A) this Service has been duly authorized and does not violate Client's charter or bylaws (or corresponding operating documents if Client is not a corporation); (B) the individuals designated by Client from time to time as being authorized to request Cards, designate Cardholders and link Cards to Client's Accounts have been properly authorized; and (C) the individuals designated as Cardholders by Client are properly authorized to use all of the services and engage in all of the types of transactions that are available for the type(s) of Cards requested by Client. Client warrants to Bank that each individual for whom Client shall request a Card shall be an agent or employee of Client or of a subsidiary of Client and shall have a business or commercial purpose for the Card. The Cards are to be used for business purposes, and not for personal, family, or household purposes. In addition, Client acknowledges and agrees Cardholders will not use the Cards, Cardholder Accounts or Card numbers in connection with any placing, receiving or otherwise knowingly transmitting bets or wagers by any means that involve the use, at least in part, of the Internet, or for any other transaction that is prohibited by Federal Reserve Regulation GG – Unlawful Internet Gambling Enforcement Act of 2006. Regardless of the purpose for which the Cardholder obtains credit through the use of a Card or Cardholder Account, Client promises to pay Bank for all such credit and related interest, fees, and charges.

(iii) For certain Card transactions, Bank may place a temporary hold on Client's Account equal to the authorization amount submitted by the merchant until Bank receive the final settlement amount from the merchant (or the hold is released). For many transactions, the authorization amount will be for the amount of the transaction. However, for some transactions the merchant may not know the actual amount of the transaction at the time of the authorization (for example, restaurant purchases, car rentals or hotel purchases) and the authorization amount may be less or more than the actual amount of the transaction. Card purchase transactions usually settle with the merchant (and the hold is released) within three (3) Business Days after the transaction is authorized, but in some cases this may take longer.

(iv) Client must cancel or suspend a Cardholder Account via the appropriate tool or by notifying Bank at 1-800-221-5920 or such telephone number printed on the back of the Card.

(e) *Credit Limit.* Bank shall establish a total credit limit for all Client Card programs (the "*Aggregate Credit Limit*"). A credit limit shall also be established for each individual Cardholder Account (the "*Individual Account Limit*") as requested by Client. Client agrees not to allow the Aggregate Credit Limit or the Individual Account Limit to be exceeded at any time. Bank may decrease the Aggregate Credit Limit or an Individual Account Limit at any time and shall give prompt notice thereof to Client. If the Aggregate Credit Limit or Individual Account Limit is exceeded at any time, then the excess may be deemed immediately due and payable at Bank's option.

(f) *Periodic Billing Statements.*

(i) *Centrally-Billed Client.* Bank may provide a periodic billing statement to Client with an active account for any billing cycle in which there is activity and to a Client with an inactive account for any billing cycle in which there is a balance of \$5 or more, (unless not otherwise required by Applicable Law), which shall be a consolidated billing statement for all Cardholder Accounts. This consolidation of the Cardholder Accounts for purposes of billing and calculating interest, fees, and charges is referred to as the "Client Billing Account." In addition, Bank will send a periodic memo statement to each Cardholder who had Card Transactions during the period. Client must pay the entire balance of the Client Billing Account at any time shown on the consolidated billing statement each billing cycle when there is a balance. The payment due date is shown on the consolidated billing statement and is based on the cycle date indicated within the set-up instructions.

(ii) *Individually-Billed Client.* Bank may provide a periodic billing statement to an individual Cardholder with an active account for any billing cycle in which there is activity and to an individual Cardholder with an inactive account for any billing cycle in which there is a balance of \$5 or more (unless not otherwise required by Applicable Law) for purposes of billing and calculating interest, fees, and charges. Individual Cardholders must pay the entire balance of an individual Cardholder Account at any time shown on the periodic billing statement each billing cycle when there is a balance. The payment due date is shown on the periodic billing statement and is based on the cycle date indicated within the set-up instructions. A memo statement may be sent to Client listing transactions of the individual Cardholders.

(iii) In any event, unless Client notifies Bank in writing within sixty (60) days of receipt, the Client billing statement will be conclusively deemed to be correct.

(g) *Payments.*

(i) The new balance must be paid in full each billing cycle.

(ii) Bank strongly recommends that Client use its ACH autopay option.

(iii) All payments made by mail should be by check or similar instrument drawn on U.S. financial institutions in U.S. dollars. Payments received on a Business Day by the specified time and at the payment processing location specified on the Client Account periodic billing statement will be posted as of the date of receipt. Payments received on a non-Business Day may be processed on the next Business Day and finance charges will continue to accrue. Payments received after that time or at any other location may be delayed for crediting.

(iv) Any check or money order may be returned to Client without applying it to the Client Account for any reason. Bank has the right to determine at Bank's option the order in which a payment will be applied toward Card Transactions, interest, fees, and charges.

(h) *Finance Charges.*

(i) *Periodic Finance Charges.* Finance charges on the Client Account begin to accrue on the transaction date of each Card Transaction. There is no finance charge on Card Transactions for any billing period which has a zero previous balance.

(ii) *Business Cards.*

a. In any billing period in which the Client Account is subject to finance charges, Bank will calculate finance charges on the Client Account by applying a monthly

periodic rate to the Average Daily Balance (including current transactions for Card Transactions). The Average Daily Balance for Purchases is determined by first taking the beginning balance of the Client Account each day and adding any new Card Transactions and subtracting any payments and credits applied that day. This gives Bank the daily balance for Purchases. Then Bank adds all these daily balances for the billing cycle together and divides by the number of days in the billing cycle. This gives Bank the Average Daily Balance for Purchases.

b. The monthly periodic rate is determined by dividing the Annual Percentage Rate by twelve. The Annual Percentage Rate for a billing period will be determined by adding a margin to the Prime Rate published in The Wall Street Journal on the last Business Day of the previous calendar month. If more than one rate is published, Bank will use the highest of the published rates.

(iii) Corporate and Purchasing Cards.

a. In any billing period in which the Client Account is subject to finance charges, Bank will calculate finance charges on the Client Account by applying a daily rate to the Daily Balance for each day the balance remains unpaid.

b. The daily periodic rate is determined by dividing the Annual Percentage Rate by 365 days (366 in a leap year). The Annual Percentage Rate for a billing period will be determined by adding a margin to the Prime Rate published in The Wall Street Journal on the last Business Day of the previous calendar month. If more than one rate is published, Bank will use the highest of the published rates.

c. Minimum Finance Charge. The Client Account is subject to a minimum finance charge for any billing period in which a finance charge is due.

(i) *Fees.* Bank may charge the following fees, as specified within the set-up forms and other enrollment documentation:

- Annual Fee. An annual fee may be charged to the Client Account if applicable.
- Late Payment Fee. A late charge will be charged to the Client Account if Bank does not receive the amount owed by the payment due date.
- Overlimit Fee. A fee will be charged to the Client Account if Client's Aggregate Credit Limit or any Cardholder's Individual Account Limit is over its credit limit when billed.
- Returned Payment Fee. A returned payment fee will be charged to the Client Account each time Client's check or other form of payment is returned unpaid for any reason.
- International Transaction Currency Fee. A fee for purchase transactions made internationally in foreign currency.
- Rush Card Fee. A fee will be charged to the Client Account for each request for a Card to be expedited for delivery or replacement.
- Paper Statement Fee. A fee will be charged for each month a paper billing statement is generated.
- Expense Management Monthly Enrollment Fee. A fee will be charged to the Client Account for each month that Client has access to an online expense management tool.
- Expense Management Implementation Fee). A one-time fee will be charged to the Client Account for the implementation of an expense management export or reporting tool.

(j) *Disputes with Merchants.* If Client has any questions, problems or disputes concerning the quality of goods or services purchased by means of any Card or Cardholder Account, Client agrees to contact the seller directly to resolve such question, problem, or dispute and any such dispute shall not affect the obligations of

Client to Bank under these Service Terms & Conditions. Client acknowledges that Bank is not liable for the quality of any such goods or services. The billing statement may include a description of certain billing error rights. These rights apply only to consumer credit accounts and do not apply to business accounts such as the Client Account.

(k) *Security of Cardholder Information.* Client must establish, implement, and update, as appropriate, policies, procedures, and systems with respect to the use and storage of Cardholder Information that are designed to: (i) protect the confidentiality and integrity of Cardholder Information until its destruction; (ii) protect against anticipated threats or hazards to the security or integrity of Cardholder Information until its destruction; and (iii) protect against unauthorized use of Cardholder Information that could result in substantial harm to a natural person. "Cardholder Information" for this purpose means the Cardholder name in connection with the Card number, expiration date and/or security code. It also includes any Telephone PIN.

(l) *Unauthorized Use.*

(i) IT IS CLIENT'S RESPONSIBILITY TO IMMEDIATELY NOTIFY BANK OF THE LOSS, THEFT OR POSSIBLE UNAUTHORIZED USE OF A CARD, CARDHOLDER ACCOUNT OR CARDHOLDER INFORMATION. Please telephone Bank using the telephone number on the back of the Card for reporting and to receive instructions. If Client reports, or Bank suspects, unauthorized use of the Card, Cardholder Account or Cardholder Information, Bank may suspend credit privileges until Bank resolves the matter to Bank's satisfaction, or until Bank issues Client a new Card. Client must cooperate in any investigation.

(ii) Client shall be liable to Bank for all use of Cards, Card Accounts and/or Cardholder Information, including a lost or stolen card, that occurs within the parameters of the credit limit for which authorization is not requested (or not required) and for all uses of a Card, Cardholder Account or Cardholder Information which occur before Bank is notified that such Card, Cardholder Account or Cardholder Information is lost, stolen or in the possession of an unauthorized individual. A Card in the possession of an individual to whom a Card is issued or who was authorized by Client to use the Card will not be considered lost or stolen or in the hands of an unauthorized person and Client continues to be responsible and liable to Bank for the use of such a Card until authorization is blocked. If Client is negligent in safeguarding a Card, Cardholder Account or Cardholder Information or if fraud is perpetrated through Client's system, Client is responsible for any loss. Card Network Rules may provide other rights.

(m) *Representations and Warranties.* Until these Service Terms & Conditions are terminated and Bank is repaid in full, Client makes the following representations and warranties. Each request for an additional Card constitutes a renewed representation.

(i) In each state in which Client does business, it is properly licensed and in good standing.

(ii) All financial statements which Client furnishes to Bank are correct and complete and truly represent the financial condition of Client, and that there has been no material change in the property, financial condition, or business operations of Client.

(iii) Client is not currently in default under any agreement or order which adversely affects Client property, financial condition, or business operations in a material manner.



(iv) No information, exhibit, or report that has been or will be furnished by Client to Bank contains any material misstatement of fact as of the date when made or omits some material fact necessary to make the statements contained therein not misleading as of the date when made.

(v) There is no lawsuit, tax claim or other dispute pending or threatened against Client which, if lost, would impair Client's financial condition or ability to repay this credit, except as have been disclosed in writing to Bank.

(n) *Periodic Credit Review.*

(i) Client warrants that it will (A) maintain a standard and modern system for accounting in accordance with generally accepted accounting principles consistently applied throughout all accounting periods and consistent with those applied in the preparation of the financial statements Client has provided to Bank; (B) furnish to Bank such information respecting the business, assets, and financial condition of Client as Bank may reasonably request periodically; and (C) immediately notify Bank in a writing executed by an Authorized Representative of any changes in name, business name, mailing address or day-time phone number of Client, principals or Cardholders, or any material adverse change to Client's financial condition.

(ii) Bank may confirm any information that Client provides to Bank. Client authorizes Bank to make or obtain any credit or other inquiries Bank deems appropriate for the extension of credit, determination of credit limits or collection of amounts owed on the Client Account, and to furnish such information or information concerning the Client Account or credit history with Bank to consumer reporting agencies, Client references, Bank's Affiliates and others who may properly receive that information. Client affirms that it has the written authorization on behalf of Client and its owners and officers to and does authorize Bank, in Bank's discretion, to investigate personal credit and trade references and obtain a consumer report for owners or officers of Client at the time Client applies for the Client Account and at any time thereafter.

(o) *Indemnities.* Client agrees to indemnify and hold Bank, the applicable credit card association, and subcontractors and agents harmless from and against any and all actions, claims, demands, loss, liability or expenses whatsoever, including attorneys' fees and arbitration costs, resulting directly or indirectly from (i) Client's breach of any of its representations, warranties, or covenants under this Agreement, or Bank's enforcement of any of its rights or remedies under or pursuant to this Agreement; (ii) Bank's good faith refusal to approve any Card transactions; or (iii) any disputes or legal actions by Cardholders regarding the use of the Cards or the Cardholder Accounts.

(p) *Default and Acceleration.* Bank may, by notice to Client, immediately terminate these Service Terms & Conditions, cancel any or all Cardholder Accounts, and/or declare the outstanding principal balance of the Client Account together with all interest, fees, and charges accrued thereon to be immediately due and payable by Client if:

- Any payment or other amount due on the Client Account shall remain unpaid for thirty (30) days after the same becomes due;
- Client or any guarantor of Client's obligations hereunder (a "Guarantor") shall default in the performance or observance of any of the agreements, covenants, conditions, provisions, or terms of these Service Terms & Conditions or the Credit Card Agreement, any guaranty, or any security agreement securing these Service Terms & Conditions;

- The occurrence of any release of collateral securing the Cards, Client Accounts and/or Cardholder Accounts in favor of the Bank;
- Any representation or warranty made by Client or any guarantor or in any financial statement delivered by Client or any Guarantor shall prove to have been false in any material respect as of the time when given;
- Client or any Guarantor shall fail to pay or perform as agreed under any other agreement Client or any Guarantor has with Bank or any of Bank's Affiliates;
- There is a direct or indirect change in ownership of Client in excess of 25% in the aggregate after the date of Client's application for this Card program;
- The occurrence of the death of any owner, if Client is a sole proprietorship; the death of any general partner, if Client is a partnership; or the death of any majority shareholder, if Client is a corporation;
- The occurrence of a material adverse change in Client's or any Guarantor's financial condition, properties or prospects or ability to repay this credit;
- Any Guarantor dies, terminates, repudiates, or disavows its guaranty or any part thereof; or
- Any judgment, writ, or warrant of attachment or any similar process shall be entered or filed against Client or any Guarantor or against any of their respective property, and which remains unbonded, unstayed, or unsatisfied for a period of thirty (30) days.

(i) In addition, these Service Terms & Conditions shall immediately terminate without notice and the outstanding principal balance of the Client Account (evidencing the consolidated balance of the Cardholder Accounts), together with all accrued interest, fees, and charges, shall be immediately due and payable by Client in the event of Client's or any Guarantor's insolvency, receivership, or voluntary or involuntary bankruptcy or similar proceeding.

(ii) In the event of any acceleration pursuant to this Section, and to the extent permitted by Applicable Law, Client authorizes Bank to set off against the amount due any funds of Client on deposit with Bank or any of Bank's Affiliates. In the event that either party breaches or violates any of the obligations of these Service Terms & Conditions, the other party shall be entitled to exercise any right or remedy available to it at law or in equity, including damages and injunctive relief, but not including special, incidental, consequential, or punitive damages. The exercise of any remedy shall not preclude the concurrent or subsequent exercise of any other right or remedy, and all rights and remedies shall be cumulative.

(q) *Online Applications.*

(i) *Description.* Bank provides information regarding Card programs and administration services to Client using the Internet through various online portals and applications. By agreeing to these terms, Client authorizes Bank to store, process, transmit and make available information regarding Card programs. Some or all features may occasionally be unavailable due to emergencies or scheduled system maintenance. Bank may add or remove certain features and/or functionality available from time to time at Bank's sole discretion.

(ii) *Accuracy and Timeliness of Information.* Bank may make available to Client information regarding its Card programs on a periodic basis. Bank will use commercially reasonable care in submitting data to online applications but assumes no responsibility for the accuracy or timeliness of the information.

Bank will provide the information requested through online applications in a prompt fashion, and in accordance with any agreed-upon timeframes, but shall not be liable for temporary failure to provide timely information. If online applications become unavailable to Client or Cardholders for its use for any period of time, Client must promptly notify Bank. In such event, Client shall be responsible for carrying out Card program administration through alternative channels. Bank is not liable for any incomplete or inaccurate information with respect to transactions that have not been completely processed or posted to online applications prior to being made available pursuant to this Service. Bank will have no liability to Client based on the unavailability of the Online applications website or this Service or its failure to remedy the problem in a timely manner.

(iii) Hardware and Software. Client is solely responsible for maintaining its computer in good working order, with the necessary compatibility and format to interface with the online applications, including, without limitation, the ability to support Bank's Security Procedures. License Agreements for necessary Software shall either be embedded in the Software or separately documented. Client agrees to comply with all applicable Software license agreements, whether or not such agreements have been executed by Client.

(iv) Security Procedures.

a. Client shall name a System Administrator(s) for the Service(s) and designate all Cardholder Accounts that are to be used with this Service. Bank reserves the right to issue new Security Procedures and/or to cancel or change any Security Procedures from time to time. Client agrees to the adoption of such Security Procedures and that such mutually agreed-upon Security Procedures are commercially reasonable. In the event of any system failure, Bank reserves the right to require additional documentation, including written authorization via facsimile from an Authorized Representative authorized on Client's TM Services Resolution before accepting any order reinstating Client's access to online applications.

b. Identification. A unique user ID and Password will be established for each Authorized Representative. Client must develop adequate internal procedures to prevent the disclosure of the IDs and Passwords to other persons and the unauthorized use of online applications. Bank will have no knowledge of the Passwords established by each Authorized Representative and will have no responsibility for ensuring compliance with the procedures Client develops for protecting the confidentiality of such Credentials.

### Section 13. CONTROLLED DISBURSEMENT

(a) *Description.* Client may use reporting tools in *ONPointe* to view the total amount of Checks that have been presented for payment to the designated Account ("*Inclearings*") on an intraday basis for each Business Day. Bank relies on clearing information received from the applicable Federal Reserve Bank or other clearing entity, the accuracy and timeliness of which Bank does not control and for which Bank assumes no responsibility or liability. If, for any reason, Bank is not provided with such information, Client shall estimate the *Inclearings* for that Business Day.

(b) *Process.* Prior to the physical delivery of the actual *Inclearings* to Bank, Bank will facilitate a preliminary posting of *Inclearings* ("*Memo Post*") to Client's Account intraday based on an electronic file of the estimated *Inclearings* provided by the Federal Reserve

Bank each Business Day. During end-of-day processing, Bank will reverse each *Memo Post* entry and post each physical Item received from the Federal Reserve Bank against the designated Account for controlled disbursement ("*CDA*"). The total of the Checks posted against the Account may or may not equal the *Memo Post* total from earlier that Business Day.

(i) Prior to the close of business each Business Day, Client will ensure that the Account ("*Concentration Account*") that is linked to the *CDA* via a sweep mechanism contains Available Funds in an amount at least equal to the aggregate *Inclearings* for that Business Day. If the Available Funds in the *CDA* or *Concentration Account* are less than the aggregate *Inclearings* presented against the *CDA*, Bank will have the right to dishonor one or more of the Checks for which there are not adequate Available Funds.

(ii) Notification. Reports will be delivered only to Users of *ONPointe* who have configured Controlled Disbursement reports to be delivered to them via email or SFTP. Client will be notified by Bank on each Business Day of the amount of Checks drawn on the *CDA* (the "*Total Clearings*") net any adjustments and charges. Bank will provide a report, delivered in accordance with Bank's published service schedule. Client agrees that any Checks presented for payment after the current day's final *Total Clearings* are reported will be held over and included in the following Business Day's *Total Clearings*.

(iii) Funding. Client agrees to maintain sufficient Available Balances in the *Concentration Account* in order to offset the *Total Clearings* presented against the *CDA* by the established Cutoff Time. Client agrees that Bank may debit the *Concentration Account* for such amount and transfer funds in the same amount for credit to the *CDA* each Business Day.

(iv) Returned Items. Client agrees that, without notification, Bank may return Client's Checks drawn on Client's *CDA* for reasons such as insufficient funds in Client's *Concentration Account*, fraud, or other potential areas of dispute.

(c) *Permissible Items in CDA.* Client acknowledges that only Checks and offsetting debits for ACH Entries, along with electronic debits from Bank's preferred check ordering Vendor, may be drawn against, and only automated sweep transfers into, the *CDA* will be permitted. At Bank's sole discretion, other transactions, including but not limited to Wire Transfers and paper deposits may not be processed in the *CDA*. Client agrees to hold Bank harmless for any losses or liabilities incurred by Client as a result of Client's failure to redirect any ineligible transactions to proper accounts.

(d) *Special Circumstances.* Client acknowledges that special circumstances may arise beyond Bank's control where it may be unable to provide a report for the day's *Total Clearings* by the established deadlines. Client agrees nevertheless to fund the *Concentration Account* using an estimated amount of *Inclearing* Checks.

(e) *Integrity of Data.* At the request of Bank, Client may be asked to provide ten (10) voided Checks from the *CDA* for testing, both at the establishment of the Service and at any point in time when Client makes a change to its Check stock.

(f) *Actions Affecting Accounts.* In the event Bank receives from a governmental authority or third party any process, order, summons, injunction, levy, execution, lien, garnishment, or adverse claim notice which Bank reasonably believes will adversely affect the *Concentration Account* or the *CDA*, Bank may refuse to honor orders to pay or withdraw sums from any *CDA* and may either hold the *Concentration Account* balance herein until

such action is resolved to Bank's satisfaction. Client acknowledges this may occur at the discretion of and without liability to Bank.

(g) *Termination for Misuse.* Bank reserves the right to require Client to terminate this Service if it is misused. Bank will not be responsible for, or compensate Client for, expenses related to ordering new Checks following such termination.

#### Section 14. ELECTRONIC DATA INTERCHANGE

(a) *Description.* EDI allows Client to receive payment and remittance detail from its trading partners and customers by batch transfer in electronic form. Client may access such information for the Receiving Account(s) via file download in *ONPointe* or may request secure email pursuant to instructions submitted by Client to Bank, and received and accepted by Bank, from time to time.

(b) *Processing Data Transmissions.* Client may receive data transmissions that consist of financial information provided such transmissions comply with Bank's processing requirements for this Service. Failure to comply with the requirements will relieve Bank of any obligation to process any transmission received as part of this Service. Furthermore, Client is responsible for informing its trading partners and customers of the correct Account number format.

(c) *Limitation of Liability.* In addition to the Limitations of Liability set forth in this Agreement, Bank has no duty to interpret the content of any data transmitted to it for or on Client's behalf. The legal relationships between Client and its trading partners and customers will be governed by the terms of the EDI contracts between Client and its trading partners and customers and will not be binding on Bank. Bank will not have a duty to know or enforce the terms of any agreement between Client and its trading partners and customers.

#### Section 15. FILE ACCESS SERVICE

(a) *Description.* Bank will supply Client with access to certain files relating to Client's Account through a file lockbox repository over the Internet through a web interface offered by Bank or by directly sending files to Client. The File Access Service also allows Client to disburse funds and/or deliver payment-related information to Client's receivers electronically. When Client wishes to pay receivers, it will transmit a data file to Bank that contains instructions for payment, in the format acceptable by Bank and by the Cutoff Times specified in the Availability & Retention Guide (or a successor published guide).

(i) If the File Access Service is provided through a web interface offered by Bank, Bank will provide Client with a User ID and Password to access the Service. Bank is entitled to act upon the instructions received with respect to any service under Client's User ID and Password without inquiring into the identity of the person using the Password. Client agrees that Bank has no responsibility for establishing the identity of any person who uses the Password. Client agrees that it will be responsible for properly safeguarding and maintaining the secrecy of its User ID and Password and that the failure to do so is done at the sole risk of Client.

(ii) If Bank sends files directly to Client, Client will provide Bank with necessary authentication information in order to provide the Service to Client. Client acknowledges and understands that Software may be necessary to decrypt files sent from Bank in providing the Service.

(b) *Access Rights.* Client acknowledges that Bank may, from time to time, as part of its Security Procedures, refuse Client access to

the File Access Service. If Client becomes aware of unauthorized access to the File Access Service, Client shall promptly notify Bank.

#### Section 16. IMAGE SERVICES

(a) *Description.* Bank will provide services that enable the Client to receive files containing certain types of images on a periodic basis, as specified in the set-up instructions.

(b) *Client Obligations.* Client shall select amongst the Bank's available options for receiving images, including Check images, transaction data for deposits, and imaging of statements. Client shall designate a method of image delivery, which may include delivery through a CD-ROM or through a Web CD made available by Bank through an online portal. Client agrees to maintain the software provided to it for this Service and agrees to install applicable updates. If the chosen method of delivery is CD-ROM, Client shall maintain security of the CD. If the chosen method of delivery is a Web CD, Users will be provided with a User ID and Password for access. The Bank is not responsible if an unauthorized person obtains access to Client's Account information from the CD-ROM or from the location in which the Client stores the data.

#### Section 17. LINE OF CREDIT SWEEP

(a) *Description.* The Sweep Service is automatic and occurs on any Business Day after the final posting of Items. The following terms have the following meanings:

*"Balance Surplus"* - the amount of Collected (or Available (if applicable) Funds in the Subsidiary/Child Account at the end of any Business Day in excess of the Target Balance.

*"Balance Deficiency"* - on any Business Day, the amount by which the Collected (or Available, if applicable) Funds in the Subsidiary/Child Account is less than the Target Balance.

*"Collected Credit"* - at any time, the principal amount available to Client under the terms of the Line of Credit, which will at no time exceed the stated principal amount of the Note, less the principal amount thereof then outstanding.

*"Loan Documents"* - the promissory note ("*Note*") and any business loan agreement, mortgage, commercial security agreement, or other document or instrument executed in connection with the note evidencing Client's line of credit provided by Bank as designated on the set-up forms ("*Line of Credit*").

(b) *Process.*

(i) Sweep Out. Bank will sweep funds out of the Subsidiary/Child Account daily as described below in any amount to achieve the Target Balance in the Subsidiary/Child Account.

a. If there is a Balance Surplus at the end of a Business Day, Bank will debit the Subsidiary/Child Account for the amount of any unpaid principal balance under the Note, up to the amount of the Balance Surplus, and apply the amount of the debit to the unpaid principal balance of the Note.

b. In no event will Bank debit the Account pursuant to these Service Terms & Conditions to pay any interest that shall accrue under the Note, but this shall not affect Bank's right to set-off against the Subsidiary/Child Account monies due Bank under the Note, including, but not limited to, principal and interest, and Bank hereby expressly reserves such right of set-off and any other rights under the Loan Documents.



(ii) Sweep In. Bank will sweep funds into the Subsidiary/Child Account daily in any amount to achieve the Target Balance in the Subsidiary/Child Account. If there is a Balance Deficiency at the end of a Business Day, Bank will extend collected credit to Client by making an advance under the Note in the amount of the Balance Deficiency and credit the amount of the advance to the Subsidiary/Child Account to eliminate the Balance Deficiency, as applicable.

(iii) Advances. All advances under the Note made pursuant to these Service Terms & Conditions will be evidenced by, bear interest at the rate provided in, and be repaid in accordance with the terms of the Note and shall be secured by any and all collateral securing the Note. In no event shall Bank have any obligation to make advances under the Note: (A) in excess of the Collected Credit, or (B) after the maturity date of the Line of Credit.

(iv) Authorizations. Client authorizes Bank to charge and credit the Accounts, make advances and payments on behalf of Client under the Note in accordance with the terms of these Service Terms & Conditions, all without further notice to or authorization by Client or any authorized person, if any, identified in the Note.

(c) *Default by Client.* Notwithstanding any provision in this Agreement to the contrary, Bank may at any time refuse (i) to create or increase a Balance Deficiency; (ii) to make any further Line of Credit Sweeps hereunder; or (iii) to honor any Item if Client shall at such time be in default in the performance of any of Client's obligations and agreements set forth in this Agreement and/or the Note. The Line of Credit and all other Loans shall be evidenced by the Note and the Line of Credit Sweep shall be treated for all purposes (including, without limitation, terms of repayment and applicable interest rate) as advances under the Note.

(d) *Effect on Loan Documents and Other Agreements.* The terms of the Loan Documents are hereby modified to include the terms and provisions of these Service Terms & Conditions, including, without limitation, paragraph (b)(iii) hereof. However, these Service Terms & Conditions are not intended to and shall not be construed to modify or supersede the Loan Documents or the respective rights and obligations of Client and Bank as therein provided or any other agreements, terms, conditions, rules or regulations of Bank as may be applicable to the Line of Credit or the Subsidiary/Child Account, including, without limitation, any requirements relating to minimum balances and service or other charges. In the event of any conflict between these Service Terms & Conditions and the Loan Documents, the Loan Documents will prevail with respect to the Line of Credit.

## Section 18. LOCKBOX (WHOLESALE AND RETAIL)

(a) *Description.* Bank provides Lockbox Services for receipt and processing of Checks payable in U.S. and Canadian currency and other remittances and accompanying documents, including supporting remittance documents and correspondence (such as coupons, invoices, list bills and other non-Items) ("*Remittance Documents*"). Client will have its customers forward payments to a Lockbox or Client will forward remittances to Bank by some other means agreed to by Bank and Client.

(b) *Client's Agent.* Client authorizes Bank to act as its agent to rent the Lockbox at the appropriate postal facility, to have custody of the keys or combinations and exclusive access to such Lockbox, and to collect the mail to be processed by Bank. Bank is also acting as agent for Client for the purpose of accepting and processing the Items and Remittance Documents that are received in the Lockbox. Bank will not be liable for acting pursuant to a court order,

garnishment, tax levy or similar process in regard to any Item processed in accordance with these Service Terms & Conditions. The removal of Items from the Lockbox shall create a bailment, and the bailor-bailee relationship shall continue until such Items are received at Bank and are accepted and credited to Client's Account, at which time the relationship as a depositor shall commence. The bailor-bailee relationship shall also apply to the Remittance Documents removed from the Lockbox other than Items.

(c) *Remittance Coupons (Retail Lockbox only).* Client will supply a coupon with each invoice sent to a customer. Coupons must have dimensions, specifications, printed information, and format acceptable to Bank. Any future changes to the size, weight or format of the coupon must also be approved by Bank.

(d) *Reply Envelope.* If Client issues reply envelopes to customers, reply envelope stock must be approved by Bank, as well as any future changes to the size, weight, or format of the reply envelope stock.

(e) *Inspection of Lockbox Items.* Bank will open the envelopes picked up from the Lockbox and will remove the contents. Items and Remittance Documents contained in envelopes will be inspected and processed in accordance with Bank's standard processing parameters provided below and Client's Lockbox instruction card completed as part of the Service set up. In the event Client's instruction card is inconsistent with the standard processing parameters, Bank will comply with the instruction card. Bank may refuse to accept any mail which it deems inappropriate, including packages, boxes, and C.O.D. mail. Standard processing parameters are as follows:

(i) Authorized Payees. The payee or endorsee must be Client or a reasonable variation thereof as set forth in the set-up forms.

(ii) Unsigned Checks. Checks missing the signature of the payor will be deposited, unless otherwise directed in instructions submitted by Client to Bank, and received and accepted by Bank, from time to time.

(iii) Check Dates. In the absence of a Check date, Bank will process the Check as hereinafter provided. Post-dated Checks and stale-dated Checks will be deposited as of the date received.

(iv) Inconsistent Amounts. If a Check's written and numeric amounts differ, Bank may choose, at its discretion, to credit the written amount of the Check or may instead choose to match the written amount on the accompanying invoice, stamping the Check with "Amount Guarantee" and crediting the written invoice amount instead.

(v) Restrictive Legends: Special or Restrictive Endorsements. A Check bearing a paid-in-full or other restrictive notation will not be deposited by Bank unless authorized by Client in the set-up instructions. Checks containing special or restrictive endorsements and such other Items as Bank may designate as irregular will not be deposited by Bank. It is agreed, however, that Bank does not accept responsibility nor will it be liable for: (A) failure to discover any Items bearing a paid-in-full or other restrictive notation; (B) determining in any manner the correctness of any remittance; (C) determining whether the remittance is payment in full, even though recited to be so on the remittance, notwithstanding whether or not any discounts or deductions of any kind are taken within a designated time limit; or (D) any loss in the event that any remittances is processed or handled contrary to these instructions.

(f) *Deposit of Checks.* Client authorizes Bank to deposit all Checks received in the Lockbox into Client's designated Account. Bank may provisionally credit such Account on each Business Day for the amount of all Checks that Bank accepts for deposit on that day. Deposits will be made in accordance with the Account Agreement. Items that are unacceptable for deposit pursuant to Bank's standard processing parameters will not be deposited in Client's Account and will be forwarded to Client with the Remittance Documents.

(g) *Processing of Items Received in Lockbox.* The contents of the Lockbox will be processed in accordance with this Agreement, the set-up instructions and Lockbox instruction card, and the Account Agreement.

(h) *Check Endorsement.* Client irrevocably makes, constitutes, and appoints Bank as Client's true and lawful attorney-in-fact to endorse Client's name on all such Checks with Bank's standard endorsement for Lockbox Items, as it reads from time to time, and this endorsement will be the binding endorsement of the payee of the Check. Bank will apply the endorsement to the Checks indicating that the Items are to be credited to Client's Account.

(i) *Images.* All deposited Items and Remittance Documents will be digitally imaged in accordance with instructions submitted by Client to Bank, and received and accepted by Bank, from time to time. At Client's option, and subject to additional charges, Bank will make images of the Items and Remittance Documents available for viewing by Client through an online portal. If Client elects to use the portal, Client will be provided with separate Security Procedures necessary to access images of Client's Items.

(ii) To obtain copies of the imaged Items and Remittance Documents, Client must contact Bank and additional charges may be imposed for furnishing additional photocopies to Client. Certain original Remittance Documents that are too large or otherwise cannot be scanned will be returned to Client. Bank will destroy the originals of all other Remittance Documents no sooner than seven (7) days after Bank receives them. Bank retains image files of Items for a limited period of time that Bank will disclose to Client upon request, which may change from time to time.

(iii) Beyond that time, the best way to ensure availability of images or copies of Client's Items and other Remittance Documents is to download them from the online lockbox archive. If the image of a particular Remittance Document (other than an Item) is not legible, Bank will be unable to produce another image or copy if Client tells Bank after Bank has destroyed the original. Bank will not be liable to Client if an image is not legible.

(i) *Transmission of Materials.* Remittance Documents will be batched by deposit so that related papers are together. These batches and all Checks that have not been deposited will be forwarded with the daily remittance materials.

(j) *Remittances Received at Client's Office.* Remittances that are sent directly to Client's office may be deposited at Bank as part of this Service through either of the following methods:

(i) *Standard Lockbox.* Client may place the remittance (including any Remittance Documents) and the original envelope, into another envelope addressed to the Bank at the remittance address. Any such deposits will be handled according to these Service Terms & Conditions.

(ii) *Remote Lockbox.* Client may scan the Items (preferably including any Remittance Documents) and upload them to a remote Lockbox portal. Client must sign up for this option by submitting instructions to Bank, which must be received and

accepted by Bank, and Client is solely responsible for obtaining, installing, and maintaining, at Client's sole expense, an appropriate scanner. Any such deposits will be handled according to these Service Terms & Conditions. In addition, all limitations in, and the representations and warranties of Client under, the Remote Deposit Capture Terms will apply to Items scanned to the remote Lockbox.

(k) *Adjustments and Correction Procedures.* Bank shall have the right to credit or debit Client's Account to correct any processing irregularity, including, but not limited to, cases where a Check payable to someone other than Client is included in the deposit. In this situation, charging the Item back to Client's Account will make the correction, and a copy of the credit or debit advice will be sent to Client. From time to time, Client may wish to communicate processing irregularities or requests to Bank. In this situation, Client must provide a written request or explanation to Bank.

(l) *Data Security.* Bank, as a service provider to Client, acknowledges that it is responsible for the security of cardholder data it possesses or otherwise stores, processes, or transmits on behalf of Client, or to the extent that it could impact the security of Client's cardholder data environment.

(m) *Termination.* Upon the effective date of the termination of this Service, any mail received by Bank will be forwarded to Client at the address provided by Client at the time of termination for a period of one month. Client shall pay Bank its charges for forwarding any mail.

## Section 19. REMOTE DEPOSIT CAPTURE

(a) *Description.* Remote Deposit Capture is a service Bank offers through a Vendor portal that enables Client to submit Check Images, in lieu of original Checks, to Bank for deposit to the Account(s). Client must designate a System Administrator authorized to access the Service, name Users, and train Users.

(b) *Equipment and Software Requirements.* Client may scan Checks under this Service. When scanning, Client will use Equipment and Software provided by or approved by Bank to create electronic Check Image files for deposit.

(i) *Scanning Equipment.* Bank provides recommended specifications for Client's computer Equipment and other related hardware to properly use the Software. Client is solely responsible for obtaining, installing, and maintaining, at Client's sole expense, appropriate computer Equipment and any other related hardware required to properly use the Software and endorse and/or frank scanned Checks as required by Bank. It is Client's sole responsibility to operate and maintain the Equipment in accordance with the instructions of the Equipment manufacturer. Client assumes sole responsibility for any and all loss, damage or injury to the Equipment or arising from any failure of the Equipment. Client will ensure the Equipment is clean and operating properly and that Check Images, when scanned, are legible for all posting and clearing purposes.

(ii) *Proprietary Data; Software.* The Software licensed hereunder is copyrighted property and constitutes trade secrets and proprietary data of a third party from whom Bank has obtained marketing rights, as are all materials provided by Bank in connection with its maintenance of the Software. Client obtains no title to, or ownership of, the Software or other materials licensed or received hereunder. Client hereby waives any and all rights and claims that it now has or may hereafter have against the third party from whom Bank has obtained marketing rights with respect to the Software. Client shall not transfer or disclose the Software to any other person,

firm, or corporation except for those employees of Client who require such knowledge of the Software in the ordinary course and scope of their employment by Client.

(c) *Security Procedures.*

(i) Identification. A unique user ID and Password will be established for each User. Client must develop adequate internal procedures to prevent the disclosure of the IDs and Passwords to other persons and the unauthorized use of the Service. Bank will have no knowledge of the Passwords established for each User and will have no responsibility for ensuring compliance with the procedures Client develops for protecting the confidentiality of such Credentials.

(ii) Internal Controls. Client must implement, among other measures, internal controls, and procedures to ensure that terminals used to access the Service are attended only by Users while accessing such Service and that sessions are fully terminated when authorized use is completed. Bank is not responsible if any User exceeds the limits of his/her authority.

(d) *Check Submission.*

(i) Process. Client will submit Check Images to Bank in such format, and with such associated Check information, as Bank may specify from time to time. Client may use Remote Deposit Capture via Bank's RDC portal or the ONPointe Mobile App or may submit files directly using the SFTP specified and approved for Client by Bank. The Check Image must contain all the information on the MICR line of the original Check at the time the original Check was issued. If Bank is unable to process file due to poor image quality or any other reason, then Bank will notify Client. Bank reserves the right, in its good faith, to reject any file received from Client. Client is liable for any Check Images returned by the receiving bank because they are deemed as poor image quality and any such Check Images will be charged back to Client's Account.

(ii) Prohibited Checks. Prohibited Checks will not be deposited through the Service, and Client must have processes in place to prevent processing of any Check that:

- Is payable to any person or entity other than Client (unless Client is a money service business);
- Is prohibited by this Agreement or is in violation of any law rule or regulation;
- Client knows or suspects, or should know or suspect, is fraudulent or otherwise not authorized by the owner of the account on which the Check is drawn;
- Has not been previously endorsed by a bank and is either a "substitute check" (as defined in Regulation CC) or "image replacement document" that purports to be a substitute check, without Bank's prior written consent;
- Is drawn on financial institutions that are located outside the United States, its territories or, dependent upon version of Service used, Canada;
- Is a "remotely created check" (unless Client agrees to additional terms with Bank); or
- Is not acceptable by Bank for deposit in the Account as provided in the Account Agreement.

(iii) Limitations. Bank reserves the right to place limitations on the use of the Service based on certain risk parameters it establishes, including, but not limited to, a limitation on the number of Accounts accessed via the Service, limitations on the number of Checks, the maximum permissible dollar amount of any individual Check or the total dollar amount of Checks processed on any given day or other time period. Bank will notify Client of the limitations and may establish

initial limits as part of the initial set-up process. Bank has the right to change the limitations in its sole discretion on notice to Client from time to time. For Mobile Deposit, Bank will place hard limits on the Service that may not be exceeded.

(iv) Representations and Warranties. Client (A) has the legal authority to accept and deposit the Checks contained in the files; (B) no Check including its image will be presented to a bank more than once for deposit; (C) all Checks will be endorsed as required by Bank which may include franking of each scanned Check prior to transmitting file to Bank; (D) will not use this Service to engage in a transaction that violates Applicable Laws. Bank does not warrant that the use of this Service or the Equipment and Software will be uninterrupted or error free. Client agrees that it shall have no claim or cause of action against Bank, and Bank shall have no liability whatsoever to Client, for any breach by any manufacturer of any manufacturer's warranty available for the Equipment or Software.

(v) Duplicate Check Presentment. If a Check is deposited electronically and also deposited as a paper Item, Client assumes all liability for duplicate Check presentment.

(vi) Fraudulent/Counterfeit Checks. Client is responsible for all Checks processed by Client or by anyone Client has authorized to process Checks on Client's behalf.

(e) *Storing of Scanned Checks.* Client shall bundle scanned Checks and securely store the batch for a minimum of fourteen (14) days and a maximum of forty-five (45) days. Upon request, Client agrees to provide Bank with its procedure for storage and destruction of Checks and will permit Bank to review the process. After the recommended retention period, Checks must be shredded and disposed of properly. Client shall destroy and dispose of the Checks with a high degree of care, including selecting and implementing appropriate destruction and disposal procedures. Client is required to implement such procedures to ensure that the Checks are not accessed by unauthorized persons during the destruction and disposal process and, once destroyed, the Checks are no longer readable or capable of being reconstructed (e.g., through the use of competent shredding equipment).

(f) *Bank Obligations and Rights.*

(g) Bank will process and deposit into the designated Account(s), Checks submitted by Client through the Service in accordance with its internal procedures and all state and federal laws during any Business Day, subject to the Cutoff Time. The Check Image must be clear and include all information required by the Federal Reserve System for processing and collection of Items. Checks made payable to the Client, or any reasonable derivation thereof are acceptable for deposit. Client authorizes Bank to contract with Vendors to carry out Bank's obligations under this Agreement.

(i) Transmission of electronic deposits to Bank via the RDC portal occurs after Client indicates its acceptance of a properly performed scan of a batch or batches of Checks and transmits all scans for deposit. Any electronic deposit transmission received by Bank after the daily Cutoff Time shall be deemed to have been received by Bank at the opening of its next Business Day. Client is responsible for the transmission of the deposit until the Check Image is available for viewing by Bank and Client on the system and the system acknowledges that the Check Image has been properly received. Upon receipt and validation by the Bank of a complete batch file of images, MICR data, and instructions, Bank is authorized to, at its option, create a substitute Check, or process the images, MICR data and instructions electronically.



(ii) Bank will not examine Checks to verify any data or dates. Bank will disregard any notation on a Check as though such notation did not appear thereon. Bank reserves the right to reject any single Check Image or batch of Check Images for any reason, before or after confirmation. If a Check is rejected, it will be forwarded by Bank to Client, and not be deposited or otherwise reflected in the Account.

(iii) Availability of deposits is based on Bank's normal availability schedule as in effect from time to time. Any credit that Bank gives with respect to a Check Image is provisional and subject to revocation if, for any reason, Bank does not receive payment for the Check Image. If a Check, or a Check Image or substitute Check derived from a Check, is returned to Bank unpaid, then Bank will automatically reverse the credit given to the Account for the Check Image and charge the Account for any fees or charges relating to such return. In addition, Bank may debit the Account(s) for, and otherwise adjust any and all previous deposits of the amount of any Check (or its image) that is presented for deposit more than once.

(iv) Bank does not attempt to isolate Checks bearing restrictive legends or endorsements (e.g., "final payment," "paid in full," or words of similar meaning). Client hereby agrees that Bank does not assume any responsibility or liability for Bank's failure to discover or alert Client of any such Checks.

(v) Bank may suspend immediately the processing of any electronic Item if Bank has reason to believe that there has been a breach in the security of the Service, fraud involving Client's Account, or any uncertainty as to the authorization or accuracy of electronic Items.

(vi) Bank will confirm Client's transmission of Check Images in the form of an automated notification at the time the deposit is transmitted.

(h) *Indemnification.* In addition to the indemnification provided in the General Terms, Client also agrees to reimburse and indemnify Bank for all losses, damages, and expenses, including reasonable attorneys' fees, incurred in defending transactions involving invalid or fraudulent Checks or due to a substitute Check being processed instead of the original Check. This indemnification shall survive the termination of the Agreement as to matters that occurred during its term.

(i) *Additional Client Duties.* Client also agrees to:

(i) Install and implement any changes and upgrades to the Software and Equipment as required by Bank within five (5) Business Days to ensure compliance with regulatory changes or developments, or to protect the integrity and security of the Service;

(ii) Inspect and verify the quality of Check Images and ensure that they are legible for all posting and clearing purposes; and

(iii) Maintain fully qualified, properly trained and experienced administrative staff and employees sufficient to perform its obligations under these Service Terms & Conditions.

(j) *Network Connectivity and Security.* Client is solely responsible for connectivity to the Internet and for the implementation of all commercially reasonable security procedures to control access to its computer systems and to protect any data files stored thereon. Such procedures include but are not limited to anti-virus, physical, logical, and network security control systems and devices. Client should use a firewall product especially if it has a broadband Internet connection such as DSL or cable modem. Client's computer operating system and browser should be fully patched

for critical security issues. Bank is not responsible for any damage to Client's computer, modem, or other property resulting from the use of the Remote Deposit Capture Service, including damage from any electronic virus or viruses that Client may encounter.

(k) *Discrepancies and Investigations.* In addition to the provisions contained in the General Terms regarding Client's notification to Bank of errors or discrepancies, Client will promptly supply all financial records and documentation regarding the Checks that Bank may request. Client will also cooperate in investigations regarding any unsuccessful or lost transmissions, will provide imaged documents (or original Checks if available) to facilitate investigations within two Business Days of Bank's request and will resolve with Bank any issues regarding the same. Notwithstanding the foregoing, if Bank at any time discovers that the legal amount of the Check is different than the amount that has been credited to the Account, Bank will make the necessary adjustment to the Account to correct the discrepancy.

(l) *Remote Access Rights.* From time to time, personnel of Bank's Remote Deposit Vendor will use Software to create a remote access online session with Users for the purpose of troubleshooting problems, training on products or for related purposes. Such sessions will be solely for the purposes established at the time.

(m) *Infrastructure Audit and Site Visits.* Bank reserves the right to require Client to implement policies and procedures related to this Service, including but not limited to internal controls that mitigate risks associated with this Service.

(i) Client is required to submit financial information to Bank upon request and is required to notify Bank of any change in locations, transaction volumes, or the financial condition of Client. New approvals may be required for changes.

(ii) Bank's right to audit Client includes the right to audit Client's and Client's Vendor's information technology infrastructure to assure compliance with these Service Terms & Conditions.

(iii) Bank will conduct a site visit of Client's and Client's Vendor's location(s) from time to time to assure that the Equipment is properly used, and the Equipment and original Checks are properly secured. A Business Site Visit Checklist will be completed at that time and Client will cooperate with Bank to cure any deficiencies noted by Bank.

(n) *Contingency Procedures.* In the event that Client experiences technical difficulties in connection with the Service, Client should implement the following procedures:

- For Equipment issues, call Bank at the number provided in the General Terms if it provided the Equipment; if not, call the manufacturer.
- For Account issues, contact Bank as provided in the General Terms.
- For computer, printer, or Internet connectivity issues, contact the computer vendor or Internet provider as appropriate.
- In the event that Check Images may not be transmitted through the Service for deposit into the Account, Client should bring the original Checks in person to any one of the branch offices of Bank for deposit.

#### **IMAGE CASH LETTER**

(a) *Description.* Client may choose to capture and then transmit image files to Bank using Client's own software solution through Bank's Image Cash Letter Service. Bank offers the Service as an alternative to Remote Deposit Capture for the receipt of electronic Check files, created by Client or a Vendor of Client, formatted in an X-9 file and transmitted to Bank via SFTP for deposit into

Client's Account. The Service Terms & Conditions for Remote Deposit apply to this Service unless any such term is inconsistent with the following terms.

(b) *Definitions.* The terms set forth below have the following meanings as used herein:

*"Image Cash Letter File"* – an electronic file of Check Images, formatted to Bank's specifications, and inclusive of data that may be required by Bank, to be deposited into Client's Account.

*"Image Exchange Item"* – a digitized image of a Check cleared and settled directly with a Payor Financial Institution without conversion to a Substitute Check.

*"Non-cash Item"* – an Item that would otherwise be a Check, except that: (i) a passbook, certificate or other document is attached; (ii) it is accompanied by special instructions, such as a request for special advice of a payment or dishonor; (iii) it consists of more than a single thickness of paper, except a Check that qualifies for handling by automated check processing equipment; or (iv) it has not been preprinted or post-encoded in magnetic ink with the routing number of the Payor Financial Institution.

*"Payor Financial Institution"* – the United States Financial Institution ordered in a Check to make payment to the payee(s) named on the Check.

*"United States Financial Institution"* means (i) any person, located in the United States, engaged in the business of banking; (ii) a Federal Reserve Bank; (iii) a Federal Home Loan Bank; and (iv) to the extent it acts as a payor, the U.S. Treasury, the U.S. Postal Service, or a State or local government.

(c) *Bank Responsibilities.*

(i) Upon mutual agreement, Bank may provide transmission testing and training support for Client's implementation of the Service.

(ii) Bank will provide maintenance and support necessary to permit Client's transmission of Image Cash Letter Files through the Service.

(iii) Bank will accept for deposit to the designated Account Check Images that are transmitted to Bank in compliance with these Service Terms & Conditions. Check Images are deemed received upon successful receipt of the transmission of such images that are complete, usable, and adhere to the data specifications and procedures as communicated from Bank to Client, including the Item count and dollar total of the file being transmitted. If the required procedures are not followed correctly, or the Check Images are not complete, are not useable, or do not adhere to such data specifications, the images may not be processed by Bank or its Vendor, in which event Client's deposit will be adjusted and notification will be provided to the designated email contact at Client.

(iv) Client's Check Images will be processed after Bank has received Client's transmission of the images. Bank will use commercially reasonable efforts to present Image Exchange Items and Substitute Checks for collection. Unless Bank notifies Client otherwise, Bank will provide ledger credit to the Account for all Items transmitted by Client and received by Bank in accordance with the requirements of these Service Terms & Conditions, and within the funds availability policy and timelines established by Bank from time to time.

(v) If a Payor Financial Institution returns an Item to Bank, Bank will charge the Account for such returned Item, and may either (i) return the Item to Client, or (ii) re-present it to the Payor Financial Institution before returning it to Client. Items

may be returned as Image Exchange Items, rather than Substitute Checks, as agreed by the parties. If a Payor Financial Institution or other third party makes a claim against Bank or seeks a recredit with respect to any Check processed hereunder, Bank may provisionally freeze or hold aside a like amount in the Account pending investigation and resolution of the claim.

(vi) Bank may suspend immediately the Services or the processing of any Check or corresponding Check Image if Bank has reason to believe that there has been a breach in the security of the Service, fraud involving Client's Account or such Check, or any uncertainty as to the authorization or accuracy of the Items. Bank reserves the right at any time to process Items on a collection basis.

(d) *Client Responsibilities.*

(i) Client will be responsible for the procurement of Software and Equipment needed to create Image Cash Letter Files, in accordance with its Vendor's standards. Bank is not responsible for maintenance or selection of Client's Software.

(ii) Client shall not modify the layout of an Image Cash Letter File without having given written notice to Bank prior to such modifications. Bank agrees to test any proposed changes in a commercially reasonable amount of time, upon receipt of modified specifications from Client.

(iii) Client will be responsible for training its employees in the use of the Service, and for supervising and auditing their use of the Service.

(iv) Client will ensure that no financial institution (depository, collecting or payor), drawee, drawer or endorser with respect to a Check processed by Client will receive presentment or return of, or otherwise be charged for, the Check (including the Original Check or Substitute Check), corresponding Check Image, and/or other paper or electronic representation of the Check such that such person will be asked to may payment based on an item that it already has paid.

## Section 20. SWEEP REPURCHASE AGREEMENTS

(a) *Description.* The Service links Client's designated checking Account ("*Transactional Account*") to an Institutional Cash Management Account ("*ICMA*") used to transact with Client's Repurchase Agreement under the Repurchase Agreement General Terms provided below. Under this Service, any excess over the Target Balance in Client's Transactional Account at the end of any Business Day is automatically transferred to Client's ICMA, where all balances held in the ICMA are exchanged for Securities sold by Bank, with any such Securities automatically transferred back to Client at the beginning of the next Business Day.

(b) *Transfer of Funds.* At the close of each Business Day, Bank shall make a determination whether to sweep funds from the Transactional Account to the ICMA. When sweeping from the Transactional Account to the ICMA, the transfer amount will be an amount equal to the amount of Collected Balance in the Transactional Account that exceeds the Target Balance. At the opening of the next Business Day, the funds in the Repurchase Agreement will be swept back into the ICMA. If the Transactional Account's Collected Balance falls below the Target Balance, funds will be swept from the ICMA into the Transactional Account at the close of the Business Day.

(c) *Use of ICMA.* The ICMA is a non-transactional account used to hold funds to be invested in overnight markets and is not to be used as a transactional account. Client has full use of funds held

in ICMA through use of the linked Transactional Account, which includes balances held in the ICMA when determining the client's Collected Balance.

(d) *Agent.* Client authorizes and appoints Bank as its agent to debit and credit its ICMA and to purchase, sell and redeem securities under the Repurchase Agreement on its behalf as provided in these Service Terms & Conditions. Client also authorizes Bank to place and withdraw orders and to take any other actions which Bank believes are necessary in connection with the Service. Bank may appoint sub-agents in its discretion.

(e) *Interest.* Interest earned on funds used to purchase Securities will be calculated and accrue according to Bank's current interest rate schedule. Accumulated interest, held for the benefit of Client, will be credited to Client's ICMA at the end of each calendar month and will not be available to invest until it has been so credited.

(f) *Margin.* Buyer's Margin Percentage and Seller's Margin Percentage are 100%.

(g) *Pledge of Securities.*

(i) Although the Securities may be guaranteed as to principal and interest by the federal government or by the issuing federal agency, any such guarantee runs only to Bank by virtue of its ownership of the Securities and does not extend to Client under the Repurchase Agreement General Terms and these Service Terms & Conditions. Client must therefore look to Bank and its general assets as the source of payment of the repurchase obligation. To collateralize Bank's repurchase obligation, a security interest in the Securities is granted to Client. In most instances, a perfected security interest will assure Client that, in the event of default, Bank's obligation to pay the Repurchase Price will be satisfied through liquidation of the Securities and distribution of the proceeds.

(ii) Notwithstanding a security interest, however, a situation could arise in which the Market Value of the Securities has depreciated to a level below the total amount of Bank's obligations under the Service Terms & Conditions. In that situation, Client will become unsecured to the extent of the disparity between the Market Value of the Securities and the total obligations owed by Bank under these Service Terms & Conditions. The loss of the security interest will leave Client in the position of a general creditor of Bank for the amount of the disparity. Bank will use reasonable efforts to at all times maintain the Market Value of the Securities at a level sufficient to fully collateralize the Repurchase Price due under these Service Terms & Conditions.

(iii) Without limiting Client's rights under subsection (i) of the Repurchase Agreement General Terms, in the event of Bank's default, Client will have the right to direct Bank, as its agent, to sell the Securities and apply the proceeds in satisfaction of any Bank liability hereunder.

(h) *FDIC Receivership.* In the event the FDIC, which acts as receiver of failed banks, is appointed Bank's receiver, the FDIC will recognize Client as a secured creditor, except to the extent provided immediately above with respect to depreciation in Market Value of the Securities. Client's swept funds should be fully protected. After a bank failure, the manner in which the FDIC may treat swept funds will depend on the nature of the transaction structured by the FDIC to resolve the failure. In a purchase and assumption transaction, the Securities and the underlying repurchase arrangement will be transferred by the FDIC to an acquiring institution. Under that transaction structure, the funds normally would be swept back into Client's designated account at the required time following the failure, thus giving Client full access

to these funds at that point. If the FDIC structures the transaction as a payoff of insured deposits, Client would receive a check or other payment from the FDIC to reacquire Client's interest in the Securities according to the FDIC's normal procedures.

**NO FDIC INSURANCE  
A REPURCHASE AGREEMENT IS NOT A SAVINGS  
ACCOUNT OR DEPOSIT AND IS NOT INSURED BY THE  
UNITED STATES GOVERNMENT, THE FDIC OR ANY OTHER  
INSURER. IT IS NOT AN OBLIGATION OF OLD NATIONAL  
BANK, IS NOT GUARANTEED BY THE BANK AND IS  
SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE  
LOSS OF THE PRINCIPAL INVESTED.**

**REPURCHASE AGREEMENT GENERAL TERMS**

(a) *Description.* From time to time Bank and Client may enter into transactions in which Bank ("*Seller*") agrees to transfer to Client ("*Buyer*") U.S. government securities or financial instruments ("*Securities*") against the transfer of funds by Buyer from Buyer's Account with a simultaneous promise by Buyer to transfer to Seller such Securities the next day or at a date certain, as applicable, against the transfer of funds by Seller into Buyer's Account.

(b) *Definitions.*

*"Buyers Margin Amount"* – with respect to any Transaction as of any date, the amount obtained by application of a percentage (which may be equal to the percentage that is agreed to as the Seller's Margin Amount as defined under this subsection), to the Repurchase Price for such Transaction as of such date;

*"Custodial Bank"* – the bank or trust company selected by Seller to hold the Securities for the benefit of Buyer;

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

*"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 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 subsection (e) hereof) as of such date (unless contrary to market practice for such Securities);

*"Pricing Rate"* – the per annum percentage rate for determination of the interest;

*"Prime Rate"* – the prime rate of U.S. money center commercial banks as published in The Wall Street Journal; *"Purchase Date"* – the date on which Purchased Securities are transferred by Seller to Buyer;

*"Purchase Price"* – (i) on the Purchase Date, the price at which Purchased Securities are transferred by Seller to Buyer, and (ii) thereafter, such price increased by the amount of any cash transferred by Buyer to Seller pursuant to paragraph (d)(ii) hereof and decreased by the amount of any cash transferred by Seller to Buyer pursuant to paragraph (d)(i) hereof;

*"Purchased Securities"* – the Securities of which an ownership interest is transferred by Seller to Buyer in a Transaction hereunder. The term "Purchased Securities" with respect to any Transaction at any time also shall include Additional Purchased Securities delivered pursuant to paragraph (d)(i) and shall exclude Securities returned pursuant to paragraph (d)(ii).

*"Repurchase Date"* – the date on which Seller is to repurchase the Purchased Securities from Buyer;



“*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 interest as of the date of such determination;

“*Seller’s Margin Amount*” – with respect to any Transaction as of any date, the amount obtained by application of a percentage (which may be equal to the percentage that is agreed to as the Buyer’s Margin Amount under this subsection), agreed to by Buyer and Seller prior to entering into the Transaction, to the Repurchase Price for such Transaction as of such date.

(c) *Initiation; Confirmation; Termination.* 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 segregated on the books and records of Bank as held for the benefit of Buyer against the transfer of the Purchase Price to an Account of Seller. Upon agreeing to enter into a Transaction hereunder, Seller shall promptly deliver to Buyer 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, (iv) the Pricing Rate or Repurchase Price applicable to the Transaction, and (v) any additional terms or conditions of the Transaction not inconsistent with these Service Terms & Conditions. The Confirmation, together with these Service Terms & Conditions, 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 these Service Terms & Conditions, these Service Terms & Conditions shall prevail.

(d) *Margin Maintenance.*

(i) 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 the Custodial Bank for the benefit of 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.

(ii) 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).

(iii) Any cash transferred pursuant to this paragraph shall be attributed to such Transactions as shall be agreed upon by Buyer and Seller.

(iv) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer or Seller (or both) under paragraphs (i) and (ii) of this subsection may be exercised only where a Margin Deficit or Margin Excess exceeds a specified dollar amount or a specified percentage of the Repurchase Prices for such Transactions (which amount or percentage shall be 0% unless stipulated in a separate agreement and agreed to by Buyer and Seller prior to entering into any such Transactions).

(e) *Income Payments.* Where a particular Transaction’s term extends over an Income payment date on the Securities subject to that Transaction, Buyer shall on the date such Income is payable cause Custodial Bank to transfer or credit to the account of Seller an amount equal to such Income payment or payments with respect to any Purchased Securities subject to such Transaction. Buyer shall not be obligated to take any action pursuant to the preceding sentence to the extent that such action would result in the creation of a Margin Deficit, unless prior thereto or simultaneously therewith Seller transfers to Custodial Bank for the benefit of Buyer cash or Additional Purchased Securities sufficient to eliminate such Margin Deficit.

(f) *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 proceeds thereof.

(g) *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, or (ii) shall be transferred by any other method mutually acceptable to Seller and Buyer. As used herein with respect to Securities, “transfer” is intended to have the same meaning as when used in Section 8-313 of the UCC or, where applicable, in any federal regulation governing transfers of the Securities.

(h) *Segregation and Substitution 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 these Service Terms & Conditions. Segregation may be accomplished by appropriate identification on the books and records of Seller and/or the Custodial Bank. Control of all Purchased Securities shall pass to Buyer, provided that Buyer shall not engage in repurchase transactions with the Purchased Securities or otherwise pledge or hypothecate the Purchased Securities.

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#### 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 these Service Terms & Conditions and therefore must keep Buyer’s Securities segregated at all times unless 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 may be subject to liens granted by Seller to third parties and may be used

by Seller for deliveries on other securities transactions. Whenever the securities are commingled, Seller's ability to resegment substitute securities for Buyer will be subject to Seller's ability to satisfy any lien or to obtain substitute securities.

(i) *Events of Default.*

(i) It shall be an event of default if one or more of the following occurs (each, an "Event of Default"):

- Seller fails to repurchase or Buyer fails to transfer Purchased Securities upon the applicable Repurchase Date,
- Seller or Buyer fails, after one Business Day notice, to comply with subsection (d) hereof,
- Buyer fails to comply with subsection (e) hereof,
- An Act of Insolvency occurs with respect to Seller or Buyer,
- 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
- Seller or Buyer shall admit to the other its inability to, or its intention not to, perform any of its obligations hereunder.

(ii) Upon an Event of Default, at the option of the nondefaulting party, exercised by written notice to the defaulting party (which option shall be deemed to have been exercised, even if no notice is given, immediately upon the occurrence of an Act of Insolvency), the Repurchase Date for each Transaction hereunder shall be deemed immediately to occur.

(iii) In all Transactions in which the defaulting party is acting as Seller, if the nondefaulting party exercises or is deemed to have exercised the option referred to in paragraph (ii) of this subsection, the defaulting party's obligations hereunder to repurchase all Purchased Securities in such Transactions shall thereupon become immediately due and payable. Following an Event of Default, and to the extent permitted by Applicable Law, the Repurchase Price with respect to each such Transaction shall be increased by the aggregate amount obtained by daily application of (A) the greater of the Pricing Rate for such Transaction or the Prime Rate to (B) the Repurchase Price for such Transaction as of the Repurchase Date as determined pursuant to paragraph (ii) of this subsection. Such Repurchase Price shall be decreased as of any day by (x) any amounts retained by the nondefaulting party with respect to such Repurchase Price, (y) any proceeds from the sale of Purchased Securities pursuant to this paragraph, and (z) any amounts credited to the account of the defaulting party pursuant to this paragraph) on a 365-day per year basis (or 366-day per year basis in a leap year) for the actual number of days during the period from and including the date of the Event of Default giving rise to such option to but excluding the date of payment of the Repurchase Price as so increased.

(iv) All Income paid after such exercise or deemed exercise shall be retained by the nondefaulting party and applied to the aggregate unpaid Repurchase Prices owed by the defaulting party. The defaulting party shall immediately deliver to the nondefaulting party any Purchased Securities subject to such Transactions then in the defaulting party's possession.

(v) In all Transactions in which the defaulting party is acting as Buyer, upon tender by the nondefaulting party of payment of the aggregate Repurchase Prices for all such Transactions, the defaulting party's right, title and interest in all Purchased Securities subject to such Transactions shall be deemed transferred to the nondefaulting party, and the defaulting party shall deliver all such Purchased Securities to the nondefaulting party.

(vi) After one Business Day notice to the defaulting party (which notice need not be given if an Act of Insolvency shall have occurred, and which may be the notice given under paragraph (ii) of this subsection or the notice referred to in clause (i)(B) of this subsection), the nondefaulting party may:

(vii) As to Transactions in which the defaulting party is acting as Seller:

a. Immediately sell, or direct the Custodial Bank to sell, in a recognized market at such price or prices as the nondefaulting 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 therefore 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

(viii) As to Transactions in which the defaulting party is acting as Buyer:

a. Purchase securities ("*Replacement Securities*") of the same class and amount as any Purchased Securities that are not delivered by the defaulting party to the nondefaulting 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 therefore on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source.

(ix) As to Transactions in which the defaulting party is acting as Buyer, the defaulting party shall be liable to the nondefaulting party:

a. With respect to Purchased Securities (other than Additional Purchased Securities), for any excess of the price paid (or deemed paid) by the nondefaulting party for Replacement Securities therefore over the Repurchase Price for such Purchased Securities, and

b. With respect to Additional Purchased Securities, for the price paid (or deemed paid) by the nondefaulting party for the Replacement Securities therefore. In addition, the defaulting party shall be liable to the nondefaulting party for interest on such remaining liability with respect to each such purchase (or deemed purchase) of Replacement Securities from the date of such purchase (or deemed purchase) until paid in full by Buyer. Such interest shall be at a rate equal to the greater of the Pricing Rate for such Transaction or the Prime Rate.

(x) If an Event of Default occurs, the defaulting party shall be liable to the nondefaulting party for the amount of all reasonable legal or other expenses incurred by the nondefaulting party in connection with or as a consequence of an Event of Default, together with interest thereon at a rate equal to the greater of the Pricing Rate for the relevant Transaction or the prime Rate. The nondefaulting party shall have, in addition to its rights hereunder, any rights otherwise available to it under any other agreement or Applicable Law.

(j) *Single Agreement.* Buyer and Seller 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 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.

(k) *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 these Service Terms & Conditions 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 paragraphs (d)(i) or (d)(ii) hereof will not constitute a waiver of any right to do so at a later date.

(l) *Use of Employee Plan Assets.*

- (i) 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;
- (ii) Subject to the last sentence of paragraph (i) of this subsection, 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;
- (iii) By entering into a Transaction pursuant to this paragraph, Seller shall be deemed (A) 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 (B) 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.

(m) *Intent.*

- (i) 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;

- (ii) 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 hereto 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.

#### **DISCLOSURE RELATING TO CERTAIN FEDERAL PROTECTIONS**

BUYER ACKNOWLEDGES THAT IT HAS BEEN ADVISED THAT SELLER IS A BANK AND FUNDS HELD BY THE SELLER PURSUANT TO A TRANSACTION HEREUNDER ARE NOT A DEPOSIT AND THEREFORE ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (THE “FDIC”). BUYER FURTHER ACKNOWLEDGES THAT IN THE EVENT OF A FAILURE OF BANK THAT BUYER WILL BE THE OWNER OF, OR WILL HAVE A SECURITY INTEREST IN, THE PURCHASED SECURITIES, OR THE PURCHASED SECURITIES WILL BE SOLD UNDER THE TERMS SET FORTH HEREIN TO RE-CREDIT THE AMOUNT OF SUCH PURCHASED SECURITIES TO BUYER.

#### **IMPORTANT INFORMATION ABOUT EACH TRANSACTION**

Under the terms of the Transaction, (i) the Transaction is an obligation of Bank and the Securities serve as collateral for that obligation; (ii) under the terms of each Transaction, Bank will pay a fixed amount at settlement, regardless of any fluctuation in the market price of the underlying Securities; (iii) the rate of return paid on the Transaction is not that of the underlying Securities but a rate agreed upon between Bank and Client; and (iv) Bank’s general banking assets will most likely be used to satisfy Bank’s obligation under the Transaction rather than proceeds from the sale of the Securities. If the value of the Securities purchased falls below the value of funds that Bank has invested on Client’s behalf, then Client may become an unsecured creditor of Bank.

#### **Section 21. WIRE TRANSFERS**

(a) *Description.* The Wire Transfer Service allows Client to initiate Payment Orders to transfer funds electronically and, as appropriate, to transmit related messages to accounts at other eligible banks. Client may initiate Wire Transfers domestically and internationally that are free form, repetitive, recurring or drawdown requests.

(b) *Limitations.* Bank reserves the right to limit the availability of the Wire Transfer Service based on such factors as credit worthiness, the length and extent of Client’s relationship with Bank and its Affiliates, transaction history, and such other factors as Bank, in its sole discretion, deems relevant.

(c) *Client Initiation Process.* Bank, subject to the Security Procedures provided in subsection (e) below, will execute Wire Transfers in accordance with Payment Orders received from Client that are initiated via *ONPointe* (or such other system as Bank may make available from time to time), when such Payment Orders are made by those Users designated to do so by the System Administrator.

(d) *Process for Specific Types of Wire Transfers.*

- (i) Free Form or Non-Repetitive Wire Transfers are one-time transfers initiated by Client. Client must provide all information required by Bank to process each such Wire Transfer, including, but not limited to, the Account from which the Wire Transfer will be made, the name and ABA routing number or SWIFT number of the bank holding the account to which the transfer will be made, the number of



the account to which the transfer will be made, the name of the Beneficiary of the transfer and the amount.

- (ii) Repetitive Wire Transfers are transfers for which Client provides predefined information that may be used to initiate Payment Orders on a repetitive basis, changing only the dollar amount of each transfer and any additional information. Client may set up a Repetitive Wire Transfer using the ONPointe repetitive wire function. When a Repetitive Wire Transfer is set up online, Client has the ability to title each Payment Order for use to initiate subsequent wires. For Requests over the telephone, Client will need to complete a Repetitive Setup Form and will be assigned a repetitive code that Client may then use to initiate subsequent Payment Orders using the predefined information.
- (iii) Recurring Orders are Repetitive Wire Transfers that will be initiated automatically according to the frequency and timing required by Client. For this type of Payment Order, Client will set up a Repetitive Wire Transfer and then provide a letter of direction to Bank. Once the Client establishes a Recurring Order, the Payment Order described in the Recurring Order will be initiated automatically until Client cancels the Recurring Order in writing and Bank has had a reasonable opportunity to act on the instructions.

(e) *Security Procedures.*

- (i) The System Administrator designated for ONPointe shall also serve as the System Administrator for this Service, who will assign the individual authority level of Users to initiate and/or confirm Payment Orders. Payment Orders transmitted via Bank's ONPointe must comply with the Security Procedures requirements described, and agreed to, in the ONPointe Service Terms & Conditions provided above, including the use of Transaction PINs to generate One-time Passwords for confirmations. Bank requires explicit transaction release with a separate One-time Password. Bank recommends Dual Control and regular audits of Users for this Service.
- (ii) Call-Backs. In certain circumstances, Bank will call Client back and speak with an Authorized Representative on all wires that meet certain criteria based on algorithms, anomalies, Client profiles and history, amount of the Wire Transfer and the like, as such criteria is established by Bank from time to time. Client acknowledges Call-Backs are performed at the Bank's discretion and will not rely upon the completion of a Call-Back as a part of its Security Procedures.
- (iii) Client's use of the Service constitutes Client's acceptance of those Security Procedures as commercially reasonable and as a means of authenticating a Payment Order communicated to Bank by or on behalf of Client. Client acknowledges that the Security Procedures are used to confirm the authenticity of, and not to detect errors in, a Payment Order. Any Payment Order communicated by or on behalf of Client shall be effective as the funds transfer instruction or Payment Order of Client, and shall be enforceable against Client, whether or not authorized and regardless of the actual identity of the representative, sender or transmitter thereof, if such Payment Order is received in accordance with the applicable Security Procedures, and if Bank accepts such Payment Order in good faith. Bank may, in its discretion, use additional procedures to confirm the authenticity of any Payment Order. If Client chooses to communicate a Payment Order

to Bank in a manner that varies from the Security Procedures, Client will be deemed to have refused the Security Procedures that Bank offers and recommends as commercially reasonable and Client agrees to be bound by and pay for any such Payment Order accepted by Bank in good faith, whether or not authorized. Client is solely responsible for maintaining a secure work environment to ensure against use of the Wire Transfer Service by unauthorized individuals.

- (iv) Client shall be bound by any Wire Transfer whether or not Bank verifies it in compliance with this Security Procedure if Client issued the Payment Order or otherwise benefited from the Payment Order. Client is obligated to and shall pay Bank the amount of any Wire Transfer processed by Bank pursuant to Payment Order submitted by Client as contemplated by these Service Terms & Conditions.

(f) *Acceptance and Execution of Payment Order.*

- (i) Subject to these Service Terms & Conditions, Bank will act upon a Payment Order after receipt of such Payment Order in accordance with the Security Procedures by making applicable accounting entries or by transmitting payment instructions to the applicable bank or other party (A) no later than the stated transfer date (if such date is not earlier than the day such Payment Order is received and is a Business Day) or (B) on the day such Payment Order is received if no transfer date is stated. If the scheduled transfer date specified by Client is not a Business Day, or if Bank receives a Payment Order that does not specify a transfer date on a day that is not a Business Day, Bank will process the transfer on the next Business Day. Any Payment Order received by Bank after the applicable Wire Transfer Cutoff Time may be treated as received by Bank on the next Business Day. Bank's acting upon a Payment Order will also be subject to the Business Day schedule of any bank or other party holding an account to be debited or credited under the Service. Wire Transfer Cutoff Times are subject to change from time to time at the sole discretion of Bank.
- (ii) No instructions or other restrictions limiting Bank's acceptance of Client's Payment Order(s) shall be effective unless accepted and agreed to in writing by Bank. However, Bank, at its option, may elect to act on instructions or other restrictions, which it believes in good faith, were made by Client. Client's Payment Order is considered accepted by Bank when Bank executes it.
- (iii) If the Beneficiary of any Wire Transfer is a person or entity listed on the list of Specially Designated Nationals and Blocked Persons or an OFAC sanctions program, Bank will not be obligated to complete the transfer and may "block" the funds until such time that OFAC issues a written release to Bank. In addition, if a Wire Transfer into Client's Account is from a person listed on the OFAC list of Specially Designated Nationals and Blocked Persons or a sanctions program, Bank will not be obligated to accept the transfer.

(g) *Rejection of Payment Order.* Bank has a right to reject Client's Payment Order for an outgoing Wire Transfer for any reason including, but not limited to, the following:

- (i) Insufficient funds or insufficient Collected Funds in the amount specified in the Payment Order; provided that Bank may, in its sole discretion, allow an overdraft to complete a funds transfer, and Client shall repay Bank immediately, without demand, the amount of the overdraft plus any overdraft charges;

- (ii) If the Payment Order does not conform in form and substance with the requirements of this Agreement, Bank's format, or any applicable set-up forms;
- (iii) If Bank is unable to verify the authenticity of a Payment Order through the use of the Security Procedures;
- (iv) If Bank suspects fraud in connection with a Payment Order or the Payment Order is otherwise suspicious or anomalous for Client; or

(h) *Based on Bank's internal controls.*

Bank will notify Client by telephone of the rejection of any Payment Order. Notices of rejection will be effective when given.

- (i) Cancellation or Amendment. Bank has no obligation to cancel or amend a Payment Order after its receipt or to cancel or amend any particular funds transfer evidenced by a standing order that is in effect. If Client sends Bank a Payment Order instructing Bank to cancel or amend a prior Wire Transfer and Bank is able to confirm the authenticity of the cancellation or amendment request using the Security Procedures, Bank will make a reasonable effort to act on that request, provided that (i) Bank will have no liability if it fails to act on or complete such order, and (ii) Client shall indemnify and hold Bank harmless from any and all liabilities, costs, and expenses that Bank may incur in attempting to cancel or amend the Wire Transfer.

(i) *Reliance on Identifying Number.* In processing Wire Transfers, Bank may rely on the account number or the number of the intermediary bank that Client specifies in the Payment Order even if the number identifies a different person or bank. In that instance, Client is obligated to pay Bank the amount of the transfer originated by Bank on the basis of that Payment Order.

(j) *Notice.* Client shall notify Bank in writing of any error or unauthorized Wire Transfer within fourteen (14) days from the date Bank notifies Client of execution of the Payment Order. Client's failure to notify Bank within this period will prevent Client from asserting against Bank a claim for lost interest on an erroneous or unauthorized Payment Order. Bank will notify Client of Wire Transfer deposits to Client's account by mail, Electronic Transmission, or other means that Client selects.

(k) *Fedwire and Applicable Rules.* Each Payment Order may be executed by Bank using the funds transfer system of the Federal Reserve Bank or other funds transfer system. Each Payment Order will be subject to Applicable Law whether or not Bank is a member of the funds transfer system.

(l) *Foreign Currency and International Wire Transfers.*

- (i) Foreign Currency Wire Transfers. Foreign Transfers or "FX" are transfers of funds in a currency other than U.S. Dollars. The value of any such Wire Transfer shall be reported to Client in the U.S. Dollar equivalent of the amount of the foreign currency transferred. Any loss due to the exchange of currencies arising from a subsequent cancellation of such Wire Transfer or because of a rejection of delivery for any reason shall be incurred by Client. Bank's fees at the outset cover only its costs for such Wire Transfers. Additional fees can be (and often are) incurred by necessary tracing, recall of funds, rate changes and verifications required by foreign banks over which Bank has no control and any additional costs or fees are passed on to Client. When Bank utilizes the services of other banks for the purpose of giving effect to any Payment Order or order for the transfer of funds in foreign currency, Bank does so for the account of, and at the risk of, Client.

- (ii) International Wire Transfers. Bank will effect Wire Transfers across country borders on Client's behalf. If Client's outgoing U.S. dollar Payment Order requests a transfer of funds in U.S. Dollars to a foreign Beneficiary, and Bank believes the Beneficiary's account is a foreign currency account, Client's payment may be delivered in the applicable foreign currency, converted by Bank at the applicable rate in effect at any point in the processing chain, unless Client has instructed Bank not to convert the currency. Any fee, commission or charges assessed by Bank or its correspondent shall be passed on to Client or deducted from the Wire Transfer amount and Bank may receive a fee or compensation for this transaction. 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. From time-to-time, Bank experiences various difficulties in transferring funds to certain countries. Those difficulties include (but not by way of limitation): (A) excessive delay in applying funds; (B) incorrect application of funds; (C) disappearance of funds; (D) excessively slow response to inquiries; or (E) government restriction on the transfer of such funds. In addition, countries and their subdivisions where the recipient is wired funds charge transfer taxes and other transfer fees that reduce the amount received. Client hereby acknowledges and assumes any expense in connection with such transfers which may be incurred by Bank in addition to normal and customary charges. Client is obligated to comply with all laws relating to the transfer of funds for foreign countries, individuals, or agencies. Noncompliance may result in the delay of Wire Transfers and fines equivalent to a percentage of the principal or confiscation of the entire principal amount of the transfer if an attempt is made to transfer funds to a sanctioned individual, agency and/or country.

**Section 22. ZERO BALANCE SERVICE**

Client authorizes Bank to initiate transfers in order to provide zero balance account services. "Zero Balance Account" is defined as a bank account(s) on which Checks are written or other transactions occur even though the balance in the Account(s) is targeted to be maintained at zero. Debits to the Zero Balance Account are covered by a transfer of funds from the concentration or primary account ("Concentration Account"), and Credits are transferred to the Concentration Account. Bank shall not be liable for the failure to pay any Item presented for payment against any Zero Balance Account due to insufficient funds in the Concentration Account. The transfer of funds to or from a Money Market Deposit Account is subject to maximum limitations established by Bank.

**Section 23. DEFINED TERMS**

The following terms used in this Agreement have the meanings set forth below. Additional capitalized terms applicable to a particular Service may be defined in the appropriate Service Terms & Conditions, and most ACH-related terms are as defined in the NACHA Rules. Certain terms not defined below will have the meaning set forth in the Account Agreement. Where appropriate, terms defined in the singular shall be deemed to include plural and those defined plural shall be deemed to include the singular.

**ACH / Automated Clearing House** – the funds transfer system that Bank uses to clear electronic Entries for Clients and other Financial Institutions.

**ACH Operator** – an entity, such as the Federal Reserve that acts as a central facility for clearing, delivery and settlement of Entries

between and among Participating Depository Financial Institutions.

**Account** – the account(s) of Client, maintained at Bank, for business or commercial purposes.

**Account Agreement** – the Deposit Account Agreement and Disclosure – Business Accounts brochure, including signature cards.

**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, dissolution or similar law, or such party seeking the appointment of a receiver, trustee, custodian or similar official for such party or any substantial part of its property, or (ii) the commencement of any such case or proceeding against such party, or another seeking such an appointment, the commencement of a proceeding under the Federal Deposit Insurance Act pursuant to which a conservator or receiver is appointed for a party 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, the issuance of such a protective decree or the entry of an order having a similar effect, or (C) is not dismissed within fifteen (15) days, or (iii) the making by a party of a general assignment for the benefit of creditors, or (iv) the admission in writing by a party of such party's inability to pay such party's debts as they become due.

**Addendum** – a form Bank uses to provide additional terms for a Service or permit Client to add or delete Services.

**Affiliate** – a person or entity directly or indirectly controlling, controlled by, or under common control with, that person or entity. The term "control" (including "controlling", "controlled by" and "under common control with"), as applied to person or entity means (i) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person or entity, whether through the ownership of voting securities, interests or by contract or otherwise, or (ii) the beneficial ownership of 25% or more of any class of voting capital stock of, or interest in, a person or entity.

**Agreement** – the Treasury Management Services Agreement as amended from time to time.

**Applicable Law** – means any federal and state law (to the extent not considered to have been preempted by federal law) that applies to a party or a Service and the applicable rules and regulations promulgated by the FDIC, Office of the Comptroller of the Currency, Federal Reserve and any money transfer system, network or clearing house used by Bank in providing Services. This includes, but is not limited to, as applicable, the sanctions laws, regulations and orders administered by OFAC; laws, regulations, and orders administered by the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN"), including the Bank Secrecy Act, the U.S.A. PATRIOT Act and the requirements for customer identification required thereby; to the extent applicable to businesses, the Electronic Funds Transfer Act and Regulation E promulgated thereunder; Articles 3, 4 and 4A of the Uniform Commercial Code as enacted in the State of Indiana; the Check 21 Act and Regulation CC promulgated thereunder; and restrictions imposed under the Unlawful Internet Gambling Enforcement Act of 2006. "Applicable Law" also includes the rules of any network, money transfer system or clearing house used by Bank in providing Services, including without limitation, applicable NACHA and Midwest Automated Clearing House Association rules, as well as Card Network Rules. It further includes laws

referenced in certain Service Terms & Conditions, such as laws applicable to credit cards.

**Authorization and Agreement** – the form Client's Authorized Representative(s) will authenticate in order to enter into this Agreement.

**Authorized Representative(s)** – those individuals who are named in the TM Services Resolution with authority to execute the Agreement. Authorized Representatives will also name the various System Administrators for the selected Services and must execute certain notices that are required to be delivered in writing.

**Available Funds** – funds on deposit in Client's Account that is available for Client use, which is updated throughout the Business Day.

**Bank** – Old National Bank and its Affiliates.

**Beneficiary** – the person or entity designated by Client to receive the proceeds of a Payment Order.

**Business Day** – a weekday that Bank is open to the public for conducting transactions of business (this excludes Saturdays, Sundays, and some Federal Holidays).

**Call-Back** – when Bank places a confirming telephone call to an Authorized Representative who has been authorized to confirm the specific transaction.

**Card Network Rules** – the operating rules of the applicable card network for a Commercial Credit Card.

**Carrier** – the courier service/ armored car company used to transport coin, currency, Checks, etc.

**Change in Terms Notice** – from time to time, as Bank amends this Agreement, it will transmit notice to Client regarding such changes in a Change in Terms Notice as required by Applicable Law.

**Check** – unless otherwise defined in a Service Terms & Conditions, a draft, payable on demand and drawn on or payable through or at an office of a bank, whether or not negotiable, that is handled for forward collection.

**Check Image** – a digitized image of the front and back of a Check and associated information provided to Bank in lieu of the original Check from which such Check Image was obtained.

**Check Issue File** – a record describing Checks drawn on Client's Account, provided by Client to Bank in the format required by Bank.

**Check Register Information** – the Serial number, issue date and amount of a Check.

**Client** – the entity or in whose name a business Account exists that utilizes one or more Services under this Agreement.

**Collected Funds or Collected Balance** – the balance in the Account that reflects deposits Client has made for which Bank has actually received credit.

**Confidential Information** – all proprietary and confidential information disclosed by a party in connection with this Agreement which the disclosing party has exercised commercially reasonable efforts to identify as confidential in nature at the time of disclosure, or which is of such a nature as to be reasonably identified as confidential in nature at the time of disclosure, including but not limited to any Security Procedures, all Bank supplied Software and written documentation associated therewith and all manuals and other documentation regarding the use and operation of the provided systems and Equipment, payment and pricing



information for the Services, and Client's non-public financial information.

**Credentials** – Login PINs, Transaction PINs, Software Activation Keys, and Passwords used to login to *ONPointe* or otherwise access a Service and/or execute an instruction.

**Credit Entry** – a payment to the Receiver's Account.

**Cutoff Time** – time of day Bank will no longer accept items for a specific Service. Items or instructions received after that time may be considered received on the next Business Day. Bank reserves the right to change the Cutoff Time from time to time with notice to Client.

**DDA / Demand Deposit Account** – a checking account.

**Debit Entry** – means an Entry that requires collection from the Receiver's Account.

**User(s)** – those individuals whom the System Administrator designates to access one or more Accounts through one or more online Services. This Treasury Management Services Agreement acts as Client's authorization to allow the Users to access and process transactions, which may directly affect Client's Accounts and liability to Bank.

**Dual Control** – when a Service requires an Entry to be made by one User and confirmed by another User, each using the Security Procedure described for the Service.

**EDI / Electronic Data Interchange** – an electronic communication method that transmits formatted data.

**Effective Entry Date** – the expected settlement date of an ACH Entry as provided by the Originator.

**Electronic Transmission** – the means by which Client or Bank may elect to send or receive instructions or reports related to Services, including, without limitation, facsimile transmission, voice mail, secure email, DocuSign (or an electronic signature provider accepted by Bank), or other electronic or telephonic methods.

**Entry / Entries** – With regard to ACH, an order or request complying with the requirements of Appendix Two (ACH Record Format Specifications) of the NACHA Rules (i) for the transfer of money to the account of a Receiver (a "*Credit Entry*"), (ii) for the withdrawal of money from the transaction account or general ledger account of a Receiver (a "*Debit Entry*"), (iii) a zero dollar entry, (iv) a DNE (Death Notice Entry), or (v) an ENR (Automated Enrollment Entry); or mean the data received from Client from which bank prepares an Entry.

**Equipment** – any hardware, communications devices or other equipment required to use a Service.

**Exception** – may be an Exception Check or Exception Item or Exception Entry that does not match the requirements established by Client or by the Service.

**Exception File** – a record describing Exceptions that is provided by Bank to Client.

**FDIC/Federal Deposit Insurance Corporation** – insures the deposits held by Bank.

**Federal Reserve** – the Board of Governors of the Federal Reserve System, a federal bank regulator for Bank responsible for rulemaking under parts of Applicable Law.

**Fedwire** – the funds transfer system owned and operated by the Federal Reserve Banks that is used primarily for the transmission and settlement of Payment Orders governed by the Fedwire

Regulation but does not include the system for making ACH transfers.

**Fedwire Regulation** – Subpart B of Regulation J of the Federal Reserve System, as amended from time-to-time. "*Fee Schedule*" – the itemized listing of standard Service specific fees, as it may be amended from time to time. "*FX Transactions*" – swap, forward and option transactions in foreign currencies.

**Item** – an order, instruction, or authorization to withdraw or pay funds from an Account. Examples include Checks, drafts, in-person withdrawals or transfers, fees, service charges, card transactions including purchases, preauthorized electronic funds transfers, ATM withdrawals, ACH Entries, telephone transfers, automatic loan payments, and *ONPointe* and *ONPointe* Mobile transactions, including funds transfers and bill payments.

**Ledger Balance** – the balance as of the close of business each Business Day including all deposits and withdrawals (and other credits and debts) as they are recorded on Bank's record of Client's Account.

**Lockbox** – a post office box designated by Bank for Wholesale and Retail Lockbox Services.

**Login PIN** – a unique PIN created by each User for access to *ONPointe*.

**Master/Parent Account** – the Account in a sweep service that sends funds to or receives funds from a Subsidiary/Child Account.

**MICR/Magnetic Ink Character Recognition** – the line of numbers and letters on the bottom of the front of a Check that facilitates processing.

**MMDA / Money Market Deposit Account** – a type of savings account that earns interest.

**Mobile Device** – a mobile smart telephone, tablet or similar device that accesses *ONPointe* Mobile through an application.

**NACHA / National Automated Clearing House Association** – the Electronic Payments Association, operates the ACH system. "*NACHA Rules*" – the Rules, Regulations, and Guidelines of the National Automated Clearing House Association.

**ODFI / Originating Depository Financial Institution** – a Participating Depository Financial Institution in the ACH process with respect to Entries which deposits ACH files, on behalf of the Originator, into the ACH network.

**OFAC** – the U.S. Treasury Department's Office of Foreign Asset Control, which issues the list of Specially Designated Nationals and Blocked Persons. OFAC information may be obtained directly from the OFAC Compliance Hotline at 1-800-540-OFAC or at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>.

**One-time Password** – a unique password generated by a Transaction PIN to be used in connection with ACH Entries and Wire Transfers.

**ONPointe** – the commercial online banking platform, currently branded as *ONPointe* Treasury, for Treasury Management clients provided by Bank that enables Client to view Account information and perform transactions in Accounts.

**ONPointe Mobile** – Bank's mobile banking service access through the *ONPointe* Mobile App.

**ONPointe Mobile App** – Bank's mobile banking application for download to Mobile Devices.

**On Us Entry** – an entry when a Receiver's account also resides at the ODFI.

**Operating Rules or Rules** – the rules, regulations, and guidelines of NACHA, the Midwest ACH Association, the Electronic Funds Transfer Act and Reg. E.

**Originator** – a company or individual that initiates an ACH transaction according to an arrangement with a Receiver.

**Password** – a unique combination of letters, numbers and symbols used as Credentials to identify Users.

**Payment Order** – an instruction by Client to Bank or directly to a funds-transfer system for a Fedwire or electronic transfer of funds to a specified account or Beneficiary.

**Periodic Statement** – the Account statement Bank provides to Client monthly that shows all transactions in the Account.

**PIN / Personal Identification Number** – sequence of numbers, letters and symbols assigned to or selected by Client to be used as Credentials.

**Prefund** – to require Client to pay for all Account debits on a date specified by Bank before the settlement date.

**Presented Check** – a Check drawn on Client's Account and presented to Bank for payment through the Check collection system.

**RDFI / Receiving Depository Financial Institution** – a Participating Depository Financial Institution in the ACH process with respect to Entries it receives from the ODFI through the ACH Operator.

**Receiver** – natural person or organization that has authorized the Originator to initiate an ACH entry to the Receiver's account with the RDFI.

**Repo** – the purchase and resale of government securities under Repurchase Agreements.

**Secure Browser** – a proprietary web browser product that restricts access by outside software applications, including malware and keyloggers, and securely encrypts data transmissions between Client and Bank.

**Security Procedures** – the use of Credentials and additional procedures, including Secure Browsers, Dual Control, encryption

and other systems and Software that Bank utilizes from time to time to protect Client Accounts and transactions and mitigate fraud.

**Service** – a Treasury Management Service listed in this Agreement, described in its corresponding Service Terms & Conditions.

**SFTP / Secure File Transfer Protocol** – a secure means of transferring files between computers on the Internet, used to download a file from a server using the Internet or to upload a file to a server in connection with certain Services.

**Software** – any proprietary or third-party program, application or any related data or any combination thereof necessary to enable a computer or a component to perform.

**Subsidiary / Child Account** – the Account in a sweep arrangement that receives funds from or sends funds to the Master/Parent Account.

**System Administrator** – person who sets up online Services and is responsible for establishing internal security procedures related to such Services, including but not limited to, assigning the individual authority level of Users.

**Target Balance** – a pre-established balance in an Account.

**TM Services Resolutions** – the corporate resolutions required to be adopted by Client and certified by its Agent establishing the identity and authority of Authorized Representatives relative to Treasury Management Services. They may be either in the form provided by Bank, or such other form acceptable to Bank.

**Transaction PIN** – a PIN created by each User, who is authorized under the ACH and/or Wire Transfer Service Terms & Conditions, to generate a One-time Password to be used for authentication.

**UCC** – the Indiana Uniform Commercial Code.

**URL / Uniform Resource Locator** – a website address that uses http or https.

**Vendor** – subcontractor, agent, processor or any third party used in connection with provision of a Service.

**Wire Transfer** – electronically transferring funds to a Beneficiary.