

TREASURY MANAGEMENT SERVICES  
PROCEDURES, TERMS AND CONDITIONS

Effective February 1, 2018

What you need to know about your account(s)  
and the terms and conditions of our  
Treasury Management Services.

**We're here to help.**

If you have any questions; please call one of our  
Treasury Management Representatives at (888) 481-0336.



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## GENERAL PROVISIONS

### I. Treasury Management Services.

- (a) Generally. Frost Bank, a Texas state bank, (“Bank”) offers various Treasury Management Services (individually, each a “Service”, collectively the “Services”) to its commercial customers (each a “Customer”). These Services include but are not limited to the following:

Account Reconciliation	Controlled Disbursements	Positive Pay (Checks and ACH)
ACH Blocking and Filtering	Data Exchange	Remote Processing and Presentment
ACH Origination	Digital Deposits	Spot Foreign Exchange Transaction Services
Balance/Activity Reporting	Electronic Data Interchange	Stop Payment/Check Inquiry
Book Transfers	Foreign Draft Services	Wire Transfer Initiation
Business Bill Pay	Internet Banking	Zero Balance Accounting
CD-ROM Image Archive	Lockbox – Retail	
Commercial Loan Services	Lockbox – Wholesale	

Many of the Services are available for use through traditional means of financial commerce as well as through the use of Internet Banking Services offered by Bank. The execution of the Treasury Management Services Agreement (the “Agreement”) obligates the parties with regard to the general terms and conditions related to use by Customer of any Service or Services offered by Bank, regardless of whether such Service is performed traditionally, online or through some combination thereof. Nonetheless, before Customer begins using any of the Services, Customer must mail or deliver a duly authorized and executed copy of the Agreement to Bank for review and approval.

- (b) Enrollment in a Service or Services. Enrollment in any individual Service requires the completion of the Treasury Management Services Request (the “Request”). Enrollment in a Service or Services is accomplished by obtaining, completing and signing the Request, and submitting it to Bank in person, through regular mail, or by facsimile.
- (c) Customer Training Required Prior to Implementation of Specified Services. Before Customer can begin using Bank’s Internet Banking (Cash Manager) you agree that your designated Service Setup Administrator must attend Bank’s training session, which may be provided in a Web-based format, teleconference format, or any other format determined in Bank’s sole discretion. Until such time as such designated personnel are able to attend Bank’s training, Bank may in its sole and absolute discretion delay implementation of the specified Service until such training is completed satisfactory to Bank.

In addition to the Services listed above and governed by the Agreement, Bank offers the following Treasury Management services to its commercial customers:

Automated Cash Sweep	Commercial Vault Services	Frost Tax Payment Services	Wire Transfers
Bankcard Merchant Services	Credit Cards	LegalEase	
Business Checkcard	FirstPay	Payroll Card	
Check Clearing Services	Foreign Currency Accounts	Standing Instructions	

These services are governed by separate agreements, which can be secured by contacting a Bank representative.

### 2. Accounts.

- (a) Generally. Customer agrees to maintain a minimum of at least one (1) commercial checking account (“Demand Deposit Account”) with Bank with funds sufficient to cover the transactions initiated pursuant to the Agreement, and to cover fees required to pay for Services provided thereunder.
- (b) Business Purpose. Customer agrees that only Demand Deposit Accounts, or other deposit accounts, or other asset accounts (individually, a “Deposit Account”; collectively, “Deposit Accounts”) established exclusively for business purposes will be used for transactions pursuant to the Agreement, and that in no event will transactions hereunder be conducted using Deposit Accounts of Customer or its employees, officers, directors, members, or owners that were established primarily for personal, family or household purposes.
- (c) Authorization for Transfers to and from Accounts. Customer expressly authorizes Bank to debit the appropriate Deposit Account in the amount of any bank transfer initiated by Customer and pursuant to the Agreement, or initiated by any other person Customer authorizes to access Deposit Account(s). Customer agrees that Bank: (i) may treat any bank transfer, whether initiated online or otherwise, from a Deposit Account the same as a duly executed written withdrawal, transfer, or check; (ii) may treat any bank transfer to a Deposit Account the same as a deposit by cash or check; and (iii) may treat any

bank transfer to a loan account held by Customer the same as a loan payment to Bank, all in accordance with the terms of the Agreement and Customer's agreement with Bank governing the Deposit Account (the "Deposit Account Agreement") or Customer's agreement with Bank governing any such loan account (the "Loan Account Agreement"), as applicable.

- (d) Account Limitations. Customer's ability to initiate bank transfers between Deposit Accounts may be limited by federal law or by the terms of the applicable Deposit Account Agreement or the applicable Loan Account Agreement. Bank transfers from Deposit Accounts that are savings or money market deposit accounts are limited as required by federal regulation in effect at the time a bank transfer is initiated. Customer agrees that Bank may, without notice or other obligation to Customer, for security reasons or as otherwise expressly provided in this Agreement, the Deposit Account Agreement or the Loan Account Agreement, (i) refuse to make any bank transfer, or (ii) refuse to accept a Digital Deposit.
- (e) Customer Printed Checks. Bank reserves the right, with respect to any and all of the Services, to require Customer to submit any non-Bank printed checks (i.e. checks that are printed by Customer, or printed by an independent printer at the request of Customer) for Bank's review and approval regarding format, size and other requirements. If Bank exercises such review and approval right for any of the Services, Customer shall be required to submit such non-Bank printed checks for Bank's review and approval prior to Customer using such non-Bank printed checks.

### 3. The Agreement.

- (a) Generally. The terms and conditions of the Agreement, including the Request, any Service Setup Detail forms, these Treasury Management Services – Procedures, Terms and Conditions, and all attachments, authorizations, schedules and exhibits, together with all amendments or modifications thereto, are cumulative with and in addition to any terms of the Deposit Account Agreements and related Deposit Account signature cards and authorizations, Funds Transfer Agreements, Loan Account Agreements, the applicable Deposit and Loan Account disclosures, Bank's service schedule, Bank's policy regarding availability of funds, any credit account agreements relating to any credit accounts Customer may have with Bank (together, the "Bank Agreements, Schedules and Disclosures"), the rules and regulations of any federal or state agency that supervises Bank's activities or insures accounts at Bank, and any applicable clearinghouse operating rules and guidelines, including, but not limited to those of the National Automated Clearing House Association ("NACHA"), and any other applicable local clearing house association, all as may be amended from time to time.
- (b) Inconsistencies. To the extent expressly provided for otherwise herein, should any inconsistency exist or arise between the terms of the Agreement, as relates to any Service or Services, and the terms of any other Bank Agreements, Schedules and Disclosures, the terms of the Agreement shall control, but only to the extent of the inconsistency. Furthermore, to the extent expressly provided for otherwise herein, should any inconsistency exist or arise between the General Provisions of the Agreement and the applicable Service specific provisions, the terms of the Service specific provisions shall control, but only to the extent of the inconsistency.
- (c) Amendment. Bank may amend the Agreement from time to time. If no federal or state law specifically governs an amendment, then at least ten (10) calendar days prior to the effective date of the amendment, Bank will deliver notice to Customer of the amendment as provided for in Section 4 of these General Provisions. Notwithstanding the foregoing and to the extent permitted by applicable law, Bank may amend any term of the Agreement without prior notice or obligation to Customer: (i) if a service provider changes any term without providing Bank sufficient prior notice to enable Bank to timely notify Customer; (ii) for security reasons; (iii) to comply with applicable law; or (iv) as otherwise expressly provided in the Agreement. Use by Customer of the Service(s) following the effective date of any amendment(s) shall constitute Customer's acceptance of and agreement to the amendment(s). If Customer does not agree to the changes as set forth in an amendment, Customer may choose to terminate the Service(s) affected by the amendment prior to the effective date of the amendment by discontinuing further use of the Service and following the procedures set forth in Section 27 of these General Provisions. Unless otherwise provided for herein, the Agreement may not be amended or modified unless agreed to in writing by Bank.

### 4. Notices and Instructions.

- (a) Generally. Unless otherwise stated in the Agreement, all notices required pursuant to the Agreement and the Services shall be in writing. Bank shall be entitled to rely on any written notice or other written, electronic or telephone communication believed by it in good faith to be genuine and to have been initiated by an authorized representative of Customer to Bank. Any such communication will be deemed to have been authorized by Customer. The parties agree that Bank's records of telephonic or electronic instructions shall be conclusive evidence of the actual notice or instructions given by Customer and recorded by Bank.
- (b) Data Recording. Customer consents to Bank's recording and monitoring of any telephone conversations and online transmissions or communications including, but not limited to, requests or instructions. Bank, however, has no duty to record

or monitor such telephone conversations or online transmissions and communications, and the election to record and/or monitor is within Bank's sole discretion.

- (c) Delivery of Notices, Disclosures, Amendments or Other Communications by Bank. Customer acknowledges and agrees that, to the extent permitted by applicable law, Bank may deliver all notices, disclosures, amendments or other communications required hereunder to Customer by e-mail at Customer's e-mail address listed as the contact information of record for the Customer that is on file with Bank, as such notification information as may be amended in writing by Customer from time to time upon notice to Bank. To the extent permitted by applicable law, Customer agrees that each such communication will be binding and enforceable to the same extent as if it were delivered to Customer in writing by regular mail, branch posting, or in person.
- (d) Electronic Mail Communication. Customer may send e-mail to Bank and receive e-mail from Bank. (i) Communications sent to Bank over the Internet are considered unsecured unless the information is encrypted with the equivalent of 128-bit encryption technology, or transmitted via a secure session using a commercial reasonable security technology that provides a level of security that is equivalent to 128-bit RC4 encryption technology. (ii) Customer agrees that unsecured e-mail will not be used to deliver sensitive personal or private information that includes, but is not limited to bank routing numbers, account numbers, Social Security numbers, Business ATM & Checkcard numbers, personal identification numbers ("PINs"), home addresses, User IDs, Passwords, ACH entries, or to provide required notices to Bank pursuant to any agreement Customer has with Bank, unless such agreement expressly provides for e-mail notification. **(iii) CUSTOMER ACKNOWLEDGES AND AGREES THAT ANY REQUEST(S) SENT TO BANK THROUGH AN UNSECURED ELECTRONIC NETWORK ARE IN VIOLATION OF BANK AND NACHA POLICY AND PROCEDURES. CUSTOMER UNDERSTANDS AND AGREES THAT BANK IS NOT LIABLE FOR ANY LOSS OR DAMAGE INCURRED BY CUSTOMER WHEN AN UNAUTHORIZED PERSON GAINS ACCESS TO ANY SUCH E-MAIL. CUSTOMER AGREES TO INDEMNIFY AND HOLD BANK HARMLESS IF BANK ACTS WITH ORDINARY CARE IN GOOD FAITH BY RESPONDING TO ANY E-MAIL PURPORTED TO BE SENT BY CUSTOMER. BANK'S IMPLEMENTATION OF ITS NORMAL PROCEDURES REGARDING RECEIPT AND MAINTENANCE OF CONFIDENTIAL INFORMATION CONSTITUTES ITS EXERCISE OF DUE CARE.** (iv) E-mail transmitted by Customer to Bank may not be delivered to Bank immediately. If Customer needs to contact Bank immediately to stop a payment, to report an unauthorized use of Customer's User ID, to report unauthorized access to an account, or for any other reason, Customer shall contact Bank by telephone at the telephone number provided herein, or in person. Bank will not be responsible for acting on or responding to any e-mail request made until Bank actually receives Customer's e-mail message and Bank has a reasonable opportunity to act. (v) Customer should check its e-mail regularly as Bank may attempt to notify Customer by e-mail in the event of any technical difficulties or other occurrence that may affect Bank's online Services.
- (e) Address for Notification. All notices to be delivered by Customer to Bank pursuant to the Agreement can be made to the physical address, postal address, e-mail address, or telephone number indicated below, as applicable pursuant to the terms of the Agreement and the requirements of the notice:

Bank's physical notification address:  
Frost Bank  
100 West Houston Street  
San Antonio, TX 78205  
Attn: Treasury Management Customer Service (One Frost)

Bank's postal (i.e. P.O. Box) notification address:  
Frost Bank  
P.O. Box 1600  
San Antonio, TX 78296  
Attn: Treasury Management Customer Service (One Frost)

Bank's telephone number, fax number and e-mail address:  
(888) 481-0336, toll free  
Fax: (210) 220-5391  
tmcustserv@frostbank.com

All notices to be delivered by Bank to Customer pursuant to the Agreement can be made to the postal address, e-mail address, or telephone number listed as the contact information of record for the Customer that is on file with Bank, as such notification information as may be amended in writing by Customer from time to time upon notice to Bank.

## 5. Submission of Information and Documents; Privacy.

- (a) Delivery of Documents. Customer agrees to deliver, in a form and content satisfactory to Bank, such additional executed, or as the case may be, certified, documents required by Bank from time to time to obtain and to continue to receive the specific Service(s) requested by Customer, including Deposit Account signature cards, declarations, authorizations, resolutions, implementation documents and updated financial statements. In addition, Customer shall execute Bank's "Treasury Management Services Guaranty" immediately upon Bank's request in the event that Bank, in its sole discretion, requires Customer to execute such guaranty to either: (i) receive initial Bank approval for Bank's provision of specific Service(s) to Customer; or (ii) continue receiving specific Service(s) from Bank if there is an occurrence of a material change in Customer's credit and/or risk analysis criteria and Bank determines, in its sole and absolute discretion, that such guaranty is necessary to satisfy Bank's credit and risk management criteria. If Bank requires Customer to execute a "Treasury Management Services Guaranty" and Customer refuses, Bank may, in its sole and absolute discretion, either refuse to enter into this Agreement and refuse to provide specific Service(s) to Customer, or discontinue providing specific Service(s) and/or immediately terminate any existing Agreement with Customer in accordance with Section 27 of this Agreement.
- (b) Electronic Records Disclosure (E-SIGN Disclosure). Customer understands that Customer's Contracting Executive must read this Electronic Records Disclosure carefully and keep a copy for Customer's records. In order to register for and use the Services (including any Mobile Banking Treasury Management Services), Customer is agreeing to the electronic delivery of legal disclosures, agreements, instructions, communications, online statements (if Customer selects Online Statement Delivery), and other notices related to such services, and Customer is also agreeing to electronic delivery for all other legal disclosures, agreements, instructions and communications relating to Customer's current Deposit Accounts or any future Deposit Accounts Customer has with Bank. If at some point in the future Customer no longer wants to receive the legal disclosures, agreements, instructions, communications and online statements (if applicable) electronically, then Customer understands that Customer may withdraw their consent for electronic delivery of such items, and that Customer will not be charged any fee for withdrawing their consent, but that doing so will not affect the legal effectiveness, validity or enforceability of electronic disclosures or records that were made available to Customer prior to the implementation of Customer's withdrawal of consent for electronic delivery. Customer also understands that Customer has the right to request that Bank provide to Customer any record that was provided electronically, or any other record, in paper or non-electronic form, although Customer is aware that charges and fees for such non-electronic copies may be charged in accordance with Bank's current fee schedule. To withdraw consent for electronic delivery, to update Customer's contact information, or to request a paper or non-electronic copy of any record or document, Customer must either: (i) write to Bank at Frost Bank, Treasury Management Customer Service, P.O. Box 1600, San Antonio, Texas, 78296; (ii) use a method that may be made available to Customer on Bank's website ([www.frostbank.com](http://www.frostbank.com)); or (iii) contact Frost Treasury Management Customer Service at (888) 481-0336. To receive an electronic copy of all required disclosures regarding Mobile Treasury Management Services and Customer Deposit Accounts, including related legal disclosures, agreements, instructions, communications and online statements (if applicable), Customer must comply with the system requirements as set forth in this Agreement or any additional documentation provided by Bank to Customer relating to this Agreement. To retain a copy of such materials, Customer's system must have the ability to either download (e.g. to their hard disk drive, diskette, CD-ROM or other storage device) or print portable document format ("PDF") or HTML files. Customer must have a functioning printer connected to a personal computer or other access device, which is able to print the related legal disclosures, agreements, instructions, communications and online statements (if applicable) on plain white 8 1/2 x 11 inch paper. By executing this Agreement, Customer represents and warrant that: (i) Customer has read, understood and agreed to this Electronic Records Disclosure; and (ii) the devices that Customer will use to receive the legal disclosures, agreements, instructions, communications and online statements (if applicable) meet the system requirements to access information and to retain information as stated in this Agreement.
- (c) Provision of Information. Prior to initiating a new Service, Customer agrees to provide all information which Bank may request including specifications, test results, check samples, transmissions and documents. In the event that Bank determines, in its sole discretion, that any specification, test result, sampling, transmission or document does not meet its requirements, Bank may advise Customer that Customer will not be eligible to obtain the Service(s) until requested information that is satisfactory to Bank is provided by Customer.
- (d) Authorizations. (i) By providing the Authorization, Customer authorizes the individual(s) named therein to be Contracting Executives and Services Managers (collectively, the "Authorized Parties"). "Contracting Executives" have the authority: to sign the Agreement and any addenda thereof; to accept on behalf of Customer the terms and conditions governing the use of Services, including acceptance of Security Procedures (as defined below); to enroll in, modify features of or terminate Services; to appoint and remove Services Managers (as defined below); to appoint and remove Service Setup Administrators (as defined below) to provide the required information to set up and administer Services; to perform the functions of a Service Setup Administrator; to authorize and remove the authorization of individual Users (as defined

below) who perform transactions related to a Service or Services; and to perform transactions related to any Service hereunder. "Services Managers" have the authority: to enroll in, modify features of or terminate Services; to sign addenda to the Agreement as they relate to Services; to appoint and remove Service Setup Administrators who provide the required information to set up and administer Services; to perform the functions of a Service Setup Administrator; to authorize and remove the authorization of individual Users who perform transactions related to a Service or Services; and to perform transactions related to any Service hereunder. "Service Setup Administrators" have the authority: to provide instructions to set up and administer the Service or Services assigned to them on the Treasury Management Services Request Form, including the authority to add or remove Deposit Accounts or Service features; to authorize and remove authorization of individual Users who perform transactions related to a Service or Services; to perform transactions related to any Service hereunder; and as solely relating to Internet Banking, to perform the functions of "User Setup Administrator" (as defined in the Internet Banking Service specific provisions herein), or to delegate such authority to serve as User Setup Administrator. Using online self-administration a User Setup Administrator is able to authorize and remove the authorization of individual Users who perform transactions related to a Service or Services; grant access to specific Deposit Accounts and Service functions; re-set passwords; audit Service activities of Users who perform transactions related to a Service or Services; perform transactions related to any Service hereunder. If Customer chooses, Bank's Internet Banking self-administration functionality permits Customer to appoint more than one User Setup Administrator to segment duties or establish controls. Although segmenting duties among more than one individual can serve to establish internal controls, Bank cannot prevent a particular User Setup Administrator from granting the assigned functionalities that particular User Setup Administrator has been delegated to other User Setup Administrators, Services Setup Administrators or Users. As Internet Banking provides online access to a number of Services, the authority for the specific Service Setup Administrator assigned to Internet Banking will supersede the authority of other Service Setup Administrators to the extent necessary to ensure unanimity of authority whenever a Service is provided through Internet Banking (i.e. including, but not limited to Online Wire Transfers, ACH, Positive Pay and Lockbox). Bank may rely on the Authorization to be a true and correct representation of Customer's authorizations. (ii) Prior to utilizing any specific Service, Customer shall furnish Bank with documentation in form and content satisfactory to Bank, naming Customer's employees, agents and third party vendors hired by Customer to perform any of the transactions required by Customer under the Agreement and naming those individuals who are authorized to act on behalf of Customer with respect to the Service (the "Users").

**(iii) CUSTOMER AGREES THAT IN THE EVENT CUSTOMER DESIRES TO NAME ADDITIONAL SERVICES MANAGERS OR REMOVE THE AUTHORITY OF AN EXISTING SERVICES MANAGER, CUSTOMER MUST PROVIDE BANK WITH WRITTEN INSTRUCTIONS ADVISING BANK OF THE CHANGE IN AUTHORITY SIGNED BY A PERSON NAMED AS A CONTRACTING EXECUTIVE ON THE MOST CURRENT AUTHORIZATION. CUSTOMER AGREES THAT BANK WILL RELY ON THE MOST CURRENT AUTHORIZATION AND THE MOST CURRENT SERVICE-RELATED USER AUTHORIZATIONS SUPPLIED BY CUSTOMER AND, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BANK SHALL HAVE NO LIABILITY FOR UNAUTHORIZED ACTIONS TAKEN OR TRANSACTIONS PERFORMED BY THOSE INDIVIDUALS NAMED AS AUTHORIZED PARTIES ON THE CURRENT AUTHORIZATION OR AS USERS ON SERVICE-RELATED AUTHORIZATIONS.**

(iv) Customer understands and agrees that any employees or applicants for employment with Customer who are or may become Authorized Parties, Service Setup Administrators, User Setup Administrators or Users, or may otherwise have any responsibility for handling Customer's financial affairs (including processing, writing or receiving checks or electronic transfers, handling account statements or other financial information, conducting Digital Deposits such as scanning or storing Original Checks, or creating, transmitting or storing Substitute Check images, or acting otherwise in a responsible manner regarding Customer's financial affairs (all definitions, terms and conditions regarding Digital Deposits are set forth in the Frost Deposit Account Agreement) has been asked specifically whether they have ever been convicted of a felony, that a thorough background check of such employee or applicant has been conducted, that a system of reasonable financial controls is in place and that Customer has instituted a program that encourages Customer's employees to report fraudulent or dishonest activities to Customer's management.

- (e) Privacy. Customer authorizes Bank to share information about Customer and Customer's Services with affiliates and third parties, unless the law or Bank's Privacy Statement prohibits Bank from doing so. Please see Bank's Privacy Statement for your choices about information sharing. It is possible that third parties involved in the negotiation, mediation, and arbitration protocol, such as lawyers, accountants, or contractors, who offer products or services to the public may also be Frost customers. Bank provides this information only as a courtesy and convenience to Customer. Bank does not make any warranties or representations about the third parties or their products or services. Bank is not responsible for the third party's performance or for helping resolve any dispute between you and the third party.



## 6. Security Procedures; Customer's Data Security Obligations; Limitation on Liability; Responsibility for Loss.

- (a) Security Procedures under the Agreement. Where required for any Service, Bank and Customer will agree in writing to one or more security procedures ("Security Procedures") that must be used by Bank and Customer in connection with the Service(s). Security Procedures offered by Bank are described herein and in documentation related to the applicable Service. As part of the Security Procedures, Bank may employ various authentication technologies. As part of Bank's "Internet Banking Services" for commercial Customers, Bank employs various security and authentication technologies to ensure that Authorized Parties and Users are communicating directly with Bank, and also to ensure that Customer's computer is communicating with a legitimate Bank computer. Such Bank authentication procedures and technologies include, but are not limited to, use of Customer Internet Banking Services User IDs, passwords and other "Additional Authentication Information" ("AAI") that Bank may require Customers to provide at Bank's sole discretion. Such AAI is required as a component of various Internet Banking Services authentication procedures that Bank may employ, including, but not limited to, security questions and responses and/or use of other hardware-based and software-based security and authentication tools, programs and procedures. Customer is responsible for the establishment and maintenance of its internal procedures reasonably adapted to insure the confidentiality and security of Security Procedures. **CUSTOMER UNDERSTANDS AND AGREES THAT CUSTOMER WILL BE RESPONSIBLE FOR MAINTAINING SECURITY AND CONTROL OVER ALL USER IDS AND PASSWORDS OF CUSTOMER'S AUTHORIZED PARTIES, SERVICE SETUP ADMINISTRATORS, USER SETUP ADMINISTRATORS AND USERS, AND SHALL USE SECURITY FOR SUCH ITEMS COMPARABLE TO THE SECURITY AND CONTROL CUSTOMER WOULD USE FOR CASH, OR A MECHANICAL CHECK-SIGNING MACHINE, BUT IN NO EVENT LESS THAN REASONABLE SECURITY AND CONTROL IN THE CIRCUMSTANCES.** If Customer or its employees or agents have reason to believe that any Security Procedure has or may have become known by unauthorized persons (whether or not employed by Customer), Customer shall immediately notify Bank by telephone and confirm such oral notification in writing to Bank within twenty-four (24) hours of the oral notification. Bank will replace the Security Procedures in accordance with Bank's standard security requirements related to the applicable Service(s). To the maximum extent permitted by applicable law, Customer will be solely liable for all transactions, including funds transfer instructions and other communications, initiated before Bank has received such notification and has had a reasonable opportunity to act on such notification. Bank reserves the right to change any or all of the Security Procedures offered and/or used at any time by giving oral or written notice to Customer. Customer agrees that its use of the related Service or Services after Bank provides notice of such changes constitutes Customer's acceptance of the new Security Procedures. Customer acknowledges that the purpose of Security Procedures is to authenticate the identity of the person initiating the action, not to detect errors in any transmission or content. Bank is not agreeing to any security or other procedure for the detection of errors. Customer represents that for the Service or Services it requests, it considers the Security Procedures to be commercially reasonable with respect to the size, type, and frequency of funds transfers it anticipates issuing and the information which will be transmitted.
- (b) Customer's Data Security Obligations. With regard to obtaining any Services under this Agreement, Customer must comply with the Computer (as defined herein) hardware, software, and Security Procedures requirements as set forth in these General Provisions and/or as set forth in any Service specific provisions or any supplemental information and/or instructions provided by Bank. Bank reserves the right as encryption technology develops to impose further reasonable requirements to maintain the appropriate level of security for the Services and transactions contemplated hereunder and Customer agrees to abide by such requirements. Furthermore, Customer understands and acknowledges that if Customer does not follow commercially reasonable hardware, software, physical access and physical storage security procedures regarding any Customer-owned Data (defined herein), including such data containing the sensitive personally identifiable information ("PII") of any individual, the security of Customer's transactions and/or Customer-owned Data (including sensitive PII) may be compromised. Customer understands, acknowledges and agrees that installation, maintenance and operation of Customer's Computer (hardware and software) and related security procedures, including, but not limited to, data security protection, firewalls and anti-virus software, is Customer's sole responsibility, and that Customer is solely responsible for securing, encrypting, protecting and otherwise safeguarding Customer-owned Data.
- (c) Limitation on Liability. Customer understands, acknowledges and agrees that Bank is not responsible for any loss or damages resulting from any errors or failures of Customer's Computer or data processing systems, including, but not limited to any computer virus or malware attack (such as a keystroke logging program or similar malware), any attack by a person attempting or actually gaining unauthorized access to Customer-owned Data, or any Internet-related problems that may be associated with Customer's access and use of the Services.
- (d) Serious Potential Threat to Customer's Business; Notification to Bank. Customer acknowledges and agrees that the threat of fraud resulting from theft of electronic data is a serious potential threat to Customer's business and, accordingly, Customer will take all reasonable steps to make certain that its Computers and data security systems are protected from

unauthorized access or use, and in an event of any unauthorized access or use, Customer will take all reasonable steps to immediately inform Bank of the security breach.

- (e) Responsibility for Loss. If, despite Customer efforts, Customer suffers any damage or loss as a result of Customer's failure to comply with its data security obligations, and regardless of whether such damage or loss results from the activities of Customer's employees, agents, subcontractors or any unaffiliated third party, any such loss or damage shall be the sole responsibility of Customer.

## **7. Business Days; Posting; Funds Availability.**

- (a) Business Days. Any day on which a majority of Bank's offices are open to the public for conducting substantially all business functions shall be a "Business Day"; provided, however, that Saturdays, Sundays and federal holidays are not Business Days even if a majority of Bank's offices are open.
- (b) Posting. Transactions (such as deposits, funds transfers, instructions and entries) related to any Service will be posted to the applicable Deposit Account as provided for in Bank's then current Schedule of Funds Availability. Bank may change any cutoff deadline at any time by giving notice, as required by law, of the change to Customer.
- (c) Funds Availability. Any funds transferred pursuant to a transaction hereunder will be available for withdrawal or advance as provided for in Bank's then current policy regarding funds availability, as amended from time to time, and in accordance with applicable law.

## **8. Honoring Transactions and Instructions; Furnishing Information; Mobile Services and Transactions.**

- (a) Generally. Bank will honor Customer's transactions and instructions (including adjustments and cancellations) only when Customer has complied with the Agreement. Bank will be under no obligation to complete any transaction or instruction that: (i) exceeds Customer's collected or available funds on deposit with Bank, even if Bank has done so in the past; (ii) is not in accordance with any condition requested by Customer and agreed to by Bank; (iii) Bank has reason to believe may not be authorized by Customer; (iv) involves funds subject to a hold, dispute or legal process preventing their withdrawal; (v) violates, in the opinion of Bank, any provision of any present or future risk control program of the Federal Reserve or any other applicable federal or state law; (vi) Bank has reason to suspect is a transaction in violation of the Unlawful Internet Gambling Enforcement Act (the "UIGEA"); (vii) does not comply with any other requirement stated in the Agreement or any Bank policy, procedure or practice; and/or (viii) for the protection of Bank or Customer, Bank has reasonable cause not to honor.
- (b) Restricted Transactions. Under UIGEA and related federal regulations (the "Regulations") promulgated by the U.S. Treasury Department and Federal Reserve Board, Bank is required to notify its Customer that transactions to fund unlawful Internet gambling activities are prohibited, and as such Bank will either block/deny transactions, and/or close accounts if it has "actual knowledge" of "restricted transactions." A restricted transaction is defined as any transaction or transmittal involving any credit, funds, instrument, or proceeds, that the UIGEA and the Regulations prohibit any person engaged in the business of betting or wagering from knowingly accepting in connection with the participation of another person in unlawful Internet gambling, and such prohibited activities would include any of the following: (i) credit, or the proceeds of credit, extended to or on behalf of such other person (including credit extended through the use of a credit card); (ii) an electronic funds transfer, or funds transfer, or funds transmitted by or through a money transmitting business, or the proceeds of an electronic funds transfer or money transmitting service, from or on behalf of such other person; or (iii) any check, draft, or similar instrument that is drawn by or on behalf of such other person and is drawn on or payable at or through any financial institution.
- (c) Insufficient Account Balances for Service(s). When a Service requires Customer's Deposit Account(s) to contain sufficient, good, collected, and available funds to cover Customer's obligations for the required Service, Customer agrees to maintain sufficient, good, collected, and available funds in those accounts from which the funds are to be withdrawn or transferred. If there are insufficient funds in the designated Deposit Account to cover the required withdrawal(s), transfer(s), or related fees, except as specifically modified in an applicable implementation document, Bank may: (i) withhold the Service; (ii) in its sole discretion, elect to dishonor any item or transaction that creates a negative balance and has no duty to notify Customer prior to dishonoring any overdraft, even if Bank has paid overdrafts on behalf of Customer in the past; (iii) in its sole discretion, provide the Service, and Customer agrees to pay Bank promptly or on demand the amount of overdraft and any fees or other costs including those set forth in the Deposit Account Agreement; and/or (iv) require Customer to pre-fund transactions prior to settlement date or effective date. Bank may, in its sole discretion, on occasion provide a Service against insufficient, good, collected and available funds in Deposit Account(s), but Bank is not obligated to do so, and any action by Bank of this nature will not constitute an obligation by Bank to provide the Service in the future.

- (d) Data File Retrieval and Delivery. Bank provides a data file exchange facility for Customers, which is intended to ensure a convenient, reliable and efficient means to obtain various informational data files and reports from Bank, or deliver instructional data files to Bank for processing and handling. This data file exchange facility makes it possible for a Customer, Customer's agent, or a third party authorized by Customer to obtain specific Demand Deposit Account activity information as well as a means for a Customer, their agent or third party authorized by Customer to provide instructions to Bank in conjunction with various Services provided by Bank. To support this data file exchange facility, Bank makes use of an accepted data communication convention, File Transfer Protocol ("FTP"), which prescribes the manner in which files containing data are to be exchanged between computers using the Internet's transmission control protocol/Internet protocol (TCP/IP) functionality. Bank allows Customer to choose among certain options for communicating with Bank's FTP external server for retrieval and delivery of data files. Access to Bank's FTP external server may require that Customer, their agent or a third party authorized by Customer, utilize Customer's User ID, and/or password (both of which are assigned by Bank), or any AAI, and Bank may further require that public encryption keys be exchanged between Customer (or their agent or third party authorized by Customer), and Bank, depending upon the communication option selected. Also, certain communication options will require Customer, their agent or third party authorized by Customer to furnish Bank with the TCP/IP address from which a FTP communication session will originate. In addition to the general testing obligations set forth in Section 5(b) above, when Customer selects a particular communication method, Bank and Customer shall cooperate in testing data file exchange by such communication method, and if the testing process is completed satisfactory to Bank, then such communication method will be used. If, however, the testing process for a particular communication method is not completed satisfactory to Bank, then Customer must choose a different communication method that must also meet with Bank's testing and approval as stated above. Once a particular communication method has been successfully tested satisfactory to Bank's requirements and approved by Bank, then Bank and Customer will commence exchange of data files using such communication method. When incoming data files are delivered to Bank by Customer (or by Customer's agent or third party authorized by Customer), the data files will reside in a secure folder on Bank's FTP external server until such files are relocated internally by Bank for processing.
- (e) Mobile Treasury Management Services and Transactions. Frost may, in its sole discretion, offer any Services described in this Agreement via Mobile Device (the "Mobile Services"). "Mobile Device" means a mobile telephone, mobile tablet or other mobile device capable of sending and receiving SMS text messages, accessing the Internet via a web browser or downloading, installing and using specially developed mobile applications ("apps"). Customer understands and acknowledges that the Mobile Treasury Management Services allow Customer to conduct certain Services via Mobile Device. Bank, in its sole discretion, shall determine which Services shall be included in any Mobile Treasury Management Services. From time to time, Bank may develop additional Mobile Treasury Management Services, and Customer understands that Customer will have the opportunity to subscribe to them, provided that Customer (and any Contracting Executives, Services Managers, Service Setup Administrators, User Setup Administrators or Users) have the necessary Mobile Device and related hardware and software. By deciding to enroll in the optional Mobile Treasury Management Services, Customer understands that Customer is providing its express consent to Bank to permit Bank to contact Customer (and any Contracting Executives, Services Managers, Services Setup Administrators, User Setup Administrators or Users) for account alerts, servicing, marketing and fraud prevention purposes, and any other purposes as provided in this Agreement or under other applicable Bank agreements. Customer understands that by selecting the optional Mobile Treasury Management Services, Customer is agreeing that Bank may transmit communications accessible via SMS text message, via the Internet browser on the Mobile device, or via Bank's app downloaded to the Mobile Device that contain certain information and alerts about the Services and/or Deposit Accounts Customer selects. Such messages may be sent in response to messages Bank receives from Customer's specified Mobile Device(s) or, in some cases, upon the occurrence of a pre-defined condition related to Customer's Service or Deposit Account (for example, an outgoing wire approval required, Positive Pay item approval required, low Deposit Account balance, overdraft or receipt of deposit). Customer understands that if it chooses to activate the optional Mobile Treasury Management Services, Customer (and any Contracting Executives, Services Managers, Service Setup Administrators, User Setup Administrators or Users) must have a Mobile Device with either SMS text message functionality, the ability to access the Internet via a web browser, or the ability to access messages via Bank's downloaded mobile app, as well as any other compatible wireless hardware and software necessary to operate such Mobile Device. Customer understands it (and any Contracting Executives, Services Managers, Service Setup Administrators, User Setup Administrators or Users) must have a Mobile Device wireless service plan with a suitable Mobile Device service provider of its choice. Customer understands that such Mobile Device service (including Mobile Device Internet connection) is not part of the Services or the optional Mobile Services. Customer understands that it is responsible for acquiring, maintaining and operating any Mobile Device used to access the Mobile Treasury Management Services and its related hardware and software and for all associated costs and expenses, including, without limitation, all fees incurred for data transfers and as a result of sending and receiving SMS text messages through such Mobile Device service. Customer assumes full responsibility for ensuring these requirements are met should any changes be made to any existing Mobile

Device and/or the associated service plan. **Customer understands that Bank is not responsible for any errors or failures or any Mobile Device or its software, and is not responsible for any viruses or related problems that may be associated with use of the Mobile Services.** In addition, Customer understands that transactions conducted via Mobile Treasury Management Services may also be subject to (i) applicable Bank imposed fees (as set forth in other Frost agreements or schedule of fees), and (ii) fees imposed by third parties with whom Customer have entered into other agreements. Customer agrees and acknowledges that Deposit Account alerts will be sent to Customer's (and any Contracting Executives, Services Managers, Service Setup Administrators, User Setup Administrators or Users) registered for the Mobile Treasury Management Service, provided they have given Bank a valid telephone number (or other mobile device identification number, as required by Bank) for such Mobile Device, and have subscribed to the applicable alert. Customer understands that Customer is solely responsible for all costs assessed by Customer's Mobile Device service provider (and the Mobile Device service provider of any Contracting Executives, Services Managers, Service Setup Administrators, User Setup Administrators or Users) receiving messages on their Mobile Device. Customer understands that Customer must complete the entire registration process as outlined at [www.frostbank.com](http://www.frostbank.com), including an affirmative statement that Customer's Mobile Device (and the Mobile Devices of any Contracting Executives, Services Managers, Service Setup Administrators, User Setup Administrators or Users) meets Bank's minimum system requirements. Customer also understands that Customer will need to meet all of the equipment, access and system requirements of Bank regarding Mobile Treasury Management Services, and will need to make necessary arrangements to view and print any e-mail statements, notices and disclosures for Mobile Treasury Management Services. All communications transmitted to Bank using the Mobile Treasury Management Services are not confidential and are deemed to be Bank's property. Bank may provide Customer (and any Contracting Executives, Services Managers, Service Setup Administrators, User Setup Administrators or Users) information, offers, advertisements, links or other materials maintained or offered by third parties in accordance with applicable law and in accordance with Bank's "Customer Privacy Statement." Bank does not control or endorse in any respect any information, products or services maintained or offered by such third parties. Customer understands that its use (and the use of any Contracting Executives, Services Managers, Service Setup Administrators, User Setup Administrators or Users) of third party content or the purchase of third party products or services is at its own risk. Customer also acknowledges that the privacy policies of other third party businesses providing any information, services or products in relation to or through the Mobile Treasury Management Services may be different than those of Bank and Customer should review those policies before engaging in a transaction or providing any personally identifiable or other sensitive information to such business. As part of Customer's registration for the Mobile Treasury Management Services, Customer understands that Customer must certify that it is a customer of Bank, and Customer agrees (and agrees to require any Contracting Executives, Services Managers, Service Setup Administrators, User Setup Administrators or Users) to provide a valid U.S. telephone number, including the area code, for their Mobile Device(s) that will be used for the Mobile Treasury Management Services. Customer understands that it is Customer's responsibility to provide true, accurate, current and complete information about Customer and any Contracting Executives, Services Managers, Service Setup Administrators, User Setup Administrators or Users when registering for the Mobile Treasury Management Services and to maintain and promptly update the registration data to keep it true, accurate, current and complete. Without limiting the foregoing, Customer understands it is Customer's responsibility to update any telephone number if and when they change in order to ensure proper delivery of Mobile Treasury Management Services, including messages and alerts. If Customer changes any telephone number for any reason, Customer will notify Bank immediately to ensure that Customer's Mobile Services and Bank's communications are not interrupted or inadvertently delivered to another recipient who may be assigned a prior telephone number. Customer may change any phone number by following the steps outlined at [www.frostbank.com](http://www.frostbank.com). If Customer selects optional Mobile Treasury Management Services, Customer understands that it is solely responsible for notifying Bank immediately in the event that any Mobile Device associated with any telephone numbers provided to Bank to register any Mobile Device for Customer's Mobile Treasury Management Services is lost, stolen, changed or destroyed. Customer understands that with regard to messages or alerts, failure to promptly notify Bank may result in failure to receive important messages and alerts, and/or the interception of such messages and alerts by unauthorized third parties. Customer may also incur message or alert fees if Customer (and any Contracting Executives, Services Managers, Service Setup Administrators, User Setup Administrators or Users) does not receive them. **Customer understands that Bank is not responsible for any costs, expenses, liabilities or damages that Customer (and any Contracting Executives, Services Managers, Service Setup Administrators, User Setup Administrators or Users) incurs as a result of failure to receive messages or alerts, the interception of any message or alerts by an unauthorized third party, or Customer's incurrence of message or alert fees for messages or alerts Customer did not receive. CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT IN ADDITION TO ANY OTHER DISCLAIMERS OR LIMITATIONS OF LIABILITY AS OTHERWISE STATED IN THIS AGREEMENT, BANK SHALL NOT BE LIABLE FOR LOSSES OR DAMAGES ARISING FROM: (i) NON-DELIVERY, DELAYED DELIVERY OR WRONG DELIVERY OF ANY MESSAGES, ALERTS OR OTHER COMMUNICATIONS THAT CUSTOMER (OR ANY CONTRACTING EXECUTIVE, SERVICES**

**MANAGER, SERVICE SETUP ADMINISTRATOR, USER SETUP ADMINISTRATOR OR USER) WOULD NORMALLY ACCESS VIA THE MOBILE DEVICE; (ii) INACCURATE CONTENT IN ANY MOBILE TREASURY MANAGEMENT SERVICES MESSAGES, ALERTS OR OTHER COMMUNICATIONS ACCESSED BY OR SENT DIRECTLY TO THEIR MOBILE DEVICE; (iii) ANY ACTIONS RESULTING FROM THE INTENTIONAL OR UNINTENTIONAL DISCLOSURE BY CUSTOMER (OR ANY CONTRACTING EXECUTIVE, SERVICES MANAGER, SERVICE SETUP ADMINISTRATOR, USER SETUP ADMINISTRATOR OR USER) TO ANY UNAUTHORIZED PERSON OF THE CONTENTS OF ANY MESSAGES, ALERTS OR OTHER COMMUNICATIONS SENT DIRECTLY TO OR RECEIVED BY THE MOBILE DEVICE; OR USE OR RELIANCE ON THE CONTENTS OF ANY MESSAGES, ALERTS OR OTHER COMMUNICATIONS FOR ANY PURPOSE.** Customer understands that it (and any Contracting Executives, Services Managers, Service Setup Administrators, User Setup Administrators or Users) is required to log into the Mobile Treasury Management Services via a Mobile Device by using User ID, Password and AAI, if Bank has required use of AAI for such log in. Customer understands and acknowledges that all or a portion of the Mobile Treasury Management Services may not be encrypted, and, therefore, Bank will never include any User ID, Password or full account number in any e-mail communication that Customer may access via the web browser on its Mobile Device. However, the Mobile Treasury Management Services may include name and information about Deposit Account(s), such as the last four digits of the Deposit Account number or specific account transaction information. **Customer understands and acknowledges that transmission of masked account number and specific information, including, but not limited to, dollar amounts, or individual payees and payers, does not constitute transmission of personal or private information, and Customer hereby authorizes Bank to send such information via any communication to a Mobile Device for the Mobile Treasury Management Services.** In addition, Customer understands that there are risks associated with using any Mobile Device, and that in the event of theft or loss, Customer confidential information could become compromised. Customer acknowledges that the security procedures Bank requires for use of the Mobile Treasury Management Services, as set forth in this Section 8 and elsewhere in this Agreement, are commercially reasonable, and Customer understands that the security of the Mobile Treasury Management Services is contingent upon responsible behavior in protecting all User IDs and Passwords for the Mobile Treasury Management Services. Customer understands that it is responsible for safeguarding, and requiring others to safeguard, User IDs, Passwords and any AAI, if Bank has required use of AAI, to log in to the Mobile Services from a Mobile Device. Customer understands that Bank will rely on access via the User ID, Password and AAI (if required) as confirmation that Customer (and any Contracting Executives, Services Managers, Service Setup Administrators, User Setup Administrators or Users) authorized all activity conducted using the Mobile Services following such authenticated access, including any Deposit Account debits or credits, any other transfers or remote processing and presentment services, or any other charges or fees incurred by use of the Mobile Treasury Management Services. Unless subject to other provisions of this Agreement or other applicable law, Customer further understands and agrees that Bank will not be liable for any loss or damage incurred when an unauthorized person gains access to the Mobile Treasury Management Services. **CUSTOMER AGREES TO INDEMNIFY BANK AND HOLD BANK HARMLESS IF BANK ACTS WITH ORDINARY DUE CARE AND IN GOOD FAITH IN RESPONDING TO ANY MESSAGE SENT FROM ANY REGISTERED MOBILE DEVICE THAT IS PURPORTED TO BE SENT BY CUSTOMER.** Customer understands that it can send secure messages to Bank over the Internet by logging into the Internet Banking Services from a personal computer with proper User ID, Password and AAI and selecting the "Request Assistance" link. **Bank's use of its commercially reasonable security procedures for maintaining confidentiality and security of information shall constitute fulfillment of Bank's obligations to exercise due care.** Customer understands that information that it provides while using the Mobile Treasury Management Services may be stored on Bank's secured servers and protected by industry standard encryption techniques. However, Bank is not accepting any responsibility to archive any communications with Customer if transmitted or received using the Mobile Treasury Management Services beyond the time required by applicable law, if any, or as stated in this Agreement, whichever is longer. Customer understands that it is responsible for accessing, opening and reading messages, alerts and other communications sent to any registered Mobile Device. It is Customer's responsibility to notify Bank if any message, alert or other communication is not accessible, is incomplete or is unreadable. Customer understands that information Customer provides while using the Mobile Treasury Management Services may be stored on Bank's secured servers and protected by industry standard encryption techniques. However, Bank is not accepting any responsibility to archive any communications with Customer transmitted or received using the Mobile Banking Services beyond the time required by applicable law, if any, or as stated in this Agreement, whichever is longer. The use of Mobile Treasury Management Services via any Mobile device is interrupted for any reason, Customer agrees to log into Internet Banking Services to determine if the previously entered transaction is displayed. If Customer cannot reestablish a connection, or ascertain the status of any previously entered transaction, Customer will call one of Bank's Commercial Internet Banking Specialists at (888) 481-0336. **TO AVOID A DUPLICATE TRANSACTION, CUSTOMER WILL NOT REISSUE A TRANSACTION DURING THE INTERRUPTED SESSION UNLESS CUSTOMER IS ADVISED TO DO SO BY A COMMERCIAL INTERNET BANKING SPECIALIST. CUSTOMER AUTHORIZES BANK TO**

**PAY ANY DUPLICATE TRANSACTION, AND BANK IS NOT RESPONSIBLE FOR ANY THIRD PARTY'S REFUSAL TO RETURN ANY FUNDS RESULTING FROM A DUPLICATE TRANSFER.**

**9. Oral Instructions.** At Bank's option, Bank may honor Customer's oral instructions regarding Service(s). Customer agrees that Bank may in good faith rely on any such oral instructions, which purport to come from Customer (including any Authorized Party, Service Setup Administrator or User) or Customer's agent without independent verification by Bank unless Security Procedures require otherwise.

**10. Erroneous Instructions.** CUSTOMER AGREES THAT TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BANK WILL NOT BE LIABLE FOR ANY INSTRUCTION, FUNDS TRANSFER ORDER, AMENDMENT OR CANCELLATION, OR ANY LOSS ARISING THEREFROM, ERRONEOUSLY TRANSMITTED BY CUSTOMER OR ANYONE AUTHORIZED BY CUSTOMER HEREUNDER OR CONTAINING AN ERROR IN CONTENT AS PROVIDED BY CUSTOMER OR ANYONE AUTHORIZED BY CUSTOMER HEREUNDER, REGARDLESS OF WHETHER BANK FOLLOWED THE SECURITY PROCEDURES AGREED UPON HEREIN OR ANY APPLICATION HERETO.

**11. Inconsistent Name and Identifying Number.** If any funds transfer instruction by Customer describes the intended recipient of funds inconsistently by name and account number, Customer agrees that payment by the receiving bank (which may be Bank) may be made on the basis of the account number alone even if that account is not owned by the person or entity named in the funds transfer instruction. If any funds transfer instruction identifies an intermediary bank or the payee's bank inconsistently by name and identifying number, Customer agrees that Bank may rely solely on the identifying number as the proper identification of the intermediary bank or the payee's bank even if it identifies a bank different from the bank Customer identified by name. To the extent permitted by applicable law, Customer acknowledges and agrees that its obligation to pay Bank the amount of the funds transfer pursuant to a funds transfer instruction will not be excused in any circumstance described in Section 10 above and that Customer will reimburse Bank for any losses or expenses Bank incurs as a result of Bank's reliance on the identifying number provided in the funds transfer instruction.

**12. Account Holder's Liability for Funds Transfers.** Customer agrees to be bound by any funds transfer, amendment or cancellation to a funds transfer issued in Customer's name and received by Bank, whether or not authorized, if Bank accepts the funds transfer, amendment or cancellation in good faith and in compliance with the Security Procedures agreed to herein. In the event that a funds transfer is unauthorized but effective pursuant to the Security Procedures agreed to herein, Bank is entitled to enforce or retain payment for the funds transfer from Customer unless Customer can prove that the funds transfer was not caused, directly or indirectly, by a person (i) entrusted at any time with duties to act on Customer's behalf with respect to such funds transfer or the Security Procedures; or (ii) who obtained access to Customer's transmitting facilities or who obtained, from a source controlled by Customer and without authority of Bank, information facilitating breach of the Security Procedures, regardless of how the information was obtained or whether Customer was at fault.

**13. Account Reconciliation and Reporting of Discrepancies.**

- (a) Generally. The Deposit Account statements provided to Customer by Bank will notify Customer of (i) the execution of funds transfers and all debits or credits to accounts of Customer held by Bank resulting from transactions pursuant to the Agreement; and (ii) amounts debited by Bank from the account(s) for payment of fees for the Services hereunder or other charges pursuant to the Agreement. Customer agrees that Bank will not be required to provide any other notice to Customer of the execution of any funds transfers, debits, credits or charges.
- (b) Notification of Discrepancies. Customer agrees to promptly report to Bank any discrepancies between Customer's records and Bank's records and/or Deposit Account statements and any relevant facts pertaining to a potentially unauthorized or erroneous funds transfer of any kind. (i) For funds transfers, such report should be made within thirty (30) calendar days from the date Customer receives notice from Bank that the funds transfer was processed or that Customer's account was debited with respect to the funds transfer. Customer's failure to notify Bank of any such discrepancies may result in Customer forfeiting any interest potentially due on the amount of the unauthorized or erroneous funds transfer due to Customer's failure to provide notification within thirty (30) days as stated herein. (ii) For all ACH transactions that are believed to be unauthorized or erroneous, such report should be made no later than one (1) Business Day following the date of the unauthorized or erroneous entry so that Bank can return the item to the Originating Depository Financial Institution (the "ODFI") within the two (2) Business Day period required under NACHA Rules. Failure to do so for debits against an account will preclude Bank from returning the transaction through the ACH system and re-crediting the account. At Customer's request, Bank will go outside the ACH system and request a credit from the ODFI based on a violation of the ODFI's warranty that the transaction was authorized.
- (c) Foreign Currency Exchange Conversions. Bank assumes neither risk of loss nor any liability, which any person (including Customer) may suffer by reason of foreign currency exchange conversions. Any gains resulting from foreign exchange conversion in connection with any Customer transaction pursuant to any Service hereunder shall inure to Customer.

**14. Settlement of Obligations.** To the fullest extent permitted by applicable law, Customer authorizes Bank to obtain payment of Customer's obligations to Bank under the Agreement from time to time by (i) initiating debit or credit transfers to any of the Deposit Accounts; or (ii) deducting the payment from the amount of any bank transfer. Such obligations include, without limitation, fees owed to Bank, in conjunction with any of the Services or otherwise, and settlement for funds transfers initiated pursuant to the Agreement. At the time any Deposit Account is closed (whether by Customer, by Bank, or otherwise) or any Service is terminated (whether by Customer, by Bank, or otherwise), Customer agrees that all such fees and other obligations will be immediately due and payable to Bank, and Customer authorizes Bank to withhold the amount of any such fees and other obligations from any Deposit Account. Debiting a Deposit Account or deducting payment from the amount of any bank transfer is not Bank's exclusive remedy under this or any other Section of the Agreement, and Bank will not be deemed to have made an election of remedies by making any such debit or deduction on any one or more occasions.

**15. Cooperation in Loss Recovery Efforts.** Except as otherwise stated in the Agreement, in the event of any damages for which Bank or Customer may be liable to the other or to a third party with respect to the Service(s), Bank and Customer will undertake commercially reasonable efforts to cooperate with each other (as permitted by applicable law) in performing loss recovery efforts and in connection with any action(s) that the relevant party may be obligated to defend or elect to pursue against a third party.

#### **16. Fees.**

- (a) Generally. Bank reserves the right to change any fee schedule at any time and from time to time upon not less than thirty (30) days prior written notice to Customer, but no change shall be effective for any period prior to the effective date of such notice. Applicable fees do not include, and Customer will be solely responsible for payment of any sales, use, excise, value added, utility tax, or tariffs relating to the Service(s) provided hereunder, and for all telephone charges, Internet access service charges, tolls, tariffs, and other costs for Internet Banking Services initiated by Customer or Customer's authorized users.
- (b) Payment of Fees. Any amount(s) due Bank for the Service(s) as determined by Bank's account analysis system will be charged as a direct fee debited to Customer specified Deposit Account. If Customer specified Deposit Account has insufficient funds to pay any amount due; Bank may debit any Deposit Account maintained by Customer at Bank, whether or not such debit creates an overdraft. If there are no Deposit Accounts at Bank with sufficient funds to cover the amount due Bank, Customer agrees to pay such amounts directly to Bank upon demand. Customer also agrees to reimburse Bank for any actual expenses Bank may incur to effect, administer or revoke any Service(s). In the event any fees or taxes are owed to Bank and are not paid; Bank shall have no obligation to execute any Service for Customer, or to continue any Service(s) previously provided to Customer. Any fees or charges for Services not settled as provided for herein within thirty (30) days of the date they were first charged to Customer specified account will bear interest until paid at a rate equal to the lesser of one and one half percent (1.5%) per month or the maximum interest rate allowed by applicable law.

#### **17. Use of Third Parties.**

- (a) Bank's Use of Third Parties. Bank's ability to provide certain Services depends on its ability to provide access to third party networks and other third party services. In the event Bank determines, in its sole discretion, that it is unable to provide third party network or services access, Bank may discontinue the related Service or may provide the Service through an alternate third party network or service, and shall have no liability for the unavailability of such Service.
- (b) Customer's Use of Third Parties. Customer shall notify Bank in writing as specified in Section 4(e) of the name of any third party whom it hires, employs, or to whom it delegates its duties or responsibilities under the Agreement, before that third party initiates any transaction or performs an obligation authorized or required under the Agreement. Customer agrees that it shall be solely responsible for all acts of any such third party. Customer shall provide information including financial information which Bank may, in its sole discretion, require from time to time regarding any third party vendor which Customer hires, employs, or retains in any manner, to initiate transactions or assume any of Customer's duties under the Agreement. Customer understands and agrees that because of the risks involved in certain of the Services that Customer may utilize, Bank may refuse, in its sole discretion, to provide such Services to Customer if the third party retained by Customer does not meet Bank's qualification criteria. Bank's acceptance of any third party retained by Customer based on Bank's qualification criteria is not a representation or warranty by Bank regarding the fitness of the third party's capabilities or financial condition, nor is such acceptance by Bank an endorsement of any third party's ability to perform the third party services for Customer. Customer agrees that it shall not allow any third party to use any Service hereunder or to process any third party's transactions pursuant to the Services hereunder through Customer or its accounts without Bank's prior written consent.
- (c) Customer's Provision of Services to Third Parties. If Customer is an entity that will be providing remittance, accounting, or similar services to its third-party customers, then Customer must contact a Frost Treasury Management sales representative and enter into a separate agreement with Frost to conduct such activities.

**18. Courier Agreements.** Customer may utilize a courier to conduct transactions pursuant to the Agreement. In so doing, Customer agrees at all times and in all respects, regardless of the source of payment for the courier services, that (i) the courier is the agent of Customer and not Bank; (ii) Bank makes no representations or warranties regarding any courier, and assumes no responsibility with respect to any services performed or promised by any courier; and (iii) Customer assumes all risk of loss (including loss or theft by third parties or employees of Customer or the courier) prior to Bank's acceptance of such transactions from the courier and subsequent to the courier's acceptance of transactions from Bank. Customer agrees that Customer and the courier will be responsible for all loss recovery procedures and processes, although Bank may undertake commercially reasonable efforts to facilitate loss recovery.

**19. Proprietary Property.** Customer acknowledges and agrees that all trademarks, trade names, service marks, copyrights, programs, specifications, software, systems designs, applications, routines, techniques, enhancements, software codes, test keys, security devices, Security Procedures, documentation, manuals, ideas and formulas (collectively, referred to herein as the "Bank Proprietary Property") utilized or developed and provided by Bank in connection with the Agreement and the Services provided hereunder, whether online via Bank's web site or otherwise, are proprietary property of Bank having great commercial value to Bank. Customer shall have no ownership interest in Bank Proprietary Property or other rights related thereto, and Customer agrees to keep Bank Proprietary Property confidential at all times. Customer may use Bank Proprietary Property only for the purposes for which it was provided by Bank and shall notify Bank immediately of any breach of this Section of which it becomes aware. Bank may require Customer to license specific software in order to receive a particular Service. Unless agreed to the contrary between the parties with regard to certain Services, with such agreement approved by Bank in Bank's sole discretion, upon termination of the Agreement or any applicable Service, such license in Bank's Proprietary Property and any licensed software shall automatically expire and Customer agrees to immediately cease using any Bank Proprietary Property and any licensed software relating to the Service or Services affected by such termination. Additionally, and unless contrary to prior agreement regarding the software, Customer agrees to erase any software comprising Bank Proprietary Property and relating to the Service or Services terminated to the extent such software is stored in Customer's computers, and, at the request of Bank, to return all copies of all items relating to Bank Proprietary Property which are in the possession of Customer. Alternatively, and at Bank's option, Customer will destroy all copies of all items relating to Bank Proprietary Property which are in the possession of Customer and, upon request from Bank, provide written certification to Bank that such destruction has occurred.

**20. Confidentiality.** Customer and Bank each agree that all information concerning the other party or parties which comes into its possession in connection with any Service and/or the performance of the Agreement including, but not limited to, software licensed to Customer by Bank, user guides, and Security Procedures including security access codes, keys, PINs, template numbers, or any other AAI, will be maintained as confidential and shall not be used or divulged to any other party except as may be appropriate to enable Bank to provide the Service or as required by applicable law. Customer agrees that Bank may share any information concerning Customer's accounts and account transactions with any of Bank's affiliates, subsidiaries, parent Company or service providers and to the extent Bank determines necessary, with Customer's third party processor(s), and state or federal regulators.

**21. Customer Records; Ownership of Data; Response to Data Security Breach Incidents; Responsibility for Loss.**

- (a) Customer Records. The Agreement will not relieve Customer of any obligation imposed by law, contract, or otherwise regarding the maintenance of records or from employing adequate audit, accounting and review practices. Customer shall retain and provide to Bank upon request all information necessary to remake or reconstruct any deposit, transmission file, or entry for at least ten (10) Business Days following receipt by Bank of the deposit, transmission file, entry, or other order affecting any of Customer's account(s); provided, however, that Bank's records, kept in the ordinary course of business, will be presumed to accurately reflect the contents of Customer's instructions to Bank and, in the absence of manifest error, will be binding and conclusive.
- (b) Ownership of Data. The parties understand, acknowledge and agree that all data provided by Customer to Bank (including, but not limited to, electronic images of Substitute Checks retained on any Processing Equipment, Processing Software, or any other processing equipment or software (including Customer's computer) used by Customer in conjunction with Digital Deposits), and all data produced, compiled or otherwise provided by Bank to Customer, in any form or format, is the sole and exclusive property of Customer and copies thereof shall be provided to Customer at Customer's request from time to time and at any time ("Customer-owned Data"). Once Customer-owned Data is delivered by Bank to Customer, retrieved by Customer from Bank, or otherwise created as a by-product of a transaction between Customer and Bank and retained by Customer, such Customer-owned Data is solely within Customer's possession and control.
- (c) Response to Data Security Breach Incidents. As stated in Section 6 above, Customer has the sole responsibility for security and protection of Customer-owned Data. In the event of any security breach incident involving any potential or actual unauthorized access or acquisition of Customer-owned Data (e.g. computer hacking, virus attack, or theft or loss of any equipment containing Customer-owned Data), it is Customer's sole responsibility to determine whether Customer has the obligation, under applicable law, to notify potentially affected individuals whose sensitive PII may have been compromised by



the security breach incident. Customer must conduct, at its sole cost and expense, any audit and forensic investigation of such security breach incident. Customer bears the sole responsibility for any and all costs of complying with required data breach notifications to individuals, credit bureaus and/or governmental entities as required by applicable law, and any and all costs for credit report monitoring or fraud monitoring associated with such security breach incident.

- (d) Responsibility for Loss. If, despite Customer efforts, Customer suffers any damage or loss as a result of any unauthorized access or data security breach (e.g. computer hacking, virus attack, or theft or loss of equipment or other information containing Customer-owned Data), and regardless of whether such unauthorized access or breach results from the activities of Customer's employees, agents, subcontractors, or any unaffiliated third party, any such loss or damage shall be the sole responsibility of Customer.

**22. Representations and Warranties by Customer.** For purposes of this Section 22 and the Agreement, the following definitions apply:

"Affiliate" means a person who controls, is controlled by, or is under common control with another person.

"Organization" includes, but is not limited to, a corporation, limited or general partnership, limited liability partnership or limited liability limited partnership, limited liability company, business trust, real estate investment trust, cooperative, association, or other organization, regardless of whether the organization is for-profit, nonprofit, domestic or foreign.

"Parent" means an organization that, directly or indirectly through or with one or more of its subsidiaries: (i) owns at least 50 percent of the outstanding ownership or membership interests of another organization; or (ii) possesses at least 50 percent of the voting power of the owners or members of another organization.

"Person" includes a corporation, organization, government or governmental subdivision or agency, business trust, estate, trust partnership, association and any other legal entity.

"Related Entity" means either (i) a Parent, (ii) a Subsidiary, or (iii) an Affiliate of Customer.

"Subsidiary" means an organization for which another organization, either directly or indirectly through or with one or more of its other subsidiaries: (i) owns at least 50 percent of the outstanding ownership or membership interests of the organization; or (ii) possesses at least 50 percent of the voting power of the owners or members of the organization.

Customer represents, warrants and agrees that (i) the execution, delivery and performance by Customer under the Agreement are within Customer's powers, have been duly authorized by all necessary action and do not contravene Customer's governing documents (if any) or any law or contractual restrictions; (ii) no authorization, approval or other act, and no notice to or filing with any governmental authority or regulatory body is required for the execution, delivery and performance by Customer of the Agreement; (iii) the Agreement constitutes the legal, valid and binding obligation of Customer and that the Agreement is enforceable against Customer in accordance with the terms of the Agreement; (iv) no information furnished by Customer to Bank in connection with the Agreement is inaccurate in any material respect, contains any material misstatement of fact, or omits any fact necessary to make such statements not misleading, as of the date it is dated, or if not dated, the date it is given to Bank; and (v) Customer has not been induced to enter into the Agreement by any representations or statements, oral or written that have not been expressly incorporated herein by reference. Customer agrees to deliver to Bank, upon execution of the Agreement and at any time upon Bank's request, a certified copy of a duly adopted resolution, unanimous consent or other similar corporate document or official record authorizing the execution of the Authorization and Agreement and the granting of authority to the person(s) identified therein.

In addition, in the event that Customer desires to obtain any Services under this Agreement for any of Customer's Related Entities, as Customer shall list such Related Entities in any addendum, exhibit or schedule used in connection with this Agreement, Customer makes the following additional representations and warranties to Bank each time that Customer lists a Related Entity that is authorized to obtain Services under this Agreement: (vi) if Customer is a Parent of any Subsidiary Related Entity listed, that Customer is authorized under applicable governing documents to exercise both the voting power and equity of the Related Entity, and that no third party holds any veto power or approval right over (a) Customer's ability to appoint a majority of the directors, managers or other members of the Related Entity's governing body, (b) Customer's ability to determine the Related Entity's strategy and direction, or (c) Customer's ability to bind the Related Entity to this Agreement; (vii) if Customer is a Subsidiary of any Parent Related Entity listed, that Customer has been duly authorized by the Parent to enter into this Agreement, to bind the Parent to this Agreement and to take all necessary actions to obtain Services under this Agreement, and that no third party holds any veto power or approval right over Customer's ability to fulfill Customer's obligations under this Agreement; (viii) if Customer is an Affiliate of any Affiliate Related Entity listed, that Customer is duly authorized by its governing documents, or by actions of the Affiliate Related Entity, to enter into this Agreement, to bind the Affiliate Related Entity to this Agreement, and to take all necessary actions to obtain Services under this Agreement, and that no third party holds any veto power or approval right over Customer's ability to fulfill Customer's obligations under this Agreement.

**23. Compliance With Laws.** Bank and Customer each agree to comply with provisions of all applicable federal, state, county, and municipal laws, regulations, and ordinances, and each party shall be responsible for obtaining any and all authorizations from any applicable governmental authority that may be required for the party to perform hereunder. Customer hereby agrees to: (i) comply the applicable laws of the State of Texas and of the United States, including, but not limited to Bank Secrecy Act, the U.S.A. PATRIOT Act, and sanctions enforced by the U.S. Treasury Department's "Office of Foreign Assets Control" ("OFAC"); (ii) comply with applicable federal and state privacy laws and regulations; and (iii) obtain all information regarding the list of sanctioned individuals periodically issued by OFAC, and refrain from engaging in prohibited transactions with such sanctioned individuals or entities (particularly if Customer is providing third-party ACH processing services to other entities, as permitted in Bank's sole and absolute discretion). Customer agrees that it shall not use any Services, including Digital Deposits, in any manner that is designed or has the effect of violating or evading any laws with regards to currency controls, money laundering, banking secrecy, or unlawful Internet gambling (including, but not limited to, any "restricted transactions" as defined under the Unlawful Internet Gambling Enforcement Act).

**24. Limitations of Liability.**

- (a) Generally. To the extent permitted by law, and except for the remedies provided expressly herein for breach of the Agreement, Customer agrees that Bank will have no liability whatsoever for any loss, damage, or claim (collectively, a "Claim") arising out of the performance of or non-performance of any Service in accordance with the terms of the Agreement, **EVEN IF SUCH CLAIM ARISES, IN WHOLE OR IN PART, FROM BANK'S NEGLIGENCE,** but excluding any claim arising from Bank's gross negligence or willful misconduct. Bank's duties and responsibilities to Customer are strictly limited to those described in the Agreement, except with respect to any provisions of the law which cannot be varied or waived by agreement. **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BANK WILL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES (INCLUDING WITHOUT LIMITATION, LOSS OF REVENUE OR ANTICIPATED PROFITS) OR FOR ANY INDIRECT LOSS THAT CUSTOMER MAY INCUR OR SUFFER IN CONNECTION WITH THE SERVICES PROVIDED HEREUNDER (EVEN IF BANK HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES), INCLUDING WITHOUT LIMITATION, ATTORNEYS' FEES.** Any third party service provider used by Bank is an independent contractor and not Bank's agent. **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BANK AND ITS AFFILIATES AND SUPPLIERS MAKE NO WARRANTIES OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, ABOUT ANY OF THE SERVICES, ANY PROCESSING EQUIPMENT OR ANY PROCESSING SOFTWARE DESCRIBED IN THIS AGREEMENT, AND HEREBY DISCLAIM ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NON-INFRINGEMENT.** To the fullest extent permitted by applicable law, and without limiting the generality of the foregoing, Bank shall not be liable at any time to Customer or any other person or entity for loss, charge, fee, penalty, expense or other damage resulting from any failure or delay of the performance of Bank's responsibilities under the Agreement which is caused or occasioned by any act or thing beyond Bank's reasonable control, including, without limitation, legal restraint, interruption of transmission or communication facilities, equipment failure, electrical or computer failure, war, emergency conditions, acts of God, fire, storm, or other catastrophe, or inability to obtain or delay in obtaining wire services, Internet access, electronic transfers, or electronic file exchange, or refusal or delay by a service provider or another bank or financial institution. In addition, Bank shall be excused from any failure or delay in executing a transaction hereunder, if such execution would result in the violation of any applicable state or federal law, rule, regulation or guideline. To the fullest extent permitted by applicable law, Customer agrees that Bank shall not have any liability whatsoever for any loss caused by the act, error, or omission of Customer or any other person, including, without limitation, any service provider, any Internet access service provider, any federal reserve bank or transmission or communications facility or any intermediary or receiving financial institution, and no such person shall be deemed Bank's agent. Customer understands and agrees that the fees charged for the performance of the Service(s) have been established in contemplation of these limitations on liability.
- (b) Statute of Limitations. Customer agrees that any Claim, action, suit or proceeding against Bank for damages resulting in any respect from its acts or omissions in its performance of the Service(s) hereunder must be brought within two (2) years from the date of Bank's alleged act or omission.
- (c) Notification in the Event of Claim. Customer agrees to immediately notify Bank of any Claim by Customer, or any Claim that is made to Customer by a third party, where an act or omission by Bank in connection with any Service is alleged to have caused Customer or such third party to sustain any damages.
- (d) Other Limitations. Customer agrees that any Deposit Account(s) it may have at Bank may be subject to additional liability limitations that are described in the Deposit Account Agreement for any such account(s).
- (e) Reporting of Errors. Customer acknowledges that it is not possible for Services provided by Bank hereunder to be free

of operator, program or equipment error, and those errors in processing and compiling account data may occasionally occur, requiring adjustments. As such, Customer agrees to review and verify all results and to maintain adequate controls for insuring both the accuracy of data transmissions and the detection of errors. Unless otherwise required by law, Bank's sole responsibility for reporting errors caused by it will be to reprocess information and reports for the applicable period in question and to submit corrected reports at its own expense to Customer.

**25. Indemnification.** TO THE EXTENT PERMITTED BY LAW, CUSTOMER AGREES TO INDEMNIFY, DEFEND, RELEASE AND HOLD HARMLESS BANK AND ITS AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS, INDIVIDUALLY AND COLLECTIVELY, FROM AND AGAINST ANY DAMAGE, LOSS, OR LIABILITY, INCLUDING WITHOUT LIMITATION FINES, PENALTIES, REASONABLE ATTORNEYS' FEES AND COURT COSTS (COLLECTIVELY, A "LOSS") WHICH RESULT, DIRECTLY OR INDIRECTLY, FROM BANK'S PROVIDING SERVICES TO CUSTOMER HEREUNDER, EVEN IF SUCH LOSS ARISES, IN WHOLE OR IN PART, FROM BANK'S NEGLIGENCE, BUT EXCLUDING ANY LOSS ARISING FROM BANK'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, UNLESS OTHERWISE EXPRESSLY PROVIDED IN THE AGREEMENT OR THE APPLICABLE DEPOSIT ACCOUNT AGREEMENT.

**26. Specific Performance.** Customer agrees that money damages may not be sufficient remedy for any breach of the Agreement and that Bank shall be entitled to specific performance in addition to any other remedies, at law or in equity, as a remedy for any breach.

**27. Termination.**

- (a) By Bank With Cause. Bank may, in its sole discretion, terminate the Agreement in its entirety or with respect to one or more specified Service(s) effective immediately if: (i) Customer fails to maintain adequate collected and available balances to cover all transactions, costs and expenses relating to one or more Service(s); (ii) there is an occurrence of a material change in Customer's credit and/or risk analysis criteria as determined by Bank in its sole and absolute discretion; (iii) Bank at any time determines that Customer or Customer's third party vendor does not meet Bank's risk or other qualification requirements; (iv) there is an occurrence of a material change in Customer's credit and/or risk analysis criteria as determined by Bank in its sole and absolute discretion, and Customer refuses to execute Bank's "Treasury Management Services Guaranty" upon request of Bank; (v) Bank discovers any willful misconduct (including but not limited to writing or knowingly passing bad checks, or types of fraudulent activity) on the part of Customer or any other party with respect to electronic images submitted by Customer if Customer utilizes Bank's Digital Deposits or originated electronic entries if Customer utilizes Bank's ACH Services; (vi) Customer is in default of any terms of a Service specific provisions of this Agreement where such default gives Bank the right to terminate, immediately or otherwise, the Agreement or a specific Service; (vii) Customer has selected a particular Service, but Customer has not used such Service for a period of time deemed to constitute an inactive Service by Bank (in Bank's sole discretion); (viii) Customer is in default of any terms of the Agreement or any other agreement with Bank; or (ix) Customer is in violation, in the opinion of Bank, of any applicable federal or state law, including the provisions of the Unlawful Internet Gambling Enforcement Act. In any of these events, Bank's sole obligation shall be to provide notice of its termination of the Agreement to Customer as soon as is commercially reasonable.
- (b) By Either Party for Any Reason. Either party may terminate the Agreement, with or without cause, in its entirety or with respect to one or more specified Service(s) at any time, upon thirty (30) days written notice to the other of its intent to do so.
- (c) Rights and Responsibilities Upon Termination. In the event of termination of the Agreement or any Service hereunder, the rights and responsibilities of the parties shall continue through any applicable settlement period including Customer's responsibility to pay Bank for Service(s), and to maintain a Reserve Account as otherwise stated in this Agreement, with respect to transactions processed prior to the effective date of termination. If this Agreement, or any Service, is terminated by Bank, Bank may accelerate all amounts due and to become due under this Agreement, and Customer shall promptly make full payment to Bank of all amounts due and amounts incurred under this Agreement. If Customer utilizes Digital Deposits, termination of this Agreement for any reason shall automatically terminate the limited license to the Processing Software granted in the Digital Deposits Section, and Bank has the right to demand immediate return of the Processing Software, the Processing Equipment and all Documentation (as those terms are defined in the Digital Deposits Section). In the event that Customer fails to immediately return such items upon the written demand of Bank, Bank shall have the authority to enter the premises of Customer to remove such items.

**28. Governing Law; Dispute Resolution; Arbitration; Statute of Limitations.** Customer and Bank agree that any controversy or Claim between Customer and Bank, or between Customer and any of the officers, employees, agents, or affiliated companies of Bank, arising out of or relating to the Agreement, or any of the transactions contemplated under the Agreement, or any of the Services provided pursuant to the Agreement, or any of the discussions or negotiations leading up to the making of the Agreement, or any relationship that results from any of the foregoing, whether based in contract, or an alleged tort, or on any other

legal theory, and whether asserted as an original or amended claim, counterclaim, cross claim, or otherwise, shall be governed by federal law and all applicable substantive laws of the State of Texas (without regard to its conflict of laws principles). Bank is located in Texas and that is where Customer opens Customer account(s). In addition, Bank is subject to certain federal and state regulations, Federal Reserve Bank Rules and Operating Circulars, national and local clearing house rules, and general commercial bank practices applicable to accounts such as those held by Customer and Services such as those offered hereunder. Customer agrees that if there is any inconsistency between the terms of this Agreement and any applicable law, regulation or rule, the terms of this Agreement will prevail to the extent any such law, regulation or rule may be modified by agreement.

All disputes arising from or related to your Account or this Agreement shall be governed by the substantive laws of the State of Texas (without regard to its conflict of laws principles). Frost Bank is located in San Antonio, Texas and that is where your Account was opened and is maintained. Governing Texas law may be supplemented as necessary by federal law.

**THIS AGREEMENT PROVIDES FOR THE BINDING ARBITRATION OF ALL DISPUTES THAT CANNOT BE RESOLVED BY NEGOTIATION OR MEDIATION. THIS MEANS ALL DISPUTES ARISING OUT OF, OR RELATED IN ANY WAY TO YOUR ACCOUNT OR THIS AGREEMENT, REGARDLESS OF ANY PRIOR AGREEMENT, DISCUSSION OR UNDERSTANDING, SHALL BE RESOLVED BY BINDING ARBITRATION, AND NOT THROUGH LITIGATION OF ANY KIND, IN ANY COURT, BY ANY JUDGE, BY ANY JURY OR OTHER TRIBUNAL (EXCEPT FOR MATTERS IN SMALL CLAIMS COURT). THIS AGREEMENT TO ARBITRATE ANY AND ALL DISPUTES IS ENTERED INTO PURSUANT TO THE TEXAS CIVIL PRACTICE AND REMEDIES CODE, CHAPTER 171, "THE TEXAS GENERAL ARBITRATION ACT", AND AS NECESSARY, PURSUANT TO THE FEDERAL ARBITRATION ACT 9 USC, §§1-16.**

Prior to binding arbitration described in this Agreement, you and Bank shall first attempt to resolve any dispute arising out of your Account or this Agreement through negotiation. Such negotiation may include an "in person" meeting between you and Bank at a mutually agreed time and place, and an exchange of documents pertaining to the dispute. Such negotiation shall be conducted in good faith, and confidential customer information disclosed or discussed in the course of the negotiation shall remain confidential as provided by law. If you decline to negotiate, you will be deemed to have waived your right to negotiate or mediate and your only remedy is binding arbitration. All costs and expenses associated with the negotiation of the dispute shall be paid by the party incurring such cost or expense.

If you and Bank are unable to resolve the dispute through negotiation, then you and Bank agree to submit the dispute to mediation. Either you or Bank may request mediation upon written notice to the other party. Such mediation will be scheduled to take place within thirty (30) calendar days after the notice is given. You may designate the mediator. The person you select must: (i) have ten (10) years or more of practical working experience in the commercial banking industry, (ii) be an attorney licensed by the state of Texas, in good standing with the Texas State Bar, with substantial experience in the trial or resolution of commercial disputes, or (iii) be a member in good standing of the Texas Academy of Distinguished Neutrals. Bank shall make no objection to the mediator except for good cause shown. If you fail to designate a mediator, or fail to participate in the mediation, you will be deemed to have waived your right to mediate and your only remedy is binding arbitration.

The mediation shall occur in the county seat of the Texas county of your permanent residence or company headquarters, or if your permanent residence or company headquarters is outside of the state of Texas or the U.S., then in San Antonio, Texas. All costs, expenses, and fees with regard to any mediation, except for each party's attorneys' fees, shall be divided equally between you and Bank, and you and Bank shall each be solely responsible for payment of your share of such costs, expenses and fees.

If the mediation is not successful, either you or Bank may file a claim in arbitration. Any request for arbitration must be by written request delivered to the other party by certified mail. The arbitration will be administered by the American Arbitration Association ("AAA") or like organization in accordance with the rules for resolution of commercial disputes and the Texas Arbitration Act.

For claims in excess of \$100,000 the matter will be decided by a panel of three arbitrators, one of whom shall be appointed by you and one by Bank. The third arbitrator shall be selected by mutual agreement of the parties. If you and Bank are unable to agree upon the appointment of the third arbitrator, your designated arbitrator and Bank's designated arbitrator shall jointly select an arbitrator who shall act as the third arbitrator on the panel of three. If the arbitrators cannot agree on the appointment of the third member, the AAA or like organization shall appoint the third member subject only to a disqualification for cause. Any person appointed or selected by you and Bank to serve as an arbitrator must: (i) have ten (10) years or more practical working experience in the commercial banking industry, (ii) be an attorney licensed by the state of Texas, in good standing with the Texas State Bar, with substantial experience in the trial or resolution of commercial disputes, or (iii) be a member in good standing of the Texas Academy of Distinguished Neutrals. If the third arbitrator is jointly selected by your and Bank's designees or by the AAA or like organization, that third arbitrator shall have these same industry or legal experience or credentials described above.

Arbitration shall occur in the county seat of the Texas county of your permanent residence or company headquarters, or if your permanent residence or company headquarters is outside the State of Texas or the U.S., then in San Antonio, Texas. It is anticipated that the arbitration will take place within ninety (90) calendar days after notice is given. Also, you and Bank agree that the arbitrator(s) do not have authority to render a decision which contains reversible error of Texas or federal law, or to recognize a cause of action or remedy not expressly provided for under existing Texas or federal law. Where there is any conflict of law regarding an appeal of any decision of the arbitrators, you and Bank agree that Texas law shall control. The arbitrators shall have no authority to award punitive damages or any other relief not measured by the prevailing party's actual damages (e.g., two times actual damages). The arbitrators shall in no event, have any power or authority to consolidate claims asserted by different claimants or counter-claimants, adjudicate any claims presented to them on a class wide basis, treat any claimant or counter-claimant as a representative of a class of claimants or counter-claimants, or award any relief on a class-wide basis.

The arbitrator(s) shall express their decision in a written award supported by findings made by the arbitrator(s) and signed by all. Judgment may be entered upon any award in any court having jurisdiction. You and Bank agree that the fact of the arbitration, all submissions to and proceeding before the arbitrators, and the written decision and findings of the arbitrators shall remain confidential between you and Bank unless necessary to appeal to a secure judicial review or confirmation, or as required by law.

The only exception to the negotiation, mediation or arbitration of disputes is that you have the right to pursue a claim in a small claims court instead of arbitration if the claim is within that court's jurisdiction and proceeds on an individual basis. This agreement to arbitrate will apply without limitation, regardless of whether (i) your account is closed; (ii) you pay us in full any outstanding debt you owe; or (iii) you file for bankruptcy.

The agreement to arbitrate applies whenever there is a dispute between you and Frost Bank and if a third party is also involved in the dispute, then the dispute will be decided with respect to the third party in arbitration as well. The third party must be named as a party in accordance with the rules of procedure governing the arbitration. No award or relief will be granted by the arbitrator except on behalf of, or against, a named party.

For purposes of arbitration, "You" includes any person who is listed on your account, and "Bank" includes Frost Bank, all its affiliates, and all third parties who are regarded as agents or representatives of ours. The arbitration may not be consolidated with any other arbitration proceeding.

As is referenced above, the AAA or like organization will be the arbitration administrator. That organization will apply its procedures in effect at the time the arbitration claim is filed. This Agreement will control any conflicts between its procedures and this Agreement. In the event that the AAA or like organization is unable to administer the dispute for any reason, then any dispute less than \$100,000 shall be arbitrated instead by a neutral arbitrator selected by agreement of the parties from the current membership roster of the "Texas Academy of Distinguished Neutrals" or, if the parties cannot agree, selected by the Academy's current Texas President from the current membership, Texas roster. Disputes in excess of \$100,000 where the AAA or like organization cannot serve shall be decided by a panel of three arbitrators selected in the manner and credentialed in the way described above. If the parties and the arbitrators cannot agree on the third arbitrator, the third arbitrator shall be designated by the President of the Texas Academy from the current roster of "Distinguished Neutrals" resident in Texas.

The arbitrator(s) will decide the dispute in accordance with applicable Texas law, including recognized principles of equity and statutes of limitations, conditions precedent to suit, and will honor all claims of privilege recognized by law. The arbitrator(s) will have the power to award to a party any damages or other relief provided for under applicable law. For disputes less than \$100,000 a single arbitrator will conduct the arbitration and will use substantive Texas law, and the applicable statutes of limitations or conditions precedent to suit, and will honor claims of privilege recognized at law. The arbitrator can award damages or other relief provided for by law to you or Frost, but not to anyone else. The arbitrator's authority is limited to the dispute between you and Frost. Disputes in excess of \$100,000 are subject to this same limitation.

The arbitrator(s)' decision, rendered in a reasoned opinion, will be final and binding on the parties. A party can file a written appeal to the arbitration administrator or request a new arbitration within thirty (30) days of issuance of the award. The appeal must request a new arbitration based on good faith objection to the reasoned opinion of the arbitrator(s) and shall be heard by three neutral arbitrators designated by the AAA or like organization. The panel will reconsider all factual and legal issues, following the same rules of procedure, and based on majority vote, determine whether any reversible error has occurred. Any final arbitration award, rendered in a reasoned opinion, will be binding on the named parties and enforceable by any court having jurisdiction.

Frost will pay any costs that are required to be paid by Frost under the arbitration administrator's rules of procedure. Even if not otherwise required, Frost will reimburse you up to \$500 for any initial arbitration filing fees you have paid. We will also pay any fees of the arbitrator and arbitration administrator for the first day of any hearing. If you win the arbitration, we will reimburse you for any fees you paid to the arbitration administrator and/or arbitrator. All other fees will be allocated according to the arbitration

administrator's rules and applicable law. If you believe that you are unable to afford any fees that would be yours to pay, you may request that we pay or reimburse them, and we will consider your request in good faith on a case by case basis.

Rules and forms may be obtained from, and Claims may be filed with the AAA or like organization at their respective offices on their web pages. Arbitration hearings will take place in the county seat of the Texas county of your permanent residence or company headquarters at the time the Claim is filed. If your permanent residence or company headquarters is outside the State of Texas or the U.S., the arbitration proceeding shall be conducted in San Antonio, Texas.

**This provision limits your rights to a jury trial. You should review this provision carefully.** If (i) neither you nor we seek to compel arbitration of any dispute we have related to this Agreement, the Services, or any transactions involving the Services, or (ii) some or all of these arbitration provisions are unenforceable and we are in a dispute in a court of law, then each of us agrees to waive any right we may have to a jury trial to the extent allowable under Texas law.

You agree that, unless a different period is set forth herein, any claim, action, suit or proceeding against Frost for damages resulting in any respect from its acts or omissions in its performance under this Agreement must be brought within two (2) years from the date of Frost's alleged act or omission.

**29. Assignment.** Customer may not assign all or any part of its rights or obligations under the Agreement without Bank's prior express written consent, which may be withheld in Bank's sole discretion. No assignment will be valid or binding on Bank, and Bank will not be considered to have "knowledge" of it, until Bank consents and the assignment is noted in Bank's records. By noting the assignment, Bank does not, however, have any responsibility to assure that the assignment is valid. Bank may assign or delegate all or any part of its rights or obligations under the Agreement, including, without limitation, the performance of the Services described herein. The Agreement will be binding on and inure to the benefit of the successors and permitted assigns of either party.

**30. No Third Party Beneficiaries.** The Agreement is for the benefit of Customer and Bank and is not intended to grant, and shall not be construed as granting, any rights to or otherwise benefiting any other person, except as expressly otherwise provided for in the Agreement.

**31. Other Agreements; Severability; Construction.** If any provision of the Agreement or of any writing used in connection with the Agreement is unlawful or unenforceable, each such provision or writing will be without force and effect without thereby affecting any other provision hereof. No waiver of the provisions herein shall be effective unless in writing and signed by the party to be charged with such waiver. No waiver shall be deemed a continuing waiver unless expressly so stated in writing. The headings in the Agreement are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in the Agreement should be construed so the singular includes the plural and the plural includes the singular. Any provision that by its terms or operation is designed to survive termination, expiration or cancellation of this Service shall so survive.

## SERVICE SPECIFIC PROVISIONS

### Account Reconciliation

#### I. The Service.

- (a) Generally. Bank agrees to provide "Account Reconciliation Services" to Customer on selected Customer Deposit Account(s), as identified to Bank.
- (b) Full Reconciliation. For applicable Deposit Accounts identified whereby Customer has requested Bank reconcile accounts, Customer agrees to deliver or transmit the serial number, amount and status of each check by Deposit Account number to Bank in a format agreed to by Bank and Customer.
- (c) Partial Reconciliation. For applicable Deposit Accounts identified whereby Customer has requested data from Bank for reconciliation purposes, Bank agrees to deliver or transmit the serial number, amount, paid date and status of each item or check by Deposit Account number to Customer in a format agreed to by Bank and Customer.
- (d) Site Reconciliation. For applicable Deposit Accounts identified whereby Customer has requested data from Bank for reconciliation purposes, Bank agrees to deliver a report that lists deposits made by location number.

**2. Data Transmission.** Entries shall be delivered to Bank no later than 6:00 p.m. Central Time on the last day of the statement cycle (the "Cutoff Time"). Entries delivered to Bank shall be prepared and submitted in compliance with the formatting as provided. Files shall be deemed delivered to Bank when the applicable Security Procedures provided for with respect to such transmittal as set forth herein have been complied with and the electronic data transmission to Bank is completed in accordance with the Agreement.

### 3. Reports.

- (a) **Full Reconciliation.** Reports provided by Bank include: (i) data by day (issue date, paid date, amount, serial number); (ii) statement report; (iii) outstanding issue report; (iv) stale item report; (v) float analysis report; (vi) stops, voids and cancel report; and (vii) exception report. Only the statement report is balanced. Bank reports/transmissions will be delivered to Customer within five (5) Business Days after the statement cycle, in accordance with the Agreement.
- (b) **Partial and Deposit Reconciliation.** Reports include (i) data by day and (ii) statement report. Only the statement report is balanced. Bank reports and/or transmissions will be delivered within five (5) Business Days after the statement cycle, in accordance with the Agreement.

### 4. Security Procedures.

Customer and Bank shall comply with the following “Security Procedures” with regard to the delivery/transmittal by Customer to Bank:

- (a) **Transmittal Registers.** With respect to each File, Customer shall provide in writing to Bank a “Transmittal Register” which shall contain: (i) Customer’s name; (ii) the total number of items transmitted; and (iii) the corresponding total dollar amount of such items; and
- (b) **Transmittal Procedures.** The following procedures shall be followed in transmitting to Bank: (i) on the date that the data is transmitted, Customer (or an agent of Customer) shall send to Bank the Transmittal Register. In the event Customer has a third party processor (“Processor”), a transmittal letter from the Processor is sufficient if it contains the number of items and amount for the entire transmission. (ii) The total number of issued items in the file, and the total dollar amount of issued items in the file, as included in the data transmission, must match the information shown in the Transmittal Register. (iii) The total number of any voided items in the file, and the total dollar amount of voided items in the file, as included in the data transmission, must match the information shown in the Transmittal Register. (iv) The data will be deemed delivered to Bank when all steps as described in this Section have been complied with and the transmission is completed.
- (c) **Voiding an Item.** Voiding an item through Account Reconciliation Services does not place a stop payment on the item. To also place a stop payment on an item, Customer must follow the procedures set forth in Section 4(d), below.
- (d) **Stop Payments.** Subject to certain limitations, any Account Holder or Account Holder’s agent may order us to stop payment on any check or other item payable for your Account, whether drawn by you or any other Account Holder. The stop payment request will be effective if we receive the order at such time and in such manner as to afford us a reasonable opportunity to act upon the order. For purposes of determining whether we have a reasonable opportunity to act upon a stop payment order, a check or other item drawn on your Account is deemed received by us when it is presented to us for payment, by electronic or other means, or at an earlier time based on notification received by us that the check or other item has been deposited for collection in another financial institution. We will require you to provide the date, the exact amount, and the number of the item, together with the name of the payee. If you give us incorrect information, we will not be liable for failing to stop payment on the item. Stop payment orders that are not submitted in Cash Manager are effective for six (6) months and will automatically expire at the end of six (6) months from the date of the stop payment order, unless renewed in writing. Stop payment orders that are submitted in Cash Manager are effective for twelve (12) months and will automatically expire at the end of twelve (12) months from the date of the stop payment order, unless renewed in writing. Our acceptance of a stop payment order will not constitute a representation that the item has not already been paid or that we have a reasonable opportunity to act upon the order. You may not stop payment on an official, certified, cashier’s, or teller’s check issued by us, or request us to stop payment if we have otherwise become accountable for the items, except as set forth in the Preauthorized Payments section of your Deposit Account Agreement. In addition, you may not stop payment on checks governed by separate agreement, such as a check guaranty agreement. Further, you may generally not stop payment on an item after acceptance of the item by us, except as set forth in the Preauthorized Payments section of your Deposit Account Agreement and except as specifically allowed under NACHA Rules with regard to ACH transactions. We may charge you a fee for each stop payment order.

## ACH SERVICES

### I. The Service.

Bank participates in the ACH Network, which is a batch processing, store-and-forward system. Transactions received by Bank during the day are stored and processed later in a batch mode.

- (a) **The ACH Network.** The ACH Network consists of: (i) Originators who initiate the transaction (the “Entry”); (ii) Originating Depository Financial Institutions (the “ODFI”) that receive payment instructions from Originators and forward them to the ACH Operator; (iii) the ACH Operator (normally the Federal Reserve Bank) which is a central clearing facility that receives

and forwards transactions to Financial Institutions; (iv) Receiving Depository Financial Institutions (the “RDFI”) that post the transactions to the accounts of their depositors; and (v) Receivers of transactions which are companies or persons who have authorized the Entry to their account.

- (b) Rules. Uniform Commercial Code; Rules. Uniform Commercial Code Article 4A (“Electronic Funds Transfers”) states, as adopted in Texas (as Section 4A.501 of the Texas Business and Commerce Code), that the rights and obligations of a party to a funds transfer may be varied by agreement of the affected party. Under this general exception in the Uniform Commercial Code, the operation of the ACH Network is governed by NACHA’s Operating Rules and Operating Guidelines (the “NACHA Rules”). Customer acknowledges receipt of a copy of the current NACHA Rules. Customer hereby agrees to comply with all NACHA Rules (including, but not limited to, ACH rules) as now existing or subsequently amended. Customer hereby understands and agrees that Bank is only able to provide ACH Services to Customer via Bank’s role as both an ODFI and RDFI, as applicable, under the NACHA Rules, that Bank must comply with all of the NACHA Rules in order to provide ACH Services, and that Bank’s compliance with the NACHA Rules includes, but is not limited to, immediately suspending or ceasing any ACH Services provided to Customer if Bank must, in Bank’s sole and absolute discretion, take such action against Customer to comply with NACHA Rules and to avoid or mitigate any fines or penalties being assessed against Bank by NACHA for Customer’s ACH activities. In addition to the other rights that Bank has under this Agreement, Customer understands and acknowledges that Bank has the right to audit Customer with respect to Customer’s compliance with the ACH Service Specific Provisions of this Agreement and with respect to Customer’s compliance with NACHA Rules. Customer must use the appropriate SEC code for each Entry that Customer originates, and Customer must comply with all NACHA Rules (including, but not limited to, authorization rules) regarding the appropriate SEC code used to originate an Entry.
- (c) Origination. Bank, as an ODFI, agrees to provide ACH origination services (the “ACH Services”) to allow Customer to be an Originator of ACH Entries pursuant to the terms of the Agreement and this ACH Services section.
- (d) Software and EDI Files. Bank offers an online computer application through Bank’s Internet Banking Service (Cash Manager) to assist Customer in creating transaction data in the proper format. Customer may use this application for formatting data or may use other data formatting software so long as such other software conforms to the NACHA Rules requirements for formatting. In order to receive Electronic Data Interchange (“EDI”) data a Customer may access EDI files using Bank’s FTP site in NACHA format, or Customer can choose to receive a translated copy through Bank’s Internet Banking Services.

## **2. ACH Services Approval and Underwriting Process.**

- (a) Bank Approval and Monitoring of Customer’s ACH Operations Risk. Customer agrees and acknowledges Bank shall provide ACH Services to Customer subject to Bank’s prior approval. To obtain approval from Bank, Customer is required to undergo Bank’s screening and risk analysis process regarding Customer’s proposed ACH operations. In addition, after any initial approval for ACH Services by Bank, Bank shall also, from time-to-time and in its sole discretion (including the occurrence of certain events described in subsection (c) below), undertake additional ACH operations credit and risk analysis monitoring activities that are deemed necessary, in Bank’s sole and absolute discretion, while Bank is providing ACH Services to an approved Customer. Customer agrees to cooperate with Bank regarding any ongoing risk analysis activities by Bank, including providing financial or other documents in a timely manner upon Bank’s request, and taking any risk mitigation or other ACH Entry origination procedures as required by Bank.
- (b) ACH Operations Credit and Risk Criteria. Bank’s ACH operations credit and risk analysis shall be based on certain factors deemed relevant by Bank in its sole discretion, including, but not limited to, the following factors: (i) the credit worthiness, financial condition and financial performance of Customer, particularly Customer’s capital adequacy relative to Customer’s ACH activity volume; (ii) the nature, conduct and geographic location of Customer’s business, including whether Customer engages in certain high-risk ACH activities or transaction environments, or whether certain “Standard Entry Class” (“SEC”) codes that Bank either deems to be high-risk or does not allow are present in Customer’s ACH transactions; (iii) the historic level and dollar amounts of Customer’s ACH returns, including any return levels or dollar amounts in excess of generally acceptable ACH return parameters (as determined by Bank in its sole discretion), or a sudden increase in Customer’s ACH return levels; and (iv) whether Customer adheres to all authorization requirements set forth in detail in Section 5 below.
- (c) Material Change in Credit and Risk Analysis Criteria. In the event a Customer approved for ACH Services either fails to maintain the minimum risk analysis criteria as required by Bank, or if, in the opinion of Bank, Customer undergoes a material change in its operations that Bank believes increases the risk of Customer’s ACH operations, then Bank may, in its sole discretion, take any and all of the following actions: require Customer to pre-fund their ACH activities (as defined in Section 3 below); require Customer to establish a Reserve Account (as defined in Subsection (d) below); or suspend or terminate ACH Services to Customer, generally upon ten (10) days prior written notice from Bank, or suspend or terminate imme-



diately upon notice to Customer, if Bank deems such immediate action necessary, in Bank's sole discretion, to comply with NACHA Rules. Events that constitute a material change in a Customer's business operations include, but are not limited to: (i) levels of ACH returns that exceed generally acceptable return levels (as determined by Bank); (ii) a significant or sudden increase in Customer's ACH return levels as compared to Customer's historic ACH return levels; (iii) significant changes in the nature of Customer's business, including its product and services lines or transaction environments; or (iv) the occurrence of any other event that Bank believes represents a material change in Customer's financial performance or financial condition. Upon learning of any such material change, Bank will inform Customer of the issue, and Bank may exercise its right to temporarily suspend Customer's ACH Services in order to investigate the issue. After investigation, Bank may invoke its rights to require Customer to Pre-fund ACH Services or to establish a Reserve Account, or Bank may, in its sole discretion, exercise its right to terminate ACH Services to Customer generally upon ten (10) days prior written notice from Bank, or immediately if Bank deems immediate termination necessary, in Bank's sole discretion, to comply with NACHA Rules.

- (d) **Reserve Account.** Upon written notification by Bank, a Customer shall immediately establish a separate account funded with an amount required to protect Bank against the risks associated with Customer's ACH operations (the "Reserve Account"). Such Reserve Account must be established by the date requested by Bank, and the required Reserve Account amount expressly includes any existing or anticipated Customer-related ACH returns, including all fees, costs, fines and penalties assessed against either Customer or Bank associated with such Customer-related ACH returns. The Reserve Account will not bear interest, and Customer will not have any right or interest in the Reserve Account funds; provided that upon satisfaction of all of Customer's obligations under this Agreement, Bank will pay any funds remaining in the Reserve account no sooner than ninety (90) days after the effective date of termination of Customer's ACH Services pursuant to NACHA Rules and Federal Reserve Board's Regulation E. Effective upon the establishment of any Reserve Account, Customer irrevocably grants Bank a security interest in the Reserve Account and any and all funds in the Account, together with the proceeds thereof. Customer also agrees to execute and deliver to Bank such instruments and documents that Bank may reasonably request to perfect and confirm the security interest and Bank's right of setoff in the Reserve Account. Customer understands and acknowledges that Customer's failure to establish and fund a Reserve Account immediately upon Bank's request shall be grounds for immediate termination of Customer's ACH Services provided by Bank, with such termination in Bank's sole discretion.

**3. Required Prefunding of ACH Credit Entries.** If a Customer does not meet Bank's minimum credit and risk analysis requirements to become fully approved for ACH Services, Bank may choose to offer Customer the option of obtaining ACH Services on a pre-funded basis ("Prefunding"). Bank can also exercise its rights under Section 2 to require a Customer approved for ACH services to begin Prefunding its ACH Services. If Bank exercises its rights to require Prefunding under Section 2 and Customer does not immediately comply with Bank's request, then such non-compliance shall be grounds for immediate termination of Customer's ACH Services provided by Bank, with such termination in Bank's sole discretion. If a Customer is required to use Prefunding for ACH Services, Customer is required to submit the ACH credit Entry file two (2) Business Days in advance of the desired settlement date. If Customer's account has funds that are at least equal to the amount of the ACH credit Entry file, then the ACH credit Entry file will be processed as normal on the desired settlement date. However, if Customer does not have the necessary funds available in their account, then the ACH system will continue to check for funds each time Bank's operations area sends a batch to the ACH operator. If funds become available in Customer's account regarding an ACH credit Entry file that was previously unfunded, then the ACH system will automatically pick up that ACH credit Entry file in the next batch run. If, however, the ACH credit Entry file is unfunded, then Bank's ACH department will notify the appropriate Bank officer or branch manager to inform such individual that the Prefunding Customer is trying to process an ACH credit Entry file without the necessary funds. Bank officer or branch manager will then have the option to contact Customer to fund the Account, or to request Bank to "force" the ACH credit Entry file in question through with appropriate approval from either Bank ACH operations manager or Bank ACH product manager. If neither option is possible, then the ACH credit Entry file will sit on Bank's ACH system in suspense until the intended effective date. If the ACH credit Entry file is still not funded or approved before the intended effective date, it will be deleted from Bank's system.

**4. Delivery of Entries.** Customer shall deliver Entries to Bank's Treasury Management Operations Department. Entries shall be deemed delivered to Bank when the applicable security procedures with respect to submission as set forth herein have been complied with and the submission to Bank is completed in accordance with the Agreement.

- (a) **Effective Date.** Customer shall specify the date on which it desires each batch of Entries to be Settled (the "Effective Entry Date"). The Effective Entry Dates specified for all Entries must be Business Days.
- (b) **Cutoff Times.** Except for Same-Day Entries, debit Entries shall be delivered to Bank no later than 6:00 P.M. one (1) Business Day prior to their Effective Entry Date, and credit Entries no later than 6:00 P.M. two (2) Business Days prior to their Effective Entry Date (in each case, the "Cutoff Time"). The Cutoff Time for Same-Day Entries shall be 12:00 p.m. Central

Time. If Entries are delivered to Bank after the Cutoff Time on a Business Day, Bank may treat such Entries as having been received on the next following Business Day. Entries delivered to Bank shall be prepared and submitted in compliance with the formatting and other requirements as set forth in the NACHA Rules and in accordance with the provisions of the Agreement.

- (c) Sensitive Information. Customer shall not send banking information over an unsecured Internet connection. Communications sent to Bank over the Internet are considered unsecured unless the information is encrypted with at least the equivalent of 128-bit encryption technology or transmitted via a secure session using a commercially reasonable security technology that provides a level of security that is at least equivalent to 128-bit RC4 encryption technology. Banking information is sensitive personal or private information that includes, but is not limited to: banking routing number; account number; Social Security number; and ACH Entries. **CUSTOMER ACKNOWLEDGES AND AGREES THAT ANY REQUESTS SENT VIA E-MAIL OR OTHER ELECTRONIC COMMUNICATION TO BANK THROUGH AN UNSECURED ELECTRONIC NETWORK ARE IN VIOLATION OF BANK AND NACHA POLICY AND PROCEDURES. CUSTOMER UNDERSTANDS AND AGREES THAT BANK IS NOT LIABLE FOR ANY LOSS OR DAMAGE INCURRED BY CUSTOMER WHEN AN UNAUTHORIZED PERSON GAINS ACCESS TO ANY SUCH E-MAIL OR OTHER ELECTRONIC COMMUNICATION. CUSTOMER AGREES TO INDEMNIFY AND HOLD BANK HARMLESS IF BANK ACTS WITH ORDINARY CARE IN GOOD FAITH BY RESPONDING TO ANY E-MAIL OR OTHER ELECTRONIC COMMUNICATION PURPORTED TO BE SENT BY CUSTOMER. BANK'S IMPLEMENTATION OF ITS NORMAL PROCEDURES REGARDING RECEIPT AND MAINTENANCE OF CONFIDENTIAL INFORMATION CONSTITUTES ITS EXERCISE OF DUE CARE.**

**5. Authorization of Entries.** Customer shall:

- (a) Authorization. Obtain authorization from the "Receiver" of any Entry (e.g., Customer's employee or customer or other person whose account is to be debited/credited for the Entry) through either a written authorization agreement, as required by the NACHA Rules or by any other method of authorization allowed under and in accordance with the NACHA Rules, before initiating any Entry to the Receiver's account; such authorization agreement must authorize Customer to initiate Entries to the Receiver's account and to initiate, if necessary, entries and adjustments for any Entries made in error to the Receiver's account. Customer shall comply with all provisions of the federal Electronic Funds Transfer Act ("EFTA"), including the requirements of Regulation E promulgated by the U.S. Federal Reserve Board in accordance with EFTA, if applicable, and the provisions of the Texas Uniform Commercial Code Section 4A, if applicable. Furthermore, Customer shall perform its obligations in accordance with all other applicable laws and regulations, including but not limited to the foregoing with respect to obtaining and documenting authorization from the Receiver of any Entry. Customer understands, acknowledges and agrees that ACH Entries to a Receiver's account where the individual name does not match the account information will be posted based on the account information provided in the ACH transaction, not based on the name, individual identification or other information provided in the ACH Entry. It is the sole responsibility of Customer to verify that the individual signing the ACH authorization is in fact entitled to use the specified account. Customer may obtain and store the authorization by electronic methods as long as: (i) the electronic record accurately reflects the information in the document; (ii) the electronic authorization is similarly authenticated (e.g. through the use of a digital signature, PIN, password, shared secret, etc.); and (iii) the electronic record is capable of being accurately reproduced for future reference, whether by transmission, printing or other reproduction;
- (b) Retention of Authorization. Retain each such authorization agreement for so long as the same remains in effect and for a period of two (2) years after the termination or revocation of such authorization agreement;
- (c) Notice. Notwithstanding anything to the contrary contained in the NACHA Rules, provide positive notice to each Receiver that a pre-authorized Entry has been initiated or a correcting Entry has been made;
- (d) Proof of Authorization. Upon request from Bank or any RDFI, provide Bank or such RDFI with a copy of such Receiver Entry written authorization agreement, or documentation of such authorization, in accordance with the NACHA Rules;
- (e) Re-presented Check Entries. With respect to any Entry that is a Re-presented Check Entry ("RCK") for an item drawn on a consumer account, Customer represents and warrants to Bank, to the extent not already represented and warranted herein: (i) Customer has good title to the item; (ii) all signatures on the item are authentic and authorized; (iii) the item has not been altered; (iv) the item is not subject to a defense or claim; (v) Customer has no knowledge of any insolvency of the maker of the item; (vi) any restrictive endorsement placed on the item is void or ineffective; (vii) Customer will provide Bank a front and back copy of the item within six (6) Business Days upon written request from Bank; and (viii) that Customer complies with all additional restrictions and requirements in Section 13(c) with respect to RCK Entries;

- (f) Internet-Initiated (WEB) Entries. With respect to any Entry to a consumer account pursuant to an authorization obtained from the Receiver via the Internet (“Internet-Initiated Entry” or “WEB”), Customer represents and warrants to Bank, to the extent not already represented and warranted herein: (i) Customer has employed a commercially reasonable fraudulent detection system to screen such Entry; (ii) Customer has used commercially reasonable procedures to verify the identity of the Receiver and to verify that routing numbers provided by the Receiver are valid; (iii) Customer has established a secure Internet session with each Receiver utilizing a commercially reasonable security technology, at a minimum equivalent to 128-bit encryption technology prior to the Receiver’s key entry of any banking information, including, but not limited to, the Receiver’s routing number, account number, and PIN or other identification symbol; and (iv) Customer will conduct or have conducted annual audits in accordance with NACHA Rules to ensure the financial information it obtains from Receivers is protected by security practices and procedures that include, at a minimum, adequate levels of (a) physical security to protect against theft, tampering, or damage, (b) personnel and access controls to protect against unauthorized access and use, and (c) network security to ensure secure capture, storage, and distribution of financial information, and Customer will provide to Bank a copy of the written report of each such audit promptly upon its receipt;
- (g) Telephone-Initiated Debit Entries. With respect to any single or recurring debit Entry to a consumer account pursuant to an authorization obtained from the Receiver via telephone (“Telephone-Initiated Debit Entry” or “TEL”), Customer represents and warrants to Bank, to the extent not already represented and warranted herein: (i) Customer has commercially reasonable procedures to verify the identity of the Receiver and to verify that routing numbers are valid; (ii) for purposes of Customer’s compliance with provisions relating to the authorization of entries by the Receiver and with respect to TEL Entries, the “authorization agreement” shall be either: for single Entry TEL (a) comprised of oral authorization from the Receiver containing the minimum information required by the NACHA Rules, and (b) evidenced by either a tape recording of such oral authorization or a written notice to the Receiver confirming the oral authorization and meeting the requirements of the NACHA Rules; and for recurring Entry TEL meets all of the NACHA Rules requirements for such Entries. The original or a duplicate tape recording of the oral authorization, or, as applicable, the original, microfilm, or microfilm-equivalent copy of the written notice, shall be retained for so long as the authorization agreement remains in effect and for a period of two (2) years after the termination or revocation of the authorization agreement (i.e. 2 years from the date of the authorization of a single TEL or from the termination or revocation of the authorization for recurring TEL Entries);
- (h) Lockbox/Dropbox-Initiated Debit Entries. With respect to any debit Entry to an account of a purchaser (e.g. a customer of Bank’s Customer) pursuant to an authorization consisting of Customer’s receipt of a check via a lockbox facility or at a dropbox location (“Accounts Receivable Debit Entry” or “ARC”), Customer represents and warrants to Bank, to the extent not already represented and warranted herein: (i) the amount of the Entry, routing number, account number and check serial number reflected in the debit Entry are in accordance with the check serving as the source document; (ii) Customer will maintain a reproducible, legible image, microfilm or copy of the front of the source document for two (2) years from the settlement date; (iii) Customer will provide a copy of the source document for the debit Entry within six (6) Business Days upon a written request from Bank, and such copy will indicate that it is a copy on its face; (iv) the source document used for the debit Entry will not be presented or returned such that any person will be required to make payment based on the source document; Customer has employed commercially reasonable methods to securely store (a) all source documents until destruction and (b) all electronic or other banking information relating to ARC Entries;
- (i) Back Office Conversion Entries. With respect to any ACH debit Entry to an account of a purchaser (e.g. a customer of Bank’s Customer) that is the result of Customer’s “Back Office Conversion” process, Customer acknowledges and agrees that all such Back Office Conversion Entries must be made in accordance with applicable law and the NACHA Rules for Back Office Conversion Entries. Customer hereby represents and warrants to Bank, to the extent not already represented and warranted herein: (i) Customer complies with applicable provisions of the EFTA, Regulation E and the NACHA Rules, including the requirements regarding (a) posting conspicuous notice to purchasers indicating that any “source document” (typically a check) presented at Customer’s register may be used to create “electronic checks” to be sent for collection to the purchaser’s account and listing Customer’s telephone number for questions regarding the transaction, and (b) the requirement that the purchaser be provided with a copy of such notice at the time of the transaction; (ii) the amount of the Entry, the routing number, the account number, and the check serial number reflected in the ACH Entry are in accordance with the source document; (iii) Customer has employed commercially reasonable procedures to verify the identity of the Receiver; (iv) Customer will maintain a reproducible, legible image, microfilm or copy of the front of the source document for two (2) years from the settlement date; (v) Customer will provide a copy of the source document within six (6) Business Days upon a written request from Bank, and such copy will indicate that it is a copy on its face; (vi) the source document used for the ACH Entry will not be presented or returned such that any purchaser will be required to make payment based on the source document; and (vii) Customer has employed commercially reasonable methods to securely store (a) all source documents until destruction and (b) all electronic or other banking information relating to Back Office Conversion Entries;

- (j) Point of Purchase Debit Entries. With respect to any debit Entry to a consumer account authorized pursuant to the NACHA Rules at a point-of-purchase (“Point Of Purchase Entry” or “POP”), Customer represents and warrants to Bank, to the extent not already represented and warranted herein: (i) Customer has provided the Receiver a receipt containing the information required in the NACHA Rules, including without limitation the city and state in which the electronic terminal for the point-of-purchase transaction was located; (ii) the source document provided to Customer for use in obtaining the Receiver’s routing number, account number, and check serial number for the initiation of the POP Entry has been returned voided to the Receiver after use by Customer and has not been provided by the Receiver for use in any prior POP Entry; and (iii) Customer has employed commercially reasonable methods to securely store all electronic or other banking information relating to POP Entries; and
- (k) International (“IAT”) Entries. Under no circumstances is Customer allowed to initiate any ACH Entries to a Receiver that is located in a country outside the U.S., and Customer is specifically not permitted to initiate IAT ACH Entries. Customer understands that failure to abide by such restrictions may result in Bank’s immediately suspending or terminating Customer’s ACH Services.

**6. Security Procedures.** Customer and Bank shall comply with the following security procedures with regard to the delivery of Entries and requests for cancellation or amendment of Entries by Customer to Bank:

- (a) Delivery of Entries by Direct Send. The following procedures shall be followed in delivering direct send Entries to Bank by FTP: (i) on the date that the Entry is transmitted, Customer (or an agent of Customer) shall send to Bank’s ACH Unit authorization to process the Entries, delivered by either a facsimile, mail or message via Bank’s Internet Banking Service to Bank’s ACH Unit; (ii) as evidence of authorization for processing, an Authorized Party, Service Setup Administrator or User of Customer must sign and be authenticated by Bank; (iii) the Effective Date for and the total dollar amount of Entries in the file, as included in the Entry data transmission, must match the information in the authorization; and (iv) the Entry data will be deemed delivered to Bank when all steps as described in this Section have been complied with and the transmission is completed;
- (b) Delivery of Entries by Internet Banking Services. The following procedures shall be followed in delivering Entries to Bank by Bank’s Internet Banking Services: (i) on the date that the Entry is transmitted, Customer (or an agent of Customer) will have initially logged into Bank’s Internet Banking Services using their log-in credentials and AAI . Entries will require separate approval by another Authorized Party, Service Setup Administrator or User of Customer (or an agent of Customer) using their log-in credentials and AAI prior to acceptance by Bank as evidence of authorization and authentication for processing; and (ii) the Entry data will be deemed delivered to Bank when all steps as described in this Section have been complied with and the transmission is completed;
- (c) Requests for Cancellations or Amendments. Any Authorized Party or User of Customer may request a cancellation or amendment of an Entry on behalf of Customer in the manner set forth below: (i) Customer shall transmit to Bank’s ACH Unit a facsimile copy of a written request for cancellation or amendment of an Entry, signed by an Authorized Party or User of Customer; and (ii) the request or authorization will not be considered received by Bank until all steps as described in this Section have been completed.

**7. Exposure Limit; File and Daily Limit (“Limits”).**

- (a) Exposure Limit. The total dollar amount of all Entries delivered to Bank in any one file of Entries, plus all other Entries that remain unsettled in the ACH network, shall not exceed the “Exposure Limit(s)” set forth on the applicable ACH Service Setup Detail form. The Exposure Limit is determined by Bank in its sole and absolute discretion as part of the ACH Services approval and underwriting process described in Section 2 above. Bank shall have the right to reduce Customer’s Exposure Limit at any time immediately upon delivery of notice to Customer.
- (b) File and Daily Limits.
  - (i) Direct Send Customers. Customers who deliver files for ACH Entries by sending such files directly to Bank may establish separate file and daily limits on the dollar amount of ACH transactions that can be sent to Bank from Customer. If such a “Direct Send” Customer desires to change a file or daily limit, Customer shall submit the request to Bank at least ten (10) days prior to the desired effective date of the change. Customer agrees that Bank shall have no obligation to agree to any increase in any file or daily limit. Bank shall have the right to reduce an applicable file or daily limit at any time immediately upon delivery of notice to Customer.
  - (ii) Internet Banking Customers. For Customers sending ACH Entries through Bank’s Internet Banking product, Customer’s Services Manager can establish file and daily limits within the ACH module of the Internet Banking product. When Customer’s Services Manager changes such file and daily limits, the changes are effective immediately, provided such changes are equal to or less than the Exposure Limit. ACH files sent to Bank are screened against these limits.

## 8. Processing, Transmittal and Settlement by Bank.

- (a) Processing. Except as otherwise provided in these ACH Services provisions, Bank shall (i) process Entries received from Customer conforming to the requirements of the NACHA Rules; (ii) transmit such Entries as ODFI to the ACH Operator; and (iii) settle such Entries as provided in the NACHA Rules.
- (b) Transmitting Credit Entries. Bank will transmit credit Entries by the deadline of the ACH Operator two (2) Business Days prior to the Effective Entry Date shown in such Entries, provided that in each case such Entries are delivered to Bank by the applicable Cutoff Time and, if the ACH Services are being provided to Customer on a Prefund basis, Customer has funds available. Credit Entries are subject to the NACHA Rules, which generally dictate that credit is given provisionally by the RDFI to the ACH Receiver for the Entry, until the RDFI has received final settlement through the ACH network. If the RDFI does not receive such payment for such Entry, then under the NACHA Rules, the RDFI is entitled to a refund from the Receiver in the amount of the credit to the Receiver's Account and the Originator of the ACH credit Entry will not be considered to have paid the amount of the credit Entry to the Receiver.
- (c) Transmitting Debit Entries. Bank will transmit debit Entries designated for one-day settlement to the ACH Operator for one-day settlement by the deadline of the ACH Operator one (1) Business Day prior to the Effective Entry Date shown in such Entries.
- (d) Cut Offs. If Entries are delivered late (i.e., after the applicable Cutoff Time), or if the Effective Entry Date specified for the Entries is not a Business Day, then Bank may reject such Entries or Bank may, in its sole discretion, use its reasonable efforts to transmit such Entries to the ACH Operator by the next reasonably available deposit deadline of the ACH Operator following the applicable deadline specified in Section 2 of these ACH Services provisions. In no event will Bank be liable for any loss resulting from any failure of a Receiver's account to be debited/credited for an Entry on its Effective Entry Date which results from late delivery of the Entry to Bank, or which results from the Effective Entry Date specified for such Entry not being a Business Day.
- (e) On-Us Entries. All Entries received for debit/credit to an account maintained with Bank ("On-Us Entries") will be treated in accordance with this Section and as otherwise provided for in the Agreement.
- (f) Settlement.
  - (i) Credit Entries. Customer authorizes Bank to debit Customer's account for ACH credit Entries processed for Customer either: (a) on the date the ACH credit Entry file is transmitted to Bank; or (b) for Prefunded Customers, on the date the file is submitted to Bank for Processing.
  - (ii) Debit Entries. Bank shall credit Customer's Account for the amounts of debit Entries processed for Customer hereunder on the settlement date for such Entries; it being expressly understood, however, that each credit to Customer's Account on account of a debit Entry is provisional until Bank receives final settlement for such Entry, and Bank may charge-back to Customer's Account the amount of any debit Entry credited to Customer's Account for which Bank does not, for any reason, receive final settlement.
- (g) Amendments to Entries. Customer authorizes Bank to credit Customer's Account for any amount received by Bank by reason of the return or cancellation of any credit Entry transmitted by Bank for which Bank has previously received payment (such credit to Customer's Account to be made on the date Bank receives such amount), and to debit Customer's Account for the amount of any returned debit Entry (such debit to Customer's Account to be made upon receipt by Bank of the returned Entry), and to debit or credit (as applicable) Customer's Account for any amendments made to Entries or for corrected Entries resubmitted.
- (h) Customer agrees that upon termination of ACH origination activities by either Bank or Customer, Bank may require Customer to maintain an open Account with sufficient funds to accommodate any ACH Entries returned, or any other costs, associated with any ACH transactions occurring prior to the termination of ACH origination activities. This Account shall remain available for a minimum period of sixty (60) days, or longer if Bank believes, in its sole discretion, that such time extension is necessary to accommodate additional ACH Entry returns or associated costs.

**9. Rejection of Entries.** Bank may reject any Entry (or group of Entries) which does not comply with, and/or is not delivered in accordance with, the requirements of this Agreement, or which contains an Effective Entry Date more than thirty (30) Business Days after the Business Day such Entry(s) is received by Bank. Bank shall also have the right to reject any Entry (including On-Us Entries) for any reason for which an Entry may be returned under the NACHA Rules. Bank shall have the right to reject any Entry if Customer has failed to comply with any of its account balance obligations under these ACH Services provisions. Bank will notify Customer of any such rejection by any method of notification authorized under the Agreement, no later than the Business Day such Entry would otherwise have been transmitted by Bank to the ACH Operator, as provided in Section 8 of these ACH Services

provisions. Bank shall have no liability to Customer 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.

**10. Cancellation, Amendment or Correction of Entries.** Customer shall have no right to cancel or amend any Entry after its receipt by Bank. However, Bank will use reasonable efforts to act on a request for cancellation or amendment of an Entry received from Customer prior to Bank's transmission of the Entry to the ACH Operator or, in the case of an On-Us Entry, prior to Bank's debit/credit of the Entry to a Receiver's account, but Bank shall have no liability if such cancellation or amendment is not affected. If Customer discovers that an Entry initiated by or on its behalf was in error, Customer may notify Bank of such error; however, such notification must be provided to Bank within twenty-four (24) hours after discovery of the error and must be provided by such means of notification as is authorized under the Agreement. Customer shall send or deliver to the Receiver written notice of such correction and the reason therefore prior to requesting the correction. Customer shall indemnify Bank from and against any Claims, demands, loss, liability or expense, including attorney's fees and costs, resulting directly or indirectly from compliance by Bank with any request for cancellation, amendment or correction of an Entry, whether or not the cancellation, amendment or correction is affected. All requests for cancellation, amendment or correction of Entries must be made by Customer in compliance with the Security Procedures for such requests as set forth herein.

## **11. Returned Entries.**

- (a) Notification to Customer. Except as modified below in subsection (b) applicable to Bank providing systematic reclear for certain returned items, Bank will notify Customer or Customer's designated Agent of Bank's receipt of a returned Entry (or group of Entries) from the ACH Operator in accordance with the notice procedures authorized under the Agreement no later than one (1) Business Day after the Business Day of such receipt, and will debit/credit Customer's Account (as identified by number in the applicable ACH schedule) for the returned Entry(s) and provide confirmation thereof to Customer.
- (b) Resubmission. Customer shall assume the sole responsibility for remaking and resubmitting said Entry(s) in accordance with the requirements of the Agreement or otherwise handling the payments due the Receiver(s), unless the return was due to an error in the processing of such Entry(s) by Bank and sufficient data is available to Bank to permit it to remake and resubmit such Entry(s), in which event Bank will remake and resubmit such Entry(s). Bank assumes no other responsibility with respect to such returned Entries except for an Entry retransmitted by Customer in accordance with the requirements of the Agreement and the NACHA Rules, Bank shall have no obligation to retransmit a returned Entry to the ACH Operator if Bank complied with the requirements of the Agreement with respect to the original Entry. If Customer elects to obtain systematic reclear of ACH returns for insufficient or uncollected funds from Bank, Bank shall be responsible for systematically resubmitting Entry(s) that are returned for insufficient or uncollected funds. Customer agrees Bank will only resubmit such returns one time and that Bank will not collect return fees from the Receiver. Customer may specify a minimum and/or maximum returned Entry amount to be processed by Bank. For Entry(s) returned for stop payment of corrective action, resubmission shall be Customer's sole responsibility. Customer agrees that any reinitiation for returns due to stop payment will only be submitted after such reinitiation has been authorized by the Receiver. Also, prior to the reinitiation of Entry(s) returned for other reasons, Customer agrees it has taken necessary corrective action to remedy the reason for the Entry's return.
- (c) Limit on Resubmission; Return Fee Entries; XCK Entries. Except for RCK and Return Fee Entries, an ACH Entry returned for insufficient or uncollected funds may be reinitiated no more than two (2) times following the return of the original Entry. For RCK and Return Fee Entries, an Entry returned for insufficient (NSF) or uncollected funds (UCF) may be reinitiated as long as: (i) the RCK or Return Fee Entry accurately reflects the item or ACH transaction in question (RCK for check, or ARC, BOC or POP); (ii) Customer will not initiate an RCK or Return Fee Entry unless the related original ACH Entry has been returned either NSF or UCF by the RDFI; (iii) Customer as Originator has obtained the Receiver's explicit authorization according to applicable NACHA Rules to assess the RCK Entry or Return Fee Entry, including for Return Fee Entries for Receiver's who are consumers, if applicable; (iv) Customer as Originator has complied with all of the informational requirements to properly identify itself and the underlying transaction (including any check serial number, if applicable) for the RCK or Return Fee Entry under NACHA Rules; and (v) Customer will comply with the settlement deadlines under NACHA Rules for such entries. For RCK Entries, an Entry returned for NSF or UCF may be reinitiated as long as the item has been presented no more than one time in its physical form and no more than one time as an RCK Entry. For Return Fee Entries, Customer can originate only one (1) Return Fee Entry in relation to the underlying transaction returned NSF or UCF, regardless of the number of times the underlying ACH Entry is returned, and a Return Fee Entry that is itself returned NSF or UCF may be re-initiated in accordance with NACHA Rules, but Customer may not initiate a Return Fee Entry on a separate Return Fee Entry that is returned NSF or UCF. If Customer elects to obtain systematic reclear of ACH returns for insufficient or uncollected funds from Bank, recognizing the limitations imposed by the Rules, and Customer's use of Bank's systematic return reclear service, Customer can resubmit returns for insufficient or uncollected funds one additional time following Bank's resubmission of an Entry and its subsequent return, and any returned Entry must be reinitiated within

one hundred eighty days after the Settlement Date of the Original Entry. Customers obtaining such services for systematic reclear of ACH returns for insufficient or uncollected funds also understand and acknowledge that Customer may use the XCK SEC code for checks that are either physically destroyed, or certain damaged checks that cannot be imaged or other check images that cannot be processed, provided that certain information necessary to process an ACH entry is still contained in the item or item image. Customer shall consult with Bank on whether or not to use the XCK SEC code under certain circumstances, and the appropriate use of such code may depend upon other image exchange or clearinghouse agreements that Bank may have in place.

- (d) TEL Returns. Where Bank or NACHA believes the return rate for Customer's TEL entries that are returned as unauthorized exceeds the normal and acceptable return rate for Customer, Bank shall notify Customer of such excessive unauthorized return rate and Customer, upon request from Bank, will provide the following information: (i) Customer's, address, telephone number, contact person, principal owner(s) and taxpayer identification number; (ii) the name, address, telephone number, contact person, principal owner(s) and taxpayer identification number of any Third-Party Service Provider acting on behalf of Customer with respect to origination of TEL entries, (iii) a general description of the nature of the business of Customer; and (iv) an explanation of the reason(s) for the excessive return rate. Customer will provide this information to Bank within five (5) business days after receipt of the request from Bank.
- (e) Returned ACH Entry Warning Notices. As part of Bank's ACH Services underwriting process as generally set forth in Section 2 above, Bank routinely monitors and submits reports to NACHA regarding Customers' historic ACH Entry return levels and dollar amounts. Under the NACHA Rules, if an individual Customer's ACH Entry return levels exceed certain parameters, then Bank, as the ODFI, is instructed to take certain actions to mitigate a Customer's unacceptable levels or dollar amounts of ACH Entry returns. If Bank does not comply with such requirements in its role as an ODFI, Bank is subject to censure, fines and penalties imposed by NACHA. Customer understands and agrees that in order to protect itself from risks, and to inform its Customers of problems with returned ACH Entries, Bank has implemented an "Excessive ACH Returns Warning Notice and Escalation Procedure," whereby Bank will inform Customer of Customer's excessive ACH Entry return levels or dollar amounts, as determined by Bank in its sole discretion, and Customer agrees to take all steps requested by Bank immediately to decrease the levels and/or dollar amounts of Customer's ACH returns. If Customer fails to comply with the required actions as outlined by Bank in any "Excessive ACH Returns Warning Notice," then such failure to comply shall be deemed to be a material violation of this Agreement, and Bank may, in its sole and absolute discretion, immediately terminate ACH Services to Customer.
- (f) Fees For Unauthorized ACH Debit Returns. If Customer originates an ACH debit Entry that is subsequently returned by the RDFI as unauthorized, Customer understands that Bank as the ODFI must pay an "Unauthorized Entry Fee" to the RDFI. In the event that such Unauthorized Entry Fee is charged to Bank as the ODFI for any ACH debit Entry that Customer originates, Customer understands and acknowledges that Bank may pass such fee through to Customer, and such fee shall be offset from Customer's Account(s). Such fee is in addition to any ACH Return Fee Frost may charge.

**13. Customer Representations; Indemnity.** Customer represents to Bank and agrees that:

- (a) Receiver Authorizations for Credit Entries. Each person shown as the Receiver on a credit Entry received by Bank from Customer has, by an authorization agreement in accordance with the NACHA Rules, authorized the initiation of such Entry and the crediting of the Receiver's account in the amount and on the Effective Entry Date shown on such Entry, and has authorized the initiation, if necessary, of debit Entries and adjustments for any credit Entries made in error to the Receiver's account;
- (b) Receiver Authorizations for Debit Entries. Each debit Entry received by Bank from Customer is for a sum due and owing to Customer by the Receiver of such debit Entry, or is for a sum specified by such Receiver to be paid to Customer, or is a correction of a previously submitted erroneous credit Entry, and such Receiver has duly authorized such Entry by an authorization agreement in accordance with the NACHA Rules. Without limiting the foregoing, reinitiation of any debit Entry previously returned for stop payment has been authorized by the Receiver;
- (c) Effective Authorizations. Each such authorization with respect to an Entry is operative at the time of transmittal or debiting/crediting by Bank as provided herein; and at the time each Entry is processed by Bank, Customer has no knowledge of revocation by such Receiver of such authorization, and Customer has no knowledge of any revocation by such RDFI of its agreement to accept such Entry, or any knowledge that such Receiver's authorization for such Entry has been terminated, in whole or in part, by operation of law or otherwise;
- (d) Types of Entries. Entries transmitted to Bank by Customer are limited to those types of Entries identified to Customer by Bank, as listed in the ACH Service Setup Detail form;

- (e) ACH NACHA Rules. Customer shall be bound by and comply with the NACHA Rules as in effect from time to time, including, without limitation, the provision thereof making payment of an Entry by the RDFI to the Receiver provisional until receipt by the RDFI of final settlement for such Entry; and Customer specifically acknowledges that it has received notice of this NACHA Rule 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 Customer shall not be deemed to have paid the Receiver the amount of the Entry. In addition, Customer acknowledges that they are bound by all of the NACHA Rules regarding error resolution procedures for Receivers (including those regarding erroneous Entries), Receiver authorization and return issues (including investigation and proper handling of Written Statement of Unauthorized Debit), and that Customer or any of Customer's third-party ACH processors have policies and procedures in place to investigate and resolve Receiver stop payment and revocation of authorization issues in accordance with NACHA Rules; and
- (f) Legal Obligations. Customer shall perform its activities under the Agreement in accordance with all applicable laws and regulations, including without limitation the regulations of OFAC of the U.S. Department of the Treasury. **IN ADDITION TO THE INDEMNIFICATION OF BANK BY CUSTOMER AS SET FORTH ELSEWHERE IN THIS AGREEMENT, IN THE EVENT THAT CUSTOMER, OR A THIRD-PARTY AGENT ACTING ON BEHALF OF AND WITH AUTHORITY FROM CUSTOMER, IS THE ORIGINATOR OF ACH ENTRIES AND FAILS TO PERFORM ITS OBLIGATIONS AS AN ORIGINATOR UNDER THE NACHA RULES, CUSTOMER HEREBY INDEMNIFIES BANK FROM ANY AND ALL CLAIMS, DEMANDS, LOSSES, LIABILITY OR EXPENSE, INCLUDING ATTORNEYS' FEES, FINES, PENALTIES AND ANY OTHER COSTS THAT RESULT DIRECTLY OR INDIRECTLY FROM THE FAILURE OF CUSTOMER OR ITS THIRD-PARTY AGENT TO PERFORM ITS OBLIGATIONS UNDER THE NACHA RULES.**
- (g) No Third Party Processing. Customer represents and warrants that it does not engage in any activities that would cause Customer to fall within the definition of "Third Party Processor" under NACHA Rules. Customer understands that NACHA Rules require Bank to register all "Third Party Processor" customers with NACHA. In the event that Customer misrepresents its activities to Bank and is conducting activities that would qualify it as a "Third Party Processor" under NACHA Rules, and Bank incurs any fines, fees, or other penalties from NACHA regarding failure to register Customer as a "Third Party Processor," Customer agrees to pay any fines, fees or penalties imposed on Bank by NACHA as a result of customers misrepresentation.

**14. Express Limitations on Bank's Liability.** Customer understands and expressly assumes all risks related to Bank immediately suspending or terminating Customer's ACH Services under this Agreement, including, but not limited to, Bank immediately suspending or terminating Customer's ACH Services due to Customer's non-compliance with Bank's requirements as set forth in any "Excessive ACH Returns Warning Notice." **CUSTOMER UNDERSTANDS AND EXPRESSLY ACKNOWLEDGES AND AGREES THAT, IN ADDITION TO THE LIMITATIONS ON LIABILITY SET FORTH ELSEWHERE IN THIS AGREEMENT, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BANK SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF REVENUE OR ANTICIPATED PROFITS OR FOR ANY INDIRECT LOSS THAT CUSTOMER MAY INCUR OR SUFFER IN CONNECTION WITH BANK TERMINATING CUSTOMER'S ACH SERVICES IN ACCORDANCE WITH THIS AGREEMENT.**

**15. Notifications of Change.** Bank will notify Customer of all notifications of change received by Bank relating to Entries transmitted by Customer by sending a copy of such notification of change to Customer no later than two (2) Business Days after Bank's receipt thereof. Customer must make the changes specified in the notification of change within six (6) Business Days after receiving the notice of change information or prior to initiating another Entry to the Receiver's account, whichever is later.

**16. Pre-notification.** Notwithstanding anything to the contrary in the NACHA Rules, Customer shall provide to Bank, three (3) Business Days prior to initiation of any new Entry, a pre-notification record which shall include Receiver's name, identification number, account number, RDFI's routing transit number, and zero-dollar amount. If Customer's pre-notification record is rejected by an RDFI and Customer is so notified, Customer must correct the reason for rejection, resubmit another pre-notification record, and wait the prescribed three (3) Business Days before submitting any further Entries for the Receiver(s) in question.

**17. Data Retention.** Customer shall retain data on file adequate to permit the remaking of Entries for one (1) year following the date of the ACH Entry transmittal by Bank as provided herein, and shall provide such data to Bank upon Bank's request.

**18. Same-Day Entries.** Customer may request to enroll in Same-Day Entries by contacting Customer's Treasury Management Sales Officer. If Customer requests to enroll in Same-Day Entries and Bank approves Customer's request, in Bank's sole discretion, Customer may designate certain Entries to be originated as Same-Day Entries. Notwithstanding the Cutoff Times contained in Section 4(b) of the Agreement, the Cutoff Time for Same-Day Entries shall be 12:00 p.m. Central Time. If a Same-Day Entry is delivered to Bank after 12:00 p.m. Central Time on a Business Day or on a day that is not a Business Day, Bank may treat such Entry



as having been received on the next following Business Day. Same-Day Entries delivered to Bank shall be prepared and submitted in compliance with the instructions and other requirements set forth in Cash Manager, the NACHA Rules, and the Agreement. Customer understands that any Entries above \$25,000.00 and IAT Entries are not eligible for Same-Day ACH processing and Customer further agrees it will not structure Entries to avoid these eligibility restrictions.

## BUSINESS BILL PAY

**1. The Service.** Bank agrees to provide bill paying services (“Business Bill Pay”) through Bank’s Internet Banking Service (Cash Manager) for you to direct Bank to make payments from your designated checking account to the “Payees” you choose in accordance with this Agreement.

**2. Definitions.** As used in this Business Bill Payment service-specific section, “you” and “your” refer to the accountholder which have been designated on your enrollment and authorized by Bank to use System under this Agreement and anyone else authorized by that accountholder to exercise control over the accountholder’s funds through System. “Account” or “accounts” means your accounts that have been designated on your enrollment at Bank. “Electronic funds transfers” means ATM withdrawals, preauthorized transactions, point of sale transactions, transfers to and from your Bank accounts using System including bill payments. “System Services” means the services provided pursuant to this Agreement, including the Bill Payment Service.

**3. How to Set Up Payees/Payments.** If you want to add a new “Payee”, select the “Payee” tab located in the service. You may add a new fixed payment to a “Payee” by accessing the service and entering the appropriate information. Most other additions, deletions, or changes can be made in writing or by using the service. Bank reserves the right to refuse the designation of a “Payee” for any reason. You may pay any “Payee” with-in the United States (including U.S. territories and APO’s / AEO’s). Bank is not responsible for payments that cannot be made due to incomplete, incorrect, or outdated information.

### 4. The Bill Paying Process.

- (a) Single Payments. A single payment will be processed on the Business Day that you designate as the payment’s processing date, provided the payment is submitted prior to the daily cutoff time on that date. The daily cut-off time, which is controlled by Bank, is currently 1:00 pm Central. A single payment submitted after the cut-off time on the designated process date will be processed on the next Business Day. If you designate a non-Business Day as the payment’s processing date, the payment will be processed on the first Business Day following the designated processing date.
- (b) Recurring Payments. When a recurring payment is processed, it is automatically rescheduled by the system. Based upon your selected frequency settings for the payment, a processing date is calculated for the next occurrence of the payment. If the calculated processing date is a non-Business Day, it is adjusted based upon the following rules:
  - (i) If the recurring payment’s “Pay Before” option is selected, the processing date for the new occurrence of the payment is adjusted to the first Business Day prior to the calculated processing date.
  - (ii) If the recurring payment’s “Pay After” option is selected, the processing date for the new occurrence of the payment is adjusted to the first Business Day after the calculated processing date.

Note: If your frequency settings for the recurring payment specify the 29th, 30th, or 31st as a particular day of the month for processing and that day does not exist in the month of the calculated processing date, then the last calendar day of that month is used as the calculated processing date.

- (c) Single and Recurring Payments. The system will calculate the Estimated Arrival Date of your payment. This is only an estimate, so please allow ample time for your payments to reach your “Payees”.
- (d) Cancelling a Payment. A bill payment can be changed or cancelled any time prior to the cutoff time on the scheduled processing date.

**5. Available Funds.** In order to process your electronic bill payment, your account must have sufficient and available funds on the scheduled processing date.

**6. Personal Identification Number.** You are solely responsible for controlling the safekeeping of and access to your Personal Identification Number (“PIN”).

### 7. Termination.

- (a) Your Right to Terminate. You may cancel your System service at any time by providing us with written notice by postal mail or fax. Your access to System will be suspended within 3 Business Days of our receipt of your instructions to cancel the service. You will remain responsible for all outstanding fees and charges incurred prior to the date of cancellation.

- (b) Our Right to Terminate. Notwithstanding Section 27 (Termination) of the General Provisions of this Agreement, you agree that we can terminate or limit your access to System Services upon 3 Business Days' notice, if you do not contact us to designate a new Primary Checking Account immediately after you close your Primary Checking Account.

## CD-ROM IMAGE ARCHIVE

**1. The Service.** Bank agrees to provide images of cleared item data, or "Compact Disk ("CD-ROM") Image Archive Services," to Customer as a research and data retention tool.

### 2. Procedures.

- (a) Generally. Once requested Bank will provide a CD-ROM at the end of each periodic statement cycle for each specified Account. Although the Service allows for more than one Account to be imaged on a CD-ROM, all Accounts grouped together on a CD-ROM must be on the same periodic statement cycle. Bank will retain cleared item data for ninety (90) days before it is destroyed. In the event Customer requests an additional CD-ROM for a period for which data has already been destroyed, Bank will be required to recapture data and additional fees will apply.
- (b) Viewing Software. In order to view the CD-ROMs provided under this Service, Customer agrees to license Bank's proprietary software known as "CD-ROM Image Archive." CD-ROM Image Archive will be distributed to Customer and should be installed in object code from a diskette, CD, download or other media containing such object code. Bank grants to Customer a non-exclusive, non-transferable license to use CD-ROM Image Archive for the Services hereunder on one personal computer. A separate copy of the software must be purchased for each computer the software will be used on. All use of the CD-ROM Image Archive software is governed by Section 19 of the General Provisions of the Agreement, specifically, and all other applicable terms of the Agreement.

## CONTROLLED DISBURSEMENT

**1. The Service.** Bank agrees to provide "Controlled Disbursement Services" to Customer through Bank's Internet Banking Service (Cash Manager) to allow Customer increased control over their funds and disbursements.

**2. Disbursement Account.** Customer shall designate a Deposit Account as a disbursement account (the "Disbursement Account"), such Disbursement Account to be maintained with Bank for the payment of checks (including physical check and check images) (the "Items").

**3. Notification.** Bank agrees to make available to Customer the aggregate amount of all Items drawn and/or payable against the Disbursement Account which will post to the Disbursement Account that night, such information to be made available no later than 12:00 Noon Central Time on each Business Day. Such aggregate amounts will not include transactions that are not physical checks or check images. For instance, Electronic Items, Wire Transfers, ACH transactions, and electronic fund transfers will not be reflected in the aggregate amounts.

**4. Transfer of Funds.** On each Business Day, Customer shall transfer or cause to be transferred to the Disbursement Account no later than the close of business on the same Business Day, readily available funds in an amount sufficient to pay the aggregate amount of all Items drawn and/or payable against the Disbursement Account which will post to the Disbursement Account on each such Business Day.

**5. Disbursement Amount Unavailable.** If, on any Business Day and for any reason, Bank is unable to notify Customer of the amount required to be transferred to the Disbursement Account pursuant to Section 3 of these Controlled Disbursement Provisions, Bank will so notify Customer, and Customer will transfer to the Disbursement Account readily available funds in an amount estimated by Customer to be the aggregate amount of Items to be presented to Bank on such day. Bank will make all necessary adjustments to reflect under- or over-payments on the next Business Day on which exact figures become available. Bank will make an extraordinary charge or credit to the monthly account analysis for the Disbursement Account based upon the applicable federal funds rate in order to reflect any such under- or over-payment. This action may affect compensating balance levels for the Disbursement Account.

**6. Return Items.** Bank shall have the right at all times to return unpaid any Items presented against the Disbursement Account for which readily available funds are not available, and to close the Disbursement Account should Bank deem such action to be advisable.

## DATA EXCHANGE

**1. The Service.** Bank agrees to participate in providing various previous day or current day balance and activity reporting services (the “Data Exchange Services”) through Bank’s Internet Banking Service (Cash Manager).

- (a) Incoming Data Exchange. Bank receives previous day balance and activity reporting data from a third party vendor serving as an intermediary for data exchange on behalf of another financial institution and makes it available to Customer through Bank’s Internet Banking Services. Customer will be required to contract with the other financial institution to send the data.
- (b) Outgoing Data Exchange. Bank sends previous day balance and activity reporting data to a third party vendor serving as an intermediary for data exchange to be provided to another financial institution that will make the data available to Customer through the appropriate service. Customer will be required to contract with the other financial institution to retrieve and provide the data.

**2. Use of Services.** Customer will use Data Exchange only for its own internal business use in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, Customer agrees not to make Data Exchange available or allow use of Data Exchange in a computer service bureau business, timesharing, or otherwise disclose or allow use of this service by or for the benefit of any third party.

## DIGITAL DEPOSITS

The terms and conditions of the Digital Deposits service for conducting remote deposit capture are set forth in the Frost Deposit Account Agreement.

## FOREIGN DRAFT SERVICES

**1. The Service.** Customer may request Bank to send a foreign draft to a consumer, business or entity located in a foreign country in the currency of a foreign country as selected by Customer.

**2. Request for Foreign Draft.** To request a foreign draft, Customer agrees to follow the instructions and provide the information required by the Frost Global Trade Services website portal. If Customer requests that Bank deliver the foreign draft to the beneficiary in accordance with Section (8) below, then Customer must also complete and submit the required beneficiary delivery information instructed by Frost Global Trade Services.

**3. Expiration of Foreign Draft.** Customer understands and agrees that the foreign draft should be presented to the bank on which it is drawn (the “drawee”) within six (6) months of the date of the foreign draft. If the foreign draft is not presented within this time frame, Customer understands that the drawee may refuse to pay the foreign draft because of the delay.

**4. Limitation of Bank’s Liability.** Customer understands and agrees that Bank is not liable for drawee bank’s failure or refusal to pay the foreign draft for any reason, including delayed presentation, that Customer assumes all payment risks, and that Customer must agree to the foreign exchange currency rates determined at the time Customer requests and approves the issuance of the foreign draft in the Frost Global Trade Services website portal. In addition, Customer agrees to pay Bank’s fees associated with the Foreign Draft Services.

**5. Compliance with Applicable Law.** Customer understands and agrees that it will not request that a foreign draft be issued if such foreign draft would constitute a prohibited financial transaction, as determined by the U.S. Treasury’s Office of Foreign Assets Control (“OFAC”). However, as an abundance of caution, due diligence will also be performed by Bank on all foreign drafts to be issued by Bank to ensure that such transfers are not OFAC prohibited financial transactions. As such, any foreign draft request transfer which Customer makes will be screened for a valid OFAC match of both Customer as initiator and foreign draft beneficiary receiver of such foreign draft, as well as the destination country receiving the funds. If Bank has a positive match, the funds will be impounded as required by OFAC and Customer will be advised of Bank’s action. Additionally, Bank will also review requested foreign drafts against its own internal high risk assessments, based on guidance from governmental sources, and Customer will be notified if Bank detects foreign draft requests whose funds are to be delivered to a designated beneficiary or to a country deemed to be high risk and confer with Customer prior to issuing such foreign draft.

**6. Refund of Foreign Draft.** If for any reason the drawee bank fails to pay the foreign draft, or the foreign draft is stopped, canceled or otherwise not negotiated, Bank shall make refunds only upon (i) surrender of the foreign draft, properly endorsed to Bank, or (ii) Bank’s recovery from the drawee the amount of the foreign draft, less any charges or expenses. Refund will be at Bank’s buying rate of the currency for which the foreign draft is drawn, calculated at the date of the refund.

**7. Foreign Draft Delivery Instructions.** If Customer requests that Bank deliver the foreign draft to Customer, Customer agrees that such delivery will utilize Bank's express delivery service and that Bank's current fees for such express delivery service will apply. Bank is not responsible for any delays on the part of such express delivery service. If Customer requests that Bank deliver the foreign draft to the beneficiary, Customer agrees that such delivery will utilize Bank's express delivery service and that Bank's current fees for such express delivery service will apply. Customer is responsible for the accuracy of beneficiary address information and for accuracy of any remittance information or coupon Customer instructs Bank to include with such delivery. Bank is not responsible for any delays on the part of such express delivery service, and Bank is not responsible for any delay or failure of payment of any foreign draft due to errors in beneficiary address or foreign draft remittance information provided by Customer to Bank.

## FRAUD PREVENTION SERVICES

**1. The Service.** Bank agrees to provide various Fraud Prevention Services to Customer through Bank's Internet Banking Service (Cash Manager) for the purposes of increasing the chance of identifying fraudulent or unauthorized checks and/or electronic transfers drawn on selected Customer Deposit Account(s), as identified to Bank.

- (a) Positive Pay. Customer sends a file of issued checks to Bank. Bank only pays checks that match the issue file.
- (b) ACH Blocking. ACH debit and/or credit entries are returned to the Originator with no notice to Customer.
- (c) ACH Blocking with Review. Except for those ACH entries originated by Bank on its own behalf, Bank intercepts incoming ACH debits and Customer makes the decision to pay the item or not ("Decision".)
- (d) ACH Filtering Services. Except for those ACH entries originated by Bank on its own behalf, all ACH entries originated by another party either through Bank's Services or received from another ODFI will be blocked unless an approved identifier for that transaction has been provided to Bank. The company ID of the Originator or the individual ID of the Receiver are the available identifiers of the transactions. **ACH Filtering Services do not affect checks converted to ACH transactions.**
- (e) SEC Blocking. Only those ACH transactions that contain Customer approved SEC codes will be posted to Customer's Account. All ACH transactions that do not contain Customer approved SEC codes will be returned to the Originator; **such restrictions will apply to checks converted to ACH transactions.**

### 3. Procedures.

- (a) Transmittal. Files delivered to Bank shall be prepared and submitted in compliance with the formatting as provided. Transmissions received by Bank after 7:00 P.M. Central Time will not be posted to the Issued Check File (defined herein) until the next business day.
- (b) Check Processing for Positive Pay. For applicable Deposit Accounts identified whereby Customer has requested Bank verify checks against an Issued Check File, Customer agrees to deliver or transmit the serial number, amount, date issued and, at Customer's option, the payee name, along with the status of each check by Deposit Account number (such data cumulatively, the "Issued Check File") to Bank in the format agreed to by Bank and Customer. With the exception of checks presented for immediate payment in person ("Teller Checks"), Issued Check File data received by 7:00 PM Central Time each Business Day will be used to verify any check posting to the applicable Deposit Account that Business Day. Any Issued Check File data received by Bank during banking hours of a Business Day will be made available to Bank's tellers within fifteen (15) minutes of Bank's receipt. Teller Checks will be cashed only if verified against the most recent Issued Check File made available to Bank tellers and, if cashed, will be posted to the applicable Deposit Account on the Business Day they are received. **If the online Issued Check File is unavailable Bank's tellers will follow normal check cashing procedures.** Customer acknowledges that any stop payment issued on a check will supersede any data transmitted hereunder.
- (c) ACH External Debits for ACH Blocking with Review. As requested by Customer, ACH external debits (items not originated by or at Bank) will be completely blocked or will be matched against the stated maximum dollar limit ("Maximum Limit") as provided by Customer. Those debits in excess of the stated Maximum Limit will be rejected. All transactions originated by or at Bank (including direct deposit settlement transactions) are considered internal items and will not be matched against Customer's maximum and are processed, regardless of the amount.
- (d) Exception Reporting. At or before 9:00 AM Central Time of each Business Day, for each Deposit Account for which Customer has requested the Service, Bank will make available to Customer by means of its Internet Banking Service, an exception report (the "Exception Report") for the prior Business Day for each Deposit Account for which Customer has

requested the Service. The Exception Report will list (i) all check and Substitute Check (defined herein) items posted to the applicable Deposit Account but not on the Issued Check File; (ii) all check and Substitute Check items posted to the applicable Deposit Account that are on the Issued Check File but for an amount different than that stated on the Issued Check File; (iii) where Customer chooses to set Maximum Limits, those check, Substitute Check, and/or ACH items exceeding the Maximum Limit; and (iv) all ACH debits where Customer chooses to block ACH debits.

- (e) Payment Authorization for Exception Report Items. In the event Customer wants to authorize payment of any item on the Exception Report, Customer must notify Bank of its intent to authorize such payment on or before 12:00 Noon Central Time of the Business Day that Customer received such Exception Report. Such notification must be made by an authorized User to Bank via Bank's Internet Banking Services. Any items on the Exception Report not authorized for payment by Customer as provided for herein, will be marked "REFER TO MAKER" and returned. Bank does not check items on the Exception Report(s) against previously cleared items. In the event Bank does not receive Customer's instructions on or before 12:00 Noon Central Time of the Business Day on which Customer received such Exception Report, Bank will, based on the default option selected by Customer in advance, either pay all or return all items identified on the Exception Report. Customer agrees and acknowledges that Bank is not responsible for any liability associated with the payment or non-payment of items based on the default option selected by Customer. Customer understands that Bank is not responsible for any errors or failures of Customer's equipment and software (including web browser software) that allows Customer to access the Internet (collectively, the "Computer"), including but not limited to, any virus or Internet related problems that may be associated with Customer's access and use of the Service.

#### 4. Service Options.

- (a) Additional Approval Options. When selecting this option, any item processing instructions will apply to ALL of Customer's Account(s) set up for Positive Pay and/or ACH Blocking with Review Services. Under this selection, Customer must submit a default instruction for Bank to either (i) require approval for submitting an issue file of issued checks over the designated dollar amounts specified by Customer, or (ii) require approval for any Decision over the designated dollar amounts specified by Customer. If Customer selects this option and does not designate a corresponding dollar amount, ALL items or decisions will require approval.
- (b) Limits. Customer may elect to impose limits on issued checks over a specified dollar amount or on decisions for checks/Electronic Check Presentment exception items.
- (c) Default Decision. **If Customer selects the Positive Pay Services or ACH Blocking with Review, Customers are obligated to select a default decision to pay or return Exceptions. If Customer has not informed Bank of any Decision by Bank's 12:00 p.m. Central Time deadline, the default decision as designated by Customer in the TMSA Services Request Form will automatically be applied to checks and Electronic Check Presentment items based on Customer's default selections.**

#### 5. Security Procedures.

Customer and Bank shall comply with the following Security Procedures with regard to the delivery/transmittal of Positive Pay files by Customer to Bank:

- (a) Transmittal Registers. With respect to each File, Customer shall provide in writing to Bank a "Transmittal Register" which shall contain: (i) Customer's name; (ii) the total number of items transmitted; and (iii) the corresponding total dollar amount of such items.
- (b) Transmittal Procedures. The following procedures shall be followed in transmitting to Bank: (i) on the date that the data is transmitted, Customer (or an agent of Customer) shall send to Bank either by means of an e-mail or message through Bank's Internet Banking Service the Transmittal Register. In the event Customer has a third party processor ("Processor"), a transmittal letter from the Processor is sufficient if it contains the number of Items and amount for the entire transmission. (ii) The total number of issued items, and the total dollar amount of issued items in the file, as included in the data transmission, must match the information shown in the Transmittal Register. (iii) The total number of any voided items, and the total dollar amount of voided items in the file, as included in the data transmission, must match the information shown in the Transmittal Register. (iv) The data will be deemed delivered to Bank when all steps as described in this Section 3 have been complied with and the transmission is completed.

#### 6. Updating Issued Check File(s).

For each Deposit Account for which Customer requests Services hereunder, Bank will only pay Items presented for payment against such Deposit Account in accordance with the terms of the Agreement. It is the responsibility of Customer to routinely and regularly update the "Issued Check File." Bank is not liable to Customer or any third party for the payment or rejection of items consistent with the terms of the Agreement, or for the erroneous payment or rejection of an item due to an encoding error or posting error. Should Customer fail to routinely update Issued Check File(s), Bank may terminate this Service immediately upon written notice to Customer.

## INTERNET BANKING

**1. The Service.** Bank agrees to provide various services and transaction functions to Customer on selected Customer Deposit Account(s) through Bank's Internet Banking Services (Cash Manager). Available reports include:

ACH Activity Report	Mutual Fund Sweep Statement
Checking Account Statements	Positive Pay Exception Report
Current Day Report	Positive Pay Issue File Updates Report
Current Day Wire Report	Previous Day Report
FEDI Transaction Report	Repurchase Agreement Sweep Confirmation
Line of Credit Payment and Advance Advices	Repurchase Agreement Sweep Statement
Loan Information Report	Stop Payment Report
Lockbox Reports and Images	Wire Transfer Report
Mutual Fund Confirmation	

Available functions through Internet Banking Services include:

Account (Book) Transfers	Lockbox Exception Decisioning
ACH Origination	Positive Pay Decisioning
Commercial Loan Payments and Advances	Stop Payment Initiation
Data Export	Wire Transfer Initiation

**2. Hardware and Software Requirements for Internet Banking.** The Services provided by the Internet Banking Services can be accessed through Bank's web page at frostcashmanager.com. To access the Services online, Customer must own or have access to equipment and software (including web browser software) that allows Customer to access the Internet (collectively, the "Computer"). The web browser used by Customer must support, at a minimum, Secure Socket Layer ("SSL") technology and 128-bit encryption, and must be the current version or within two (2) versions prior of Microsoft Internet Explorer, or possibly, other browsers that support SSL. Customer understands that if a web browser is used that does not support SSL and 128-bit encryption, the security of Customer's transactions related to any Service may be compromised and thus not in compliance with the Security Procedures required by Bank. Customer further understands that installation, maintenance, and operation of Customer's Computer are Customer's sole responsibility. Bank is not responsible for any errors or failures of Customer's Computer, including but not limited to, any virus or Internet related problems that may be associated with Customer's access and use of the Services online. Bank reserves the right as encryption technology develops to impose further reasonable restrictions or requirements to maintain the appropriate level of security for the transactions contemplated hereunder and Customer agrees to abide by such restrictions or requirements or discontinue the Service or Services hereunder.

### 3. User Administration and Security.

- (a) Service Setup Administrator and User Setup Administrator Responsibilities. Bank will issue a unique User ID for the person appointed by Customer to be the "User Setup Administrator." The User Setup Administrator gives Customer's employees and authorized agents access to various Accounts and functions. The User Setup Administrator can also re-set passwords and audit the activity of employees or authorized agents on Bank's Internet Banking products.
- (b) Deletion of Users for Misconduct or Inactivity. Customer agrees that Bank, in its sole discretion, may immediately suspend or terminate Internet Banking access and assigned functionalities for security and other reasons for any of Customer's users if: (i) Bank discovers any willful misconduct by a user (i.e. Authorized Party, Service Setup Administrator, User Setup Administrator or User) or a user demonstrates a repeated and habitual failure to follow, and/or disregard of, Bank's established Security Procedures; or (ii) a user has not accessed or used their assigned functionality within the Internet Banking Services for a period of time deemed to constitute an inactive user by Bank.

**4. Loans.** Bank will provide certain commercial loan information through Bank's Internet Banking Service for certain loan types where Customer has a loan with Bank. The types of loans, information displayed and activities allowed are determined at the sole discretion of Bank. The terms and conditions of any separate loan agreement between Bank and Customer shall govern the terms and conditions of the loan(s) itself. Loan types may include term loans and lines of credit (revolving and non-revolving).

- (a) Advances and Transfers. Except for certain types of commercial loans as determined in Bank's sole discretion, Customer will be able to request loan advances if allowed by the type of loan Customer has with Bank, and in accordance with any loan requirements regarding advances or transfers. However, Bank may suspend the ability for Customer to perform advances or transfers at Bank's sole discretion for certain events. For example, Bank may suspend the advance or transfer capabilities for a loan that is past due, past maturity, or if no funds are available under the terms of the loan.

- (b) Pay-Down. Except for certain types of commercial loans as determined in Bank's sole discretion, Customer will be able to request pay-down information through the Commercial Loan Services. However, Bank may suspend the ability for Customer to perform advances or transfers at Bank's sole discretion for certain events. For example, Bank may not allow a Customer to request a pay-down if the loan has possible pre-payment penalties.

## LOCKBOX – RETAIL

**1. The Service.** Bank agrees to provide various Lockbox Services, accelerating the collection process of our Customer's accounts receivables by having Customer's payments mailed directly to a United States Postal Service location that is accessible and maintained by Bank. Retail Lockbox generally involves consumer oriented payments with a standardized payment coupon that Bank processes, depositing the payment into selected Deposit Accounts as identified to Bank.

**2. Remittance Address.** Customer agrees to direct all envelopes containing items to be processed under the Agreement to be mailed to the address and Post Office Box Number (the "Lockbox") provided by Bank.

**3. Mail Collection.** Bank will collect the contents of Customer's Lockbox each Business Day. The removing of items, drafts, or other orders for the payment of money (collectively, referred to herein as the "Items") and money (U.S. currency and/or coin, hereinafter referred to as "Cash") from the Lockbox shall create a bailment, and the bailor-bailee relationship shall continue until such items are received at the banking house of Bank and are accepted and credited to the Lockbox Account, at which time the relationship of Customer as a depositor of Bank for the aggregate amount of the Items and Cash then deposited to the Lockbox Account shall commence. The bailor-bailee relationship shall also apply to any contents other than the Items and Cash removed from the Lockbox, until such contents are processed in accordance with Section 7 of these Lockbox Provisions.

**4. Inspection of Item(s).** Bank will open each envelope picked up from the Lockbox and will remove the contents thereof. Each Item and any Cash contained in each envelope will be inspected and handled in the following manner:

- (a) Payees. For a transaction without a payment coupon or remittance information (a "Check Only Transaction"), Bank will accept all payments delivered to Customer's Lockbox. **FOR CHECK ONLY TRANSACTIONS, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, CUSTOMER HEREBY AGREES TO REIMBURSE AND INDEMNIFY BANK FOR AND HOLD BANK HARMLESS AGAINST ANY CLAIMS, CONTROVERSIES, LOSSES, LIABILITIES, SUITS, JUDGMENTS, COSTS, AND EXPENSES AT ANY TIME INCURRED IN DEFENDING AGAINST ANY SUCH CLAIM OR CONTROVERSY, ARISING OUT OF OR IN CONNECTION WITH BANK'S DEPOSITING AN ITEM PAYABLE TO OR ENDORSED IN FAVOR OF ANY PAYEE;**
- (b) Foreign Items Deposited for Face Value. For foreign items that are deposited for face value, exchange rate adjustments are made in collections after the deposit; and
- (c) Cash. Any Cash will be converted into a "Cash Substitution Document" for processing. The Cash Substitution Document and any papers accompanying the Cash in the envelope received at the Lockbox will be processed by two employees of Bank, verifying the Cash received. Customer should advise clients not to send Cash payments to the Lockbox.

Items which are found to be unacceptable for deposit or truncation pursuant to this Section 4 of these Lockbox Services specific provisions will NOT be deposited to the Lockbox Account or truncated, but will be processed as provided for in Section 6 of these Lockbox Services specific provisions.

**5. Processing Procedures for Acceptable Items and Cash.** Each Item found to be acceptable after inspection in accordance with Section 4 above, and all Cash Substitution Documents, will be processed as instructed by Customer in the following manner:

- (a) Endorsement. The following endorsement will be applied to each Item deposited: "Credited to the Account of the within named payee, absence of endorsement guaranteed, Frost Bank";
- (b) Deposits. In order to maximize funds availability, Bank will make one or more deposits of Items and/or Cash Substitution Documents received each Business Day, depending on volume, and credit the Lockbox Account, unless otherwise requested in writing by Customer;
- (c) Assembly. The following information regarding each deposit will be assembled and batched by deposit (a "Deposit Batch") and forwarded to Customer (i) deposit report; (ii) listing of all Items and Cash Substitution Documents included in the deposit; (iii) photocopies, as requested by Customer; and (iv) any accompanying paper(s) included in an envelope removed from the Lockbox and relating to an Item or Cash Substitution Document included in such deposit;

- (d) Online Images. Check and “Remittance Documentation Images” (if selected) are available as an additional feature over the Internet; and

**6. Processing of Items Which Are Not Deposited and Other Documents.** The following items will be batched separately and forwarded with the daily remittance materials, in accordance with Section 7 of these Lockbox Services specific provisions:

- (a) Unprocessed Items. Items which are NOT deposited or truncated pursuant to Section 4 above, with accompanying papers and envelopes; and,
- (b) Envelopes. Envelopes which contain Customer correspondence only.

**7. Materials Disposition.** Each Deposit Batch, all Items that have not been deposited or truncated, and the other documents described in Section 6 above will be provided to Customer daily as instructed by Customer.

## **LOCKBOX – WHOLESALE**

**1. The Service.** Bank agrees to provide various Lockbox Services, accelerating the collection process of our Customer’s accounts receivables by having Customer’s payments mailed directly to a United States Postal Service location that is accessible and maintained by Bank. Wholesale Lockbox generally involves a business to business payment which includes a check and some form of non-standard payment document or invoice that Bank processes, depositing the payment into selected Deposit Accounts as identified to Bank.

**2. Remittance Address.** Customer agrees to direct all envelopes containing items to be processed under the Agreement to be mailed to the address and Post Office Box Number (the “Lockbox”) provided by Bank.

**3. Mail Collection.** Bank will collect the contents of Customer’s Lockbox each Business Day. The removing of items, drafts, or other orders for the payment of money (collectively, referred to herein as the “Items”) and money (U.S. currency and/or coin(s), hereinafter referred to as “Cash”) from the Lockbox shall create a bailment, and the bailor-bailee relationship shall continue until such items are received at the banking house of Bank and are accepted and credited to the Lockbox Account, at which time the relationship of Customer as a depositor of Bank for the aggregate amount of the Items and Cash then deposited to the Lockbox Account shall commence. The bailor-bailee relationship shall also apply to any contents other than the Items and Cash removed from the Lockbox, until such contents are processed in accordance with Section 7 of these Lockbox Services specific provisions.

**4. Inspection of Item(s).** Bank will open each envelope picked up from the Lockbox and will remove the contents thereof. Each Item and any Cash contained in each envelope will be inspected and handled in the following manner:

- (a) Acceptable Payees. The payee or endorsee of the Item must be Customer or one of the payees identified by Customer (individually, an “Acceptable Payee”; collectively, the “Acceptable Payees”) or a reasonable variation thereof. If the payee or endorsee of an Item is not an Acceptable Payee or reasonable variation thereof, the Item will NOT be deposited. Bank reserves the right, in its sole discretion, to determine what is a reasonable variation of an Acceptable Payee. **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, CUSTOMER HEREBY AGREES TO REIMBURSE AND INDEMNIFY BANK FOR AND HOLD BANK HARMLESS AGAINST ANY CLAIMS, CONTROVERSIES, LOSSES, LIABILITIES, SUITS, JUDGMENTS, COSTS, AND EXPENSES AT ANY TIME INCURRED IN DEFENDING AGAINST ANY SUCH CLAIM OR CONTROVERSY, ARISING OUT OF OR IN CONNECTION WITH BANK’S DEPOSITING AN ITEM PAYABLE TO OR ENDORSED IN FAVOR OF AN ACCEPTABLE PAYEE OR A REASONABLE VARIATION THEREOF, AS AFORESAID;**
- (b) Missing Date. If the date on an Item is absent, the Item will be stamped “REFER TO MAKER” and deposited;
- (c) Postdated Item. Good faith efforts will be used to deposit an Item that is postdated in accordance with CUSTOMER’s instructions;
- (d) Stale Date. Good faith efforts will be used to deposit an Item dated more than six (6) months prior to the date it is collected from the Lockbox;
- (e) Amounts Differing. If an Item’s written and numeric amounts differ, Bank will credit the Lockbox Account with the written amount or in accordance with Company’s instructions. If both amounts are illegible the Item will NOT be deposited;
- (f) Signature Missing. If the drawer’s signature is missing, Bank will stamp “REFER TO MAKER” on the signature line and deposit the Item;
- (g) Restrictions and Conditional Notations. Upon request, Bank will use good faith efforts to attempt to identify and segregate any Items bearing restrictive or conditional notations such as, but not by way of limitation, “Payment-in-Full”, “Balance on



Account” or “Final Settlement”. All Items so identified will NOT be deposited; however, Bank shall have no liability to any person should it process and deposit an Item or Items bearing any such restrictive or conditional notation;

- (h) Drafts. All signed sight drafts or payable through drafts of one thickness of paper with MICR numbers will be handled in the same manner as other Items. All other drafts will either be handled as collection Items or forwarded to Customer as Bank deems appropriate;
- (i) Foreign Items Deposited for Face Value. For foreign items that are deposited for face value, exchange rate adjustments are made in collections after the deposit;
- (j) Cash. Any Cash will be converted into a “Cash Substitution Document” for processing. The Cash Substitution Document and any papers accompanying the Cash in the envelope received at the Lockbox will be processed by two employees of Bank, verifying the Cash received.

**5. Processing Procedures for Acceptable Items and Cash.** Each Item found to be acceptable after inspection in accordance with Section 4 above, and all Cash Substitution Documents, will be processed as instructed by Customer in the following manner:

- (a) Endorsement. The following endorsement will be applied to each Item deposited: “Credited to the Account of the within named payee, absence of endorsement guaranteed, Frost Bank”;
- (b) Deposits. In order to maximize funds availability, Bank will make one or more deposits of Items and/or Cash Substitution Documents received each Business Day, depending on volume, and credit the Lockbox Account, unless otherwise requested in writing by Customer;
- (c) Assembly. The following information regarding each deposit will be assembled and batched by deposit (a “Deposit Batch”) and forwarded to Customer (i) deposit report; (ii) listing of all Items and Cash Substitution Documents included in the deposit; (iii) photocopies, as requested by Customer; and (iv) any accompanying paper(s) included in an envelope removed from the Lockbox and relating to an Item or Cash Substitution Document included in such deposit; and
- (d) Online Images. Check and “Remittance Documentation Images” (if selected) are available as an additional feature over the Internet.

**6. Processing of Items Which Are Not Deposited and Other Documents.** The following items will be batched separately and forwarded with the daily remittance materials, in accordance with Section 7 of these Lockbox Service Specific provisions:

- (a) Unprocessed Items. Items which are NOT deposited or truncated pursuant to Section 4 above, with accompanying papers and envelopes; and,
- (b) Envelopes. Envelopes which contain Customer correspondence only.

**7. Materials Disposition.** Each Deposit Batch, all Items that have not been deposited or truncated, and the other documents described in Section 6 above will be provided to Customer daily as instructed by Customer.

## REMOTE PROCESSING AND PRESENTMENT SERVICE

**1. The Service.** Bank agrees to provide “Remote Processing and Presentment Services” (“RPPS”) through Bank’s Internet Banking Services (Cash Manager) for the purpose of improving collections and increasing availability of funds in selected Deposit Accounts, as Customer identifies to Bank, through Bank’s affiliation with third-party RPPS aggregator network to maximize the conversion of paper remittances into electronic transactions.

**2. Customer Remittances.** Bank will accept and process electronic remittances due Customer (also known as the “Biller” for this RPPS Service) received from Biller’s clients pursuant to the BPP Agreement and consistent, with the terms, the Deposit Account Agreement, and the Service described herein for credit to Biller’s specified “Deposit Account” with Bank.

**3. Processing Procedures.** Bank will act as the concentrator for single interface between Biller and the third-party BPP aggregator network. As such, Bank will setup and assign Biller an ID, and for any also-know-as (“AKA”) names and remittance addresses, to collect funds from multiple input channels for credit to Biller’s Deposit Account, as well as deliver payment detail information supporting such payments to Biller.

- (a) Online Bill Payment. Through the use of online bill payment, Biller’s clients are able to make payment through various programs available from both financial and non-financial originators (“Originators”), who act as the disbursement channel between Biller and its clients.

- (b) Bill Service Provider. Bank, as the biller service provider or concentrator, receives both payment settlement funds and supporting payment information from Originators through its third-party BPP aggregator. The electronic communication of client payment data between the third-party BPP aggregator and Bank is accomplished by means of File Transfer Protocol (“FTP”), with such payment data encrypted by third-party BPP aggregator and decrypted by Bank using PGP encryption, PGP, a widely recognized computer program, provides cryptographic privacy and authentication of the payment data.
- (c) Delivery of Electronic Remittance Information. Client payment data if forwarded to Biller by Bank using automated clearing house (“ACH”) Customer Initiated Entry (“CIE”) Standard Entry Class format at 6:00 a.m. Central Time provides transaction data in an importable format acceptable by Biller. Use of such ACH machine readable formatting with CIE provides transaction data in an importable file form acceptable to Biller’s receivable system to automate posting to client’s records and mitigate posting errors.
- (d) Funds Settlement. Bank credits Biller’s Deposit Account with each day’s settlement funds for corresponding payment data described in Section 3(c) above by 11:30 a.m. Central Time.

**4. Disclaimer of Warranties.** IN ADDITION TO ANY OTHER DISCLAIMER OR WARRANTIES CONTAINED IN THIS AGREEMENT, BANK MAKES NO WARRANTY OF ANY KIND, EXPRESSED OR IMPLIED, WITH RESPECT TO THE THIRD-PARTY BPP AGGREGATOR NETWORK OR ANY SERVICES PROVIDED BY SUCH ENTITY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OR MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

## **SPOT FOREIGN EXCHANGE TRANSACTION SERVICES**

**1. The Service.** Bank agrees to provide various “Spot Foreign Exchange Transaction Services” through Bank’s Internet Banking Services (Cash Manager) for the purpose of entering into foreign exchange transactions on a cash, tomorrow (TOM) and/or spot basis (collectively, “FX Transactions”). All FX Transactions are entered into in reliance on the fact that these Treasury Management Services – Procedures, Terms and Conditions and the agreed terms of all FX Transactions and any confirmations thereof (each, a “Confirmation”) form a single agreement between the parties, and the parties would not otherwise enter into any FX Transactions. In the event of any inconsistency between the provisions of any Confirmation and these Treasury Management Services – Procedures, Terms and Conditions, such Confirmation shall prevail for purposes of the relevant FX Transaction. In the event of any inconsistency between the General Provisions of these Treasury Management Services – Procedures, Terms and Conditions and these Spot Foreign Exchange Transaction Service Specific Provisions of these Treasury Management Services – Procedures, Terms and Conditions with respect to FX Transactions, these Spot Foreign Exchange Transaction Service Specific Provisions shall prevail for purposes of FX Transactions. All Customers, including foreign Customers, must maintain, at a minimum, a demand deposit account with Bank in order to engage in FX Transactions.

**2. Execution Procedures.** Unless Bank and Customer have agreed in writing upon one or more alternative methods of requesting and providing quotations for, executing, and confirming FX Transactions (which methods may include the use of electronic and/or internet based platforms), the following procedures shall apply. Upon Customer request, Bank may, in its sole discretion from time to time, provide Customer by telephone or electronic means with a quote (“Quote”) at which Bank shall execute an FX Transaction. Such Quote shall include (as applicable) the amount of each currency that Bank and Customer shall buy or sell and the date on which such currencies shall be delivered (each, a “Value Date”) under the FX Transaction. Additional fees and costs separately disclosed to Customer for wires and other Bank services shall also apply. If Customer accepts the Quote at the time it is offered by Bank, then the parties shall be bound by the terms of the Quote and an FX Transaction shall result in accordance with the terms of the Quote. If Customer does not accept the Quote at the time it is offered by Bank, then the Quote shall terminate and be withdrawn and no FX Transaction shall result. With respect to each FX Transaction, Customer is obligated to access Bank’s Treasury Management Services in order to promptly authenticate wire instructions consistent with the agreed terms of the FX Transaction. Bank shall not be obligated to issue a written Confirmation for any executed FX Transaction, but it may do so in its sole discretion. Absent manifest error, the terms of an FX Transaction set forth in any related Confirmation shall be presumed correct. Failure by Bank to send a Confirmation, or of Customer to respond to a Confirmation, shall not affect the validity or enforceability of any FX Transaction.

### **3. Obligations; Condition Precedent.**

- (a) Each party shall make its agreed payment or delivery of currency under each FX Transaction on the agreed Value Date, subject to (i) the condition precedent that no Event of Default or Potential Event of Default (as such terms are defined herein) with respect to the other party has occurred and is continuing and (ii) Section 3(b) below. Currency payments and deliveries shall be made in same-day freely transferable funds to a reasonably acceptable bank account specified by the payee to the payor.

- (b) In connection with each FX Transaction, Customer hereby authorizes Bank and each of its Affiliates, at any time in its sole discretion and without notice of any kind, to (i) withdraw any balances from, and/or to debit, any account of Customer maintained with Bank or any of its Affiliates for an amount up to Customer's required payment or delivery and (ii) apply the amount so withdrawn and/or debited to the satisfaction of Customer's obligations under the FX Transaction. For purposes of the foregoing, if the currency of Customer's payment or delivery obligation under an FX Transaction is different from the currency of the balance in Customer's account, Bank may convert the account currency into the currency Customer is obligated to pay or deliver at the prevailing rate of exchange determined by Bank in good faith. In addition, at any time in its sole discretion and without notice of any kind, Bank can condition the performance of Bank's obligations with respect to any FX Transaction upon Bank having received satisfactory confirmation that Customer's payment or delivery with respect to such FX Transaction has been satisfied in full. If settlement cannot be affected because the Value Date is not a Business Day, the Value Date shall be the next following Business Day.

**4. Payment and Novation Netting.** If the same currency would be due from both parties in respect of the same Value Date under two or more FX Transactions, then, at Bank's election upon notice to Customer that "payment netting" applies, the settlement obligations of the parties in that currency on that Value Date shall be netted and discharged automatically; provided that if one party's settlement obligation in that currency on that Value Date would have been greater than that of the other party, then such party's obligation shall be replaced by an obligation to pay or deliver the remaining net difference in such currency to the other party on such Value Date. In addition, at Bank's election upon notice to Customer that "novation netting" applies, all FX Transactions with the same Value Date and the same currencies shall be netted and combined into a single FX Transaction automatically without either party taking any further action.

**5. Default Interest.** To the extent permitted by law, interest shall be payable (both before and after judgment) on demand on any overdue amount at a rate per annum equal to (i) the cost at which the payee in good faith determines it could fund that amount, plus (ii) 3% per annum computed on a 360 day year basis for actual days elapsed.

**6. Representations.** In addition to Customer representations and warranties contained in the General Provisions of these Treasury Management Services – Procedures, Terms and Conditions, the party indicated below represents and warrants (which representations shall be deemed to be made on each date on which an FX Transaction is offered or entered into) to the other party as follows:

- (a) **Intentions.** (i) Each party intends that each FX Transaction shall create an enforceable delivery obligation of one or more currencies, and each party has the requisite ability to make and take payment or delivery of such currencies in connection with its line of business pursuant to the agreed terms of such FX Transaction and (ii) Customer represents to Bank that it is entering into each FX Transaction for the purpose of hedging or mitigating, in whole or in part, its current (or reasonably anticipated) economic, financial or commercial risk in connection with its assets, liabilities or operations, and not for any speculative, investment or trading purpose;
- (b) **ERISA Inapplicable.** Each party is not (i) an employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or a plan as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the "Code"), subject to Title I of ERISA or Section 4975 of the Code, or a plan as so defined but which is not subject to Title I of ERISA or Section 4975 of the Code but is subject to another law materially similar to Title I of ERISA or Section 4975 of the Code (each such plan, an "ERISA Plan"), (ii) a person or entity acting on behalf of an ERISA Plan, or (iii) a person or entity the assets of which constitute assets of an ERISA Plan; and
- (c) **Arm's Length Relationship.** For each FX Transaction (including any amendment, transfer or termination concerning an FX Transaction) (i) it acts as principal and not as agent, (ii) it acknowledges that the other party acts only at arm's length and is not its agent, broker, advisor or fiduciary in any respect for the FX Transaction, (iii) it is relying solely upon its own evaluation of the FX Transaction (including the present and future results, consequences, risks, and benefits thereof, whether financial, accounting, tax, legal, or otherwise) and upon advice from its own professional advisors, (iv) it understands the FX Transaction and associated risks, has determined they are appropriate for it, and willingly assumes those risks, and (v) it has not relied and shall not rely upon any evaluation or advice (including any recommendation, opinion, or representation) from the other party, its Affiliates or the representatives or advisors of the other party or its Affiliates (except written representations made herein).

**7. Covenants.** In addition to Customer covenants contained in the General Provisions of these Treasury Management Services – Procedures, Terms and Conditions, Customer agrees with Bank that, so long as Customer has or may have any obligation under these Spot Foreign Exchange Transaction Service Specific Provisions or under any Credit Support Document (as hereinafter defined):

- (a) Customer shall promptly submit to Bank such information relating to the affairs of Customer and any Credit Support Provider (as hereinafter defined) of Customer, including periodic financial statements and tax returns, as Bank may reasonably request; and

- (b) Customer shall comply with the terms of each contract, agreement or instrument, if any, outstanding from time to time and relating to any loan or extension of credit from Bank or any of Bank's Affiliates to Customer (each, a "Financial Agreement").

**8. Events of Default.** In addition to the events giving Bank a right of termination under the General Provisions of these Treasury Management Services – Procedures, Terms and Conditions, each of the following events is an "Event of Default" under these Spot Foreign Exchange Transaction Service Specific Provisions with respect to the party indicated below (the "Defaulting Party"):

- (a) A party fails to make, when due, any payment or delivery required to be made by it under or in relation to these Spot Foreign Exchange Transaction Service Specific Provisions (including without limitation any FX Transaction), if such failure is not remedied immediately after notice of such failure is given to the party;
- (b) A party fails to comply with or perform any agreement, covenant or obligation hereunder (other than making a payment or delivery described immediately above), if such failure is not remedied within two (2) Business Days after notice of such failure is given to the party;
- (c) A party or, in the case of customer, its Credit Support Provider (i) becomes insolvent or is unable generally to pay its financial obligations as they come due, (ii) commences or has commenced against it any bankruptcy, insolvency, receivership or conservatorship proceeding, or (iii) terminates its existence or dissolves;
- (d) A party makes any material misrepresentation hereunder, or in the case of Customer, its Credit Support Provider makes any material misrepresentation under any Credit Support Document;
- (e) In the case of Customer, the occurrence of (i) any default or event of default (however described) under a Financial Agreement or any documentation related thereto or any Credit Support Document (after giving effect to any applicable notice or grace period), or (ii) any other event or condition (however described) that would permit the acceleration of any loan or extension of credit outstanding under any Financial Agreement;
- (f) In the case of Customer, (i) any Credit Support Document in effect at any time terminates, expires or otherwise ceases or fails to be in full force and effect (other than in strict accordance with its terms) or (ii) Customer or any Credit Support Provider of Customer disaffirms, repudiates or challenges the validity of any Credit Support Document; and
- (g) In the case of Customer, a default, event of default or other similar condition or event (however described) in respect of Customer or any Credit Support Provider or Affiliate of Customer has occurred under one or more financial contracts with a party other than Bank, resulting in any financial obligation becoming, or becoming capable at such time of being declared, due and payable on an accelerated basis.

"Credit Support Document" means any document or instrument (including any document or instrument comprising all or any part of the documentation related to any Financial Agreement) which by its terms guarantees, secures, collateralizes or otherwise provides credit support for the obligations of Customer hereunder from time to time, whether or not these Spot Foreign Exchange Transaction Service Specific Provisions or any FX Transaction is specifically described therein.

"Credit Support Provider" means any party (other than Bank or Customer) from time to time a party to a Credit Support Document.

"Potential Event of Default" is any event which, with the giving of notice and/or the lapse of time, would be an Event of Default.

**9. Early Termination; Settlement Amount.**

- (a) In addition to the termination provisions contained in the General Provisions of these Treasury Management Services – Procedures, Terms and Conditions, if any Event of Default has occurred and is continuing, the non-Defaulting Party may notify the Defaulting Party specifying the relevant Event of Default and designate as the early termination date ("Early Termination Date"), in respect of all outstanding FX Transactions, any Business Day not earlier than one (1) day after (and not more than ten (10) days after) the day such notice is given. If notice designating an Early Termination Date is given, the Early Termination Date shall occur on the date so designated whether or not the relevant Event of Default is continuing on such date, and all FX Transactions then outstanding shall be deemed to terminate as of such date.
- (b) In connection with an Early Termination Date, Bank will, acting in good faith and a commercially reasonable manner, determine the net amount due from (or to) the non-Defaulting Party as of the Early Termination Date in respect of these Spot Foreign Exchange Transaction Service Specific Provisions and all FX Transactions (the "Settlement Amount"). In doing so, Bank shall take into account (i) the material terms of all FX Transactions terminated and the gains/losses of the non-Defaulting Party under then prevailing circumstances in replacing (or providing the non-Defaulting Party with the economic equivalent of) the terminated FX Transactions and (ii) any payments and deliveries under FX Transactions that were deferred or suspended (and not made) due to the occurrence of the Event of Default and subsequent designation of

an Early Termination Date. Bank's determination of the Settlement Amount shall also include, as applicable, any loss or cost incurred by, or gain received by, the non-Defaulting Party in terminating, liquidating, or reestablishing any hedges related to such terminated FX Transactions. The Settlement Amount will not take into account any out of pocket expenses, including legal fees and costs of collection, otherwise recoverable by the non-Defaulting Party under these Spot Foreign Exchange Transaction Service Specific Provisions. Bank shall provide written notice of the Settlement Amount (and supporting calculations in reasonable detail) to Customer. The Settlement Amount is due and payable on the Business Day immediately following the day notice thereof is given. The conditions precedent in Section 3(a) of these Spot Foreign Exchange Transaction Service Specific Provisions do not apply to payment of the Settlement Amount.

**10. Contractual Currency.** The receipt or recovery by a party (whether pursuant to these Spot Foreign Exchange Transaction Service Specific Provisions or legal proceedings) of currency different from the currency required under an FX Transaction or these Spot Foreign Exchange Transaction Service Specific Provisions shall discharge the obligation to deliver the required currency only to the extent that the party in the ordinary course of business and acting in good faith is able to purchase at prevailing exchange rates the amount of currency due with the amount of other currency received, and the other party shall remain liable in the required currency for any shortfall as a separate and independent obligation hereunder, which obligation shall be enforceable as a separate cause of action. In addition, the other party shall indemnify the recipient against any costs of making any such currency purchase.

**11. Counterparts.** These Spot Foreign Exchange Transaction Service Specific Provisions may be executed and delivered in counterparts (including by facsimile transmission or scanned document), each of which shall be deemed an original. The parties intend that they are legally bound by the terms of each FX Transaction from the moment they agree to those terms (whether orally or otherwise).

**12. Set-off.** In addition to the set-off provisions contained in the General Provisions of these Treasury Management Services – Procedures, Terms and Conditions and in the Depository Agreement, if an Event of Default occurs and is continuing with respect to Customer, Bank shall have the right (but not the obligation), without prior notice to Customer or any other person or entity, to set-off any obligation of Customer owing to Bank (whether or not arising under these Spot Foreign Exchange Transaction Service Specific Provisions and whether absolute, matured, liquidated, contingent, or otherwise) against any obligation of Bank owing to Customer (whether or not arising under these Spot Foreign Exchange Transaction Service Specific Provisions and whether absolute, matured, liquidated, contingent, or otherwise). Nothing contained in this Section 12 shall be effective to create a charge or other security interest. This Section 12 shall be without prejudice and in addition to any right of set-off, lien or other right to which Bank is at any time otherwise entitled (whether by operation of law, contract or otherwise). If an obligation being set-off is unascertained, Bank may in good faith estimate that obligation and set-off in respect of the estimate, subject to accounting to Customer when the obligation is ascertained. Bank shall give subsequent notice to Customer of any set-off affected hereunder.

**13. Ancillary Documents.** In addition to Customer documentation provisions contained in the General Provisions of these Treasury Management Services – Procedures, Terms and Conditions, at or before the time Customer executes and delivers these Spot Foreign Exchange Transaction Service Specific Provisions to Bank (and if requested by Bank, at or before the time of executing any FX Transaction with Bank), Customer shall also deliver to Bank (i) organizational, authority and signature/incumbency documentation, reasonably satisfactory to Bank, for Customer and any Credit Support Provider of Customer, (ii) any documentation reasonably requested by Bank in order to comply (or prove compliance) with applicable banking and commodities law, and (iii) any Credit Support Document requested by Bank as a condition to entering into these Spot Foreign Exchange Transaction Service Specific Provisions or any FX Transaction.

**14. Governing Law – New York. NOTWITHSTANDING THE CHOICE OF LAW PROVISIONS CONTAINED IN SECTION 28 OF THE GENERAL PROVISIONS OF THESE TREASURY MANAGEMENT SERVICES – PROCEDURES, TERMS AND CONDITIONS, THESE SPOT FOREIGN EXCHANGE TRANSACTION SERVICE SPECIFIC PROVISIONS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH FEDERAL LAW AND THE SUBSTANTIVE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO ITS CONFLICT OF LAW PRINCIPLES).**

**15. Superseding Agreement and Required Reporting.** In the event that the parties to these Spot Foreign Exchange Transaction Service Specific Provisions have entered, or hereafter enter, into either (i) a foreign exchange master agreement (which by its terms purports to encompass FX Transactions and other and further types of foreign exchange transactions like forward agreements and/or currency options) or (ii) a standardized master agreement published by the International Swaps and Derivatives Association, Inc. (“ISDA”) (in either case, (i) or (ii), a “Master Agreement”), then the terms of these Spot Foreign Exchange Transaction Service Specific Provisions shall be superseded by the terms of such Master Agreement, and FX Transactions hereunder shall be subject to the terms of such Master Agreement. Notwithstanding anything in these Spot Foreign Exchange Transaction Service Specific Provisions or any other agreement in effect between the parties, Bank shall be entitled to report information with respect to these Spot Foreign Exchange Transaction Service Specific Provisions and each FX Transaction as may be required by law or regulation or requested by any governmental authority, subpoena, or investigation.

**16. Miscellaneous.** These Spot Foreign Exchange Transaction Service Specific Provisions evidences a binding contract, is the entire agreement and understanding of the parties as to its subject matter, and may be amended only by written agreement of the parties. No one other than the parties hereto shall have any rights hereunder, and any purported transfer of rights or obligations under these Spot Foreign Exchange Transaction Service Specific Provisions without the other party's prior written consent is void; provided that any claim against the Defaulting Party for or relating to the Settlement Amount may be freely transferred by the non-Defaulting Party. Rights and remedies hereunder are cumulative and not exclusive of any available at law or in equity or in any Credit Support Document. The Defaulting Party shall indemnify the non-Defaulting Party on demand for all reasonable out of pocket expenses, including reasonable legal fees and costs of collection, incurred in enforcing these Spot Foreign Exchange Transaction Service Specific Provisions or any Credit Support Document.

**17. Taxes.** In addition to the tax provisions contained in the General Provisions of these Treasury Management Services – Procedures, Terms and Conditions, if Customer is required by any applicable law to withhold or deduct from any payment under these Spot Foreign Exchange Transaction Service Specific Provisions for or with respect to any tax, Customer shall: (i) promptly notify Bank of such requirement, (ii) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid to Bank under this Section 17) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Bank, (iii) pay to Bank, in addition to the amount to which Bank is otherwise entitled under these Spot Foreign Exchange Transaction Service Specific Provisions, such additional amount as is necessary to ensure that the net amount actually received by Bank (free and clear of all taxes) will equal the full amount Bank would have received had no such deduction or withholding been required. For the avoidance of doubt, if Bank is required by any applicable law to withhold or deduct from any payment under these Spot Foreign Exchange Transaction Service Specific Provisions for or with respect to any tax, Bank shall (a) pay to the relevant authorities the full amount required to be deducted or withheld, and (b) pay to Customer, net of the amount so withheld or deducted, its agreed payment or delivery pursuant to Section 3. Customer shall pay any stamp tax levied or imposed upon it or in respect of its execution or performance of these Spot Foreign Exchange Transaction Service Specific Provisions by a jurisdiction in which it is incorporated, organized, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting for the purpose of these Spot Foreign Exchange Transaction Service Specific Provisions is located (“Stamp Tax Jurisdiction”) and will indemnify Bank against any stamp tax levied or imposed upon Bank or in respect of Bank's execution or performance of these Spot Foreign Exchange Transaction Service Specific Provisions by any such Stamp Tax Jurisdiction.

## WIRE TRANSFER

**1. The Service.** Bank agrees to provide for origination of Funds Transfers by Wire (“Wire Transfer”) through Customer's personal computer. Bank will act upon Customer's instructions to debit one or more specified Deposit Accounts of Customer and will transfer funds from such Deposit Account(s) for credit to Customer and/or other persons or companies or specified accounts in accordance with the terms hereof. **Customer has no right to reverse, adjust, or revoke a Wire Transfer request after Bank has executed the Wire Transfer.** (See Section 8, below, for more information).

### 2. Definitions

- (a) “Repetitive Transfers” means Funds Transfer requests made routinely with instructions remaining constant except for the date and dollar amount.
- (b) “Non-Repetitive Transfers” means Funds Transfer Requests made routinely with only the debit account remaining constant.
- (c) “Online Wire Transfer” means a Wire Transfer initiated by a Customer via the Internet Banking Services.
- (d) “Domestic Wire” means a Wire Transfer that will not go outside of the United States and will be in U.S. dollars.
- (e) “Foreign Wire” means a Wire Transfer that eventually will be credited to an account outside the United States or will be sent in a currency other than U.S. Dollars.
- (f) “Wire Profiles” means formats for repetitive, non-repetitive, foreign, standing order and tax wires established in the bank's Internet Banking Services by Customer or at Customer's request. Wire Profiles are the formats in the bank's Internet Banking Services that enable Customer to initiate Online Wire Transfers.

### 3. Wire Template Maintenance; Customer's Liability for Errors To Beneficiary Information.

**CUSTOMER UNDERSTANDS AND AGREES THAT CUSTOMER AND NOT BANK WILL CONTROL THE BENEFICIARY INFORMATION FOR ALL WIRE TRANSFERS, INCLUDING ANY REPETITIVE WIRE PROFILES, AND THAT IF ANY WIRE TRANSFER INSTRUCTION BY CUSTOMER DESCRIBES THE INTENDED RECIPIENT OF FUNDS INCONSISTENTLY BY NAME AND ACCOUNT NUMBER THAT**

**PAYMENT BY THE RECEIVING BANK (WHICH MAY BE BANK) MAY BE MADE ON THE BASIS OF ACCOUNT NUMBER ALONE EVEN IF THAT ACCOUNT IS NOT OWNED BY THE PERSON OR ENTITY NAMED IN THE WIRE TRANSFER INSTRUCTION. BANK WILL NOT BE LIABLE FOR ANY ERRORS OR LOSSES RESULTING FROM ANY ERRORS IN OR CHANGES TO THE BENEFICIARY INFORMATION PROVIDED BY CUSTOMER. CUSTOMER HEREBY AGREES AND ACKNOWLEDGES THAT BANK IS NOT RESPONSIBLE FOR DETECTING ANY CUSTOMER ERROR CONTAINED IN ANY INDIVIDUAL WIRE TRANSFER.**

**IN THE EVENT THAT A WIRE TRANSFER IS UNAUTHORIZED BUT EFFECTIVE PURSUANT TO THE SECURITY PROCEDURES AND OTHER PROCEDURES AGREED TO HEREIN, BANK IS ENTITLED TO ENFORCE OR RETAIN PAYMENT FOR THE WIRE TRANSFER FROM CUSTOMER UNLESS CUSTOMER CAN PROVE THAT THE WIRE TRANSFER WAS NOT CAUSED, DIRECTLY OR INDIRECTLY, BY A PERSON EITHER (I) ENTRUSTED AT ANY TIME WITH DUTIES TO ACT ON CUSTOMER'S BEHALF WITH RESPECT TO SUCH WIRE TRANSFER OR THE SECURITY PROCEDURES OR OTHER PROCEDURES HEREIN, OR (II) WHO OBTAINED ACCESS TO CUSTOMER'S TRANSMITTING FACILITIES OR WHO OBTAINED, FROM A SOURCE CONTROLLED BY CUSTOMER AND WITHOUT AUTHORITY OF BANK, INFORMATION FACILITATING A BREACH OF THE PROCEDURES, REGARDLESS OF HOW THE INFORMATION WAS OBTAINED OR WHETHER CUSTOMER WAS AT FAULT.**

**4. Security Procedures.** Bank will only accept a funds transfer request that is made using the appropriate "Security Procedures" and codes. The Security Procedures to initiate Online Wire Transfers are as follows: (i) Customer will use the appropriate User ID and access code; and (ii) Online Wire Transfers require approval by a second Authorized Party, Service Setup Administrator or User before initiation.

**5. Transfer Requests.** Requests for transfers may be initiated online by an Authorized Party or a User of Customer providing to Bank the following information: (i) User ID and password ("log-in credentials"); and (ii) the name of the receiving party and account number to which funds are to be transferred.

**6. Submission of Transfers.** Wire Transfer requests must be delivered and approved prior to the applicable cut-off times or any earlier time that may be displayed on the online Wire Transfer screens when Customer makes a Wire Transfer. The cut-off time for domestic Wire Transfer requests and foreign Wire Transfer requests in U.S. Dollars is 4:45 p.m. Central Time. The cut-off time for foreign Wire Transfer requests in foreign currencies is 3:00 p.m. Central. The cut-off time for tax Wire Transfer requests is 1:00 p.m. Central Time. Wire Transfers shall be deemed delivered to Bank when the applicable Security Procedures have been complied with and the submission to Bank is completed in accordance with the Agreement.

#### **7. Acceptance and Execution of Transfer Requests.**

- (a) Bank Acceptance of Requests. A Wire Transfer request from Customer shall be considered accepted by Bank when Bank executes it.
- (b) Deadlines. Customer acknowledges that Bank maintains deadlines for accepting Wire Transfer requests. Such deadlines are subject to change from time to time at the sole discretion of Bank. If a Wire Transfer request from Customer is received after the deadline, it may be executed the next Business Day.
- (c) Bank Acceptance of Instructions. No instructions or other restrictions limiting Bank's acceptance of a Wire Transfer request from Customer shall be effective unless accepted and agreed to in writing by Bank. However, Bank at its option may elect to act consistently with such instructions or other restrictions which it believes in good faith were made by an Authorized Party or User of Customer.
- (d) Instructions. Bank shall make debits according to the instructions received from Customer and credits according to the instructions received electronically for each request.
- (e) Transmission. In executing any Wire Transfer request, Bank may utilize such means of transmission as it may reasonably select. Bank may initiate Wire Transfer requests in any order convenient to it.
- (f) Foreign Wires. Wires to foreign locations must be executed on a Foreign Wire Profile and may incur additional charges based on the routing of the wire through U.S. and foreign banks.
- (g) Foreign Currency Requests by Customer. Customer agrees that if Customer requests a wire transfer in a currency other than U.S. dollars, Bank will convert such amount at Bank's current exchange rate for the foreign currency you specify. If any funds are returned to Customer in a currency other than U.S. dollars, Bank will convert the returned foreign currency into U.S. dollars at its current exchange rate for such currency at the time of the return. If Bank does not have current exchange

rates for the particular foreign currency involved, Bank will use its best efforts to convert the currency promptly through reasonable commercial and/or banking channels, and Customer agrees to pay Bank a reasonable fee for such services. In no event shall Bank be liable to Customer for any losses arising from currency conversions requested by Customer and carried out by Bank within a reasonable time after receiving funds for conversion.

- (h) Bank's Discretion Regarding Currency Conversion for Wire Transfers. In addition to Customer's ability to request that a wire transfer be sent in a currency other than U.S. dollars, wire transfers that are denominated in U.S. dollars but contain instructions from Customer for Bank to send to an account denominated in a foreign currency, may be converted by Bank or converted by an intermediary or correspondent bank or the receiving bank, in such entity's sole discretion, into the applicable currency of the country the wire transfer is being sent to. If the beneficiary requires Customer to send payment in U.S. Dollars, Customer must advise Bank at the time of the transaction. Customer understands that Bank may receive compensation in connection with such conversion. When the conversion occurs, Bank, intermediary or correspondent bank, or the receiving bank, determines, in such entity's sole discretion, the currency exchange rate. Bank is not responsible for the exchange rate set by an intermediary or correspondent bank or the receiving bank.
- (i) Routing of Wire Transfer Requests. Bank may, at its sole discretion, determine: (i) the routing method and settlement systems (e.g. SWIFT, the Federal Reserve Wire Network ("FedWire") or the Clearing House Interbank Payments System); (ii) the settlement currency (unless otherwise instructed by Customer); (iii) intermediary and correspondent banks; and (iv) appropriate fee structures in order to facilitate wire transfers on Customer's behalf. Bank, its correspondent banks, and other banks involved in the funds transfer process may charge additional fees, or convert currency, in some cases providing compensation to Bank. Bank may deduct its fees from Customer's Account(s) or from the amount of the wire transfer. Bank may include Customer's name, address and other required information within the wire transfer instruction, so Bank may comply with international and foreign payment regulations and requirements.

**8. Revocation of Transfers. Customer has no right to reverse, adjust, or revoke a Wire Transfer request after Bank has executed the Wire Transfer.** If Customer requests the reversal, adjustment or revocation of a Wire Transfer request, Bank may (but shall not be obligated to) attempt to recover the funds from the transferee using whatever steps Bank may deem appropriate. **CUSTOMER EXPRESSLY AGREES TO INDEMNIFY BANK AGAINST ANY COSTS, EXPENSES, DAMAGES AND LIABILITIES, INCLUDING ATTORNEY'S FEES, WHICH BANK MAY INCUR IN ATTEMPTING TO EFFECT SUCH RECOVERY OF FUNDS. BANK MAKES NO REPRESENTATION OR WARRANTY AS TO ITS ABILITY TO REVOKE OR CANCEL A WIRE TRANSFER ONCE MADE.**

**9. Confirmation; Account Reconciliation.** Bank will send Customer a written advice of each executed Wire Transfer request. Bank will assign a reference number to each executed funds transfer request. This reference number will appear on the confirmation advice and periodic Deposit Account statement sent to Customer. All correspondence relating to a specific funds transfer request must include the reference number assigned to such funds request.

**10. Fees.** In addition to paying such fees for the Service as may be imposed from time to time pursuant to the Agreement, Customer shall reimburse Bank for any direct or indirect transfer charges or expenses incurred by Bank in connection with the Service. This includes but is not limited to any access charge from a communications system, telex transmission charges, transfer commissions, and correspondence charges.

## **ZERO BALANCE ACCOUNTING**

**1. The Service.** Bank agrees to provide "Zero Balance Accounting Services" to Customer through Bank's Internet Banking Service (Cash Manager) for the purpose of moving funds between Deposit Accounts automatically.

**2. The Accounts.** Bank will link a primary checking Deposit Account (the "Level One Account") maintained by Customer with at least one (1) checking Deposit Account up to nine (9) levels deep, but no more than ninety-nine (99) Deposit Accounts per level (the "Lower Level Accounts").

**3. Account Balance Maintenance.**

- (a) Generally. Customer is required to maintain sufficient balances in the Level One Account to cover all disbursements presented for payment against any account within this Service arrangement.
- (b) Lower Level Accounts. Provided these Zero Balance Accounting Service specific provisions are met, Customer is not required to maintain a pre-determined target balance amount (the "Target Balance") in any Lower Level Account, unless a Target Balance is so specified by Customer, or Customer and Bank have agreed to a Target Balance as a compensation condition.



**4. Procedures.** At the close of each Business Day, Bank will initiate a credit or a debit to each Lower Level Account equal to the Business Day's net balance at close in order to bring the Lower Level Account balance back to the Target Balance specified by Customer. If Customer has not indicated a Target Balance for a Lower Level Account, then the Lower Level Account will be brought to zero (0). Additionally, and at the close of each Business Day, Bank will initiate a corresponding credit or debit, as applicable, to the Level One Account.

**5. Statements.** Bank will furnish monthly checking Account statements for the Level One Account and each Lower Level Account that reflect all transfers initiated pursuant to this Agreement.

**NOTICE OF AMENDMENT TO FROST BANK'S  
TREASURY MANAGEMENT SERVICES AGREEMENT PROCEDURES, TERMS AND CONDITIONS  
EFFECTIVE MARCH 1, 2018**

This amendment (the "Amendment") to Frost Bank's (the "Bank") Treasury Management Services Agreement Procedures, Terms and Conditions ("Procedures") is being made to revision provisions to the Procedures as set forth below. This Amendment is effective March 1, 2018. Bank urges its Customers to carefully read this Amendment to the Procedures and to retain it for future reference. Any Customers with questions may call Bank's Treasury Management Customer Service Department at (888) 481-0336.

Under Section 3(c) of the General Provisions of the Procedures, the Bank may amend its Procedures but is required to notify its commercial customers ("Customer") in writing and provide notice as set forth in Section 4(a) and 4(e) of the Procedures. The changes set forth in this Notice of Amendment are those changes that are new to the current version of the Procedures effective February 1, 2018. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Procedures. Pursuant to Section 3(c) of the Procedures, your use of the Frost Treasury Management Services after the effective date of this Notice of Amendment constitutes your acceptance of and agreement to the amendments set forth below.

The "Fraud Prevention Services" provisions of the Service Specific Provisions of the Procedures are hereby amended and modified as follows (new language in underlined text and deleted language shown in strikethrough text).

**FRAUD PREVENTION SERVICES**

**I. The Service.** Bank agrees to provide various Fraud Prevention Services to Customer through Bank's Internet Banking Service (Cash Manager) for the purposes of increasing the chance of identifying fraudulent or unauthorized checks and/or electronic transfers drawn on selected Customer Deposit Account(s), as identified to Bank.

- (a) Positive Pay. Customer sends a file of issued checks to Bank. Bank only pays checks that match the issue file.
- (b) ACH Blocking. ACH debit and/or credit entries are returned to the Originator with no notice to Customer.
- (c) ACH Blocking with Review. Except for those ACH entries originated by Bank on its own behalf, Bank intercepts incoming ACH debits and Customer makes the decision to pay the item or not ("Decision").
- (d) ACH Filtering Services. Except for those ACH entries originated by Bank on its own behalf, all ACH entries originated by another party either through Bank's Services or received from another ODFI will be blocked unless an approved identifier for that transaction has been provided to Bank. The company ID of the Originator or the individual ID of the Receiver are the available identifiers of the transactions. **ACH Filtering Services do not affect checks converted to ACH transactions.**
- (e) SEC Blocking. Only those ACH transactions that contain Customer approved SEC codes will be posted to Customer's Account. All ACH transactions that do not contain Customer approved SEC codes will be returned to the Originator; **such restrictions will apply to checks converted to ACH transactions.**

**3. Procedures.**

- (a) Transmittal. Files delivered to Bank shall be prepared and submitted in compliance with the formatting as provided. Transmissions received by Bank after 7:00 P.M. Central Time will not be posted to the Issued Check File (defined herein) until the next business day.
- (b) Check Processing for Positive Pay. For applicable Deposit Accounts identified whereby Customer has requested Bank verify checks against an Issued Check File, Customer agrees to deliver or transmit the serial number, amount, date

issued and, at Customer's option, the payee name, along with the status of each check by Deposit Account number (such data cumulatively, the "Issued Check File") to Bank in the format agreed to by Bank and Customer. With the exception of checks presented for immediate payment in person ("Teller Checks"), Issued Check File data received by 7:00 PM Central Time each Business Day will be used to verify any check posting to the applicable Deposit Account that Business Day. Any Issued Check File data received by Bank during banking hours of a Business Day will be made available to Bank's tellers within fifteen (15) minutes of Bank's receipt. Teller Checks will be cashed only if verified against the most recent Issued Check File made available to Bank tellers and, if cashed, will be posted to the applicable Deposit Account on the Business Day they are received. **If the online Issued Check File is unavailable Bank's tellers will follow normal check cashing procedures.** Customer acknowledges that any stop payment issued on a check will supersede any data transmitted hereunder.

- (c) ACH External Debits for ACH Blocking with Review. As requested by Customer, ACH external debits (items not originated by or at Bank) will be completely blocked or will be matched against the stated maximum dollar limit ("Maximum Limit") as provided by Customer. Those debits in excess of the stated Maximum Limit will be rejected. All transactions originated by or at Bank (including direct deposit settlement transactions) are considered internal items and will not be matched against Customer's maximum and are processed, regardless of the amount.
- (d) Exception Reporting. At or before 9:00 AM Central Time of each Business Day, for each Deposit Account for which Customer has requested the Service, Bank will make available to Customer by means of its Internet Banking Service, an exception report (the "Exception Report") for the prior Business Day for each Deposit Account for which Customer has requested the Service. The Exception Report will list (i) all check and Substitute Check (defined herein) items posted to the applicable Deposit Account but not on the Issued Check File; (ii) all check and Substitute Check items posted to the applicable Deposit Account that are on the Issued Check File but for an amount different than that stated on the Issued Check File; (iii) where Customer chooses to set Maximum Limits, those check, Substitute Check, and/or ACH items exceeding the Maximum Limit; and (iv) all ACH debits where Customer chooses to block ACH debits.
- (e) Payment Authorization for Exception Report Items. In the event Customer wants to authorize payment of any item on the Exception Report, Customer must notify Bank of its intent to authorize such payment on or before ~~12:00 Noon~~ 3:00 p.m. Central Time of the Business Day that Customer received such Exception Report. Such notification must be made by an authorized User to Bank via Bank's Internet Banking Services. Any items on the Exception Report not authorized for payment by Customer as provided for herein, will be marked "REFER TO MAKER" and returned. Bank does not check items on the Exception Report(s) against previously cleared items. In the event Bank does not receive Customer's instructions on or before ~~12:00 Noon~~ 3:00 p.m. Central Time of the Business Day on which Customer received such Exception Report, Bank will, based on the default option selected by Customer in advance, either pay all or return all items identified on the Exception Report. ~~Customer agrees and acknowledges that Bank is not responsible for any liability associated with the payment or non-payment of items based on the default option selected by Customer.~~ Customer understands that Bank is not responsible for any errors or failures of Customer's equipment and software (including web browser software) that allows Customer to access the Internet (collectively, the "Computer"), including but not limited to, any virus or Internet related problems that may be associated with Customer's access and use of the Service.

#### 4. Service Options.

- (a) Additional Approval Options. When selecting this option, any item processing instructions will apply to ALL of Customer's Account(s) set up for Positive Pay and/or ACH Blocking with Review Services. Under this selection, Customer must submit a default instruction for Bank to either (i) require approval for submitting an issue file of issued checks over the designated dollar amounts specified by Customer, or (ii) require approval for any Decision over the designated dollar amounts specified by Customer. If Customer selects this option and does not designate a corresponding dollar amount, ALL items or decisions will require approval.
- (b) Limits. Customer may elect to impose limits on issued checks over a specified dollar amount or on decisions for checks/ Electronic Check Presentment exception items.
- (c) Default Decision. ~~If Customer selects the Positive Pay Services or ACH Blocking with Review, Customers are obligated to select a default decision to pay or return Exceptions. If Customer has not informed Bank of any Decision by Bank's 12:00 p.m. Central Time deadline, the default decision as designated by Customer in the TMSA Services Request Form will automatically be applied to checks and Electronic Check Presentment items based on Customer's default selections.~~

**5. Security Procedures.** Customer and Bank shall comply with the following Security Procedures with regard to the delivery/transmittal of Positive Pay files by Customer to Bank:

- (a) Transmittal Registers. With respect to each File, Customer shall provide in writing to Bank a “Transmittal Register” which shall contain: (i) Customer’s name; (ii) the total number of items transmitted; and (iii) the corresponding total dollar amount of such items.
- (b) Transmittal Procedures. The following procedures shall be followed in transmitting to Bank: (i) on the date that the data is transmitted, Customer (or an agent of Customer) shall send to Bank either by means of an e-mail or message through Bank’s Internet Banking Service the Transmittal Register. In the event Customer has a third party processor (“Processor”), a transmittal letter from the Processor is sufficient if it contains the number of Items and amount for the entire transmission. (ii) The total number of issued items, and the total dollar amount of issued items in the file, as included in the data transmission, must match the information shown in the Transmittal Register. (iii) The total number of any voided items, and the total dollar amount of voided items in the file, as included in the data transmission, must match the information shown in the Transmittal Register. (iv) The data will be deemed delivered to Bank when all steps as described in this Section 3 have been complied with and the transmission is completed.

**6. Updating Issued Check File(s).** For each Deposit Account for which Customer requests Services hereunder, Bank will only pay Items presented for payment against such Deposit Account in accordance with the terms of the Agreement. It is the responsibility of Customer to routinely and regularly update the “Issued Check File.” Bank is not liable to Customer or any third party for the payment or rejection of items consistent with the terms of the Agreement, or for the erroneous payment or rejection of an item due to an encoding error or posting error. Should Customer fail to routinely update Issued Check File(s), Bank may terminate this Service immediately upon written notice to Customer.

## **CHANGES TO YOUR TREASURY MANAGEMENT SERVICES – PROCEDURES, TERMS AND CONDITIONS EFFECTIVE OCTOBER 21, 2019**

This amendment (the “Amendment”) to Frost Bank’s (the “Bank”) Treasury Management Services Agreement Procedures, Terms and Conditions (“Procedures”) is being made to revise both General and Service Specific provisions of the Procedures as set forth below regarding Commercial Internet Banking Services. This Amendment is effective October 21, 2019 (“Effective Date”). Bank urges its Customers to carefully read this Amendment to the Procedures and to retain it for future reference. Any Customers with questions may call Bank’s Treasury Management Department at 877-840-1663.

Under Section 3(c) of the General Provisions of the Procedures, the Bank may amend its Procedures but is required to notify its commercial customers (“Customer”) in writing and provide notice as set forth in Section 4(a) and 4(e) of the Procedures. The changes set forth in this Notice of Amendment are those changes that are new to the current version of the Procedures (effective February 1, 2018). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Procedures or the Frost Deposit Account Agreement and Other Disclosures, as applicable. Pursuant to Section 3(c) of the Procedures, your use of the Frost Treasury Management Services after the Effective Date of this Notice of Amendment constitutes your acceptance of and agreement to the amendments set forth below.

The General Provisions of the Procedures and the Internet Banking Service Specific Provisions of the Procedures are hereby amended and modified as follows (NOTE: old language being deleted is shown in strikethrough text, and new language added is shown in underlined text):

1. Revised the Procedures “Table of Contents” to reflect revised Internet Banking (Commercial) Service Specific Provision title.
2. Revised provisions of the Procedures to change references to “Internet Banking” to “Commercial Internet Banking” or “Internet Banking (Commercial)” throughout the Procedures.
3. Revised provisions of the Procedures to remove all references to “Cash Manager” and replace with “Commercial Internet Banking” throughout the Procedures.
4. The title and Section I of the Internet Banking Service Specific Provisions are hereby amended and modified as follows:

### **INTERNET BANKING (COMMERCIAL)**

1. The Service. Bank agrees to provide various services and transaction functions to Customer on selected Customer Deposit Account(s) through Bank’s Commercial Internet Banking Services (~~Cash Manager~~).

**For more information, call toll-free:**

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