

## BUSINESS ONLINE BANKING SERVICE DESCRIPTIONS

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Bank provides deposit services to Client. As part of such services, Bank offers, and Client has elected to utilize equipment, software, licenses and procedures which shall allow Client to utilize the Bank’s online banking system which includes, but is not limited to, the following functionality: account inquiry, stop payment requests, funds transfers, wire transfers and automated clearing house entry origination.

### 1. Account Inquiry

Client may access the Services to obtain a listing of accounts and to make account inquiries regarding transactions and account balances.

Client acknowledge that information obtained on Client’s account and made available by use of the Services may not reflect other account transactions originated by Client but not yet received or processed by Bank. Client acknowledge and agree that the Bank has the sole discretion as to the order in which to process transactions against Client’s account.

### 2. Stop Payment Requests

Client may initiate stop payment requests via the Services only for paper checks Client has written on Client’s accounts. Stop payment requests must be received by the Bank before the item has been paid. Requests received after 4:00pm will be processed on the next business day. To be effective, this type of stop payment request must precisely identify the account number, name of the payee, the check number and the amount of the check. The Bank shall have no responsibility to determine the accuracy of such information. The Bank shall provide Client notice of the processing of the stop payment request by making such information accessible to Client online via the Service.

Client agrees to indemnify the Bank against any loss for the amount of said check and all expenses, costs and consequential damages, if any, incurred by the Bank because of refusing payment pursuant to Client’s stop payment request. Client agrees that any stop payment placed on any check issued on Client’s accounts may be relied upon by the Bank to have been placed by an agent of Client, duly authorized to place the stop payment, and the Bank shall have no duty or obligation to verify either the authenticity of the stop payment request or the authority of the person placing it.

***All stop payment orders expire eighteen (18) months (552 days) after the original stop payment request has been received and accepted by the Bank.***

### 3. Account to Account Funds Transfers

The account to account funds transfers service allows Client to transfer funds between any of Client’s accounts with the Bank. Client acknowledge that these accounts may have different owners. By requesting that all the accounts owned by each Client that is a party to this Agreement be combined into one Service, Client understands that the Services allows transfers between all the accounts.

Client is responsible for the input and verification of all information into the Service. The Bank shall have no responsibility to determine the accuracy of such information. Should there be any conflict between account number and account name, the account number shall prevail. The Bank shall be entitled to rely upon any transfer request reasonably believed by the Bank to have been input by Client or Client's Authorized Users.

The cut-off time for transfers is 4:00pm PT after which time such requests will be processed the next business day. Transfers initiated through the Services before 4:00pm PT on a business day are posted to Client's account the same day. Transfers completed after 4:00pm PT on a Business Day, Saturday, Sunday or banking holiday, will be posted on the next Business Day.

The Bank, may, in its sole discretion, reject any transfer request if there is insufficient Available Funds in Client's account(s) or the transfer request (a) is not authenticated to the Bank's satisfaction or which the Bank, in good faith, believes may not be authorized by Client; (b) contains incorrect, incomplete or ambiguous information; or (c) involves funds subject to a lien, hold, dispute or legal process which prevents their withdrawal. The Bank shall incur no liability for any loss to Client or to any third party occasioned by the Bank's refusal to make such transfer.

#### 4. Download Services

The Services include the ability to download information into personal financial management software (e.g. Quicken®). When Client uses this download feature, Client understands and agrees that:

- (a) not all of the information in Client's accounts can be downloaded;
- (b) information Client downloads may not include all of Client's account activity;
- (c) statements generated by the Bank are the official record of account transactions, positions and balances, and that the information Client downloads is for tracking purposes only and should not be considered an official record;
- (d) the account information will not necessarily reflect activities and transactions that have not yet been completed or settled and will only reflect the account information in Client's accounts at the exact point in time that Client downloads the information;
- (e) account information in Client's accounts may reflect transactions as of a prior time period and may not be current as of the point in time that Client downloads such information;
- (f) the account information that Client downloads will not be automatically updated by the Bank, and that Client will have to update the account information by downloading more current information from Client's accounts;
- (g) We are not liable for any loss, damages or expenses of any kind as a result of Client's reliance upon the account information in Client's personal financial management software, which for example, as stated above, may not be the most updated information and the information may not include pending transactions;
- (h) Client assume all risk that any account information Client downloads and stores in Client's personal financial management software may be accessed by unauthorized third parties;
- (i) if Client sends the information in a manner that is not secure, or if Client takes the account information out of the Bank's secured computers by downloading it, the Bank is no longer responsible for the security and confidentiality of that information, and that responsibility is now Client's;
- (j) Bank is not responsible for the security and confidentiality of the account information if Client (i) uses wireless connections to download Client's account information, in which case Client acknowledges such connection may permit other persons to access the information being downloaded, or (ii) allow other persons access to Client's personal financial management software;
- (k) and any account information that Client downloads, is done at Client's own risk and Client is solely responsible for any damage that might occur to the computer (or other electronic device) to which Client downloads any information, or any loss or corruption of data that might occur as a result of the downloading or its storage in a computer or other electronic device.

CLIENT AGREES AND UNDERSTANDS THAT BANK MAKES NO WARRANTIES AND HAS NO LIABILITY AS TO:

- (a) THE ACCURACY, COMPLETENESS, AVAILABILITY OR TIMELINESS OF THE ACCOUNT INFORMATION, TEXT, GRAPHICS, OR OTHER ITEMS IN THE ACCOUNT INFORMATION THAT CLIENT CAN DOWNLOAD THROUGH THE DOWNLOAD SERVICE;
- (b) THE ERRORS OR OMISSIONS IN THE DELIVERY OR TRANSMISSION OF THE ACCOUNT INFORMATION FROM BANK TO CLIENT (AND "CLIENT" INCLUDES DELIVERY TO CLIENT'S PERSONAL FINANCIAL MANAGEMENT SOFTWARE AND/OR CLIENT'S COMPUTER);
- (c) THE DOWNLOAD SERVICE'S FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT OF ANY THIRD PARTY RIGHTS;

- (d) UNAUTHORIZED ACCESS TO CLIENT'S ACCOUNTS OR TO CLIENT'S ACCOUNT INFORMATION AND ANY MISAPPROPRIATION, OR ALTERATION, OF CLIENT'S ACCOUNT INFORMATION OR DATA, TO THE EXTENT THE UNAUTHORIZED ACCESS RESULTS FROM CLIENT'S ACTS OR OMISSIONS;
- (e) CLIENT'S INABILITY TO USE THE DOWNLOAD SERVICE AND ACCESS CLIENT'S ACCOUNTS (INCLUDING BUT NOT LIMITED TO FAILURE OF ELECTRONIC OR MECHANICAL EQUIPMENT, INTERCONNECT PROBLEMS WITH TELEPHONE PROVIDERS OR INTERNET SERVICE PROVIDERS, ACTS OF GOD, STRIKES OR OTHER LABOR PROBLEMS), AND ANY OTHER MATTER RELATING TO THE DOWNLOAD SERVICE.

## 5. Alerts

Client's enrollment in Services includes enrollment to receive transaction alerts and notifications ("Alerts"). Alerts are electronic notices from us that contain transactional information about Client's BAC Community Bank account(s). Alerts are provided within the following categories:

- Mandatory Alerts provide important account notifications, such as information about changes to Client's password, PIN, or login information. Client does not have the option to suppress these Mandatory Alerts.
- Account Alerts provide notification of important account activities or when certain changes are made to Client's Service accounts. These Alerts are automatically activated. Although Client may suppress these Account Alerts, we strongly recommend Client not do so because they provide important information related to Client's Service accounts.
- Additional Alerts must be activated by Client to be enabled.

Account Alerts and Additional Alerts must be managed and/or added online through the Service. Client cannot maintain all Alerts through mobile devices. We may add new Alerts from time to time, or cancel old Alerts. We usually notify Client when we cancel Alerts, but are not obligated to do so. BAC Community Bank reserves the right to terminate its Alerts service at any time without prior notice.

We may provide Alerts through one or more channels ("EndPoints"): (a) a mobile device, by text message; (b) a mobile device, by push notification; (c) an email account, by an e-mail message; or (d) Client's BAC Community Bank Business Online Banking message in-box, by an e-mail message. Client agrees to receive Alerts through these EndPoints, and it is Client's responsibility to determine that each of the service providers for the EndPoints described in (a) through (c) above supports the email, push notification, and text message Alerts provided through the Alerts service. Please be advised that text or data charges or rates may be imposed by Client's EndPoint service provider. Alert frequency varies by account and preferences. Client agrees to provide us a valid mobile phone number or email address so that we may send Alerts. If Client's email address or Client's mobile device's number changes, Client is responsible for informing us of that change. Alerts will be updated to reflect the changes that Client communicates to us with regard to Client's primary and secondary email addresses or mobile device number.

To stop Alerts via text message, text "STOP" to 99588 at any time. Alerts sent to Client's primary email address will be unaffected by this action. To restore Alerts on a mobile phone, just visit the Alerts tab in BAC Community Bank Business Online Banking and click the box next to Client's mobile number for the Alerts Client would like to receive again. For help with SMS text alerts, text "HELP" to 99588. In case of questions please contact customer service at 877-226-5820. Our participating carriers include (but are not limited to) AT&T, SprintPCS, T-Mobile®, U.S. Cellular®, Verizon Wireless, MetroPCS.

BAC Community Bank provides Alerts as a convenience for information purposes only. An Alert does not constitute a bank record for the deposit or credit account to which it pertains. We strive to provide Alerts in a timely manner with accurate information. However, Client acknowledges and agrees that receipt of any Alerts may be delayed or prevented by factor(s) affecting Client's mobile phone service provider, internet service provider(s) and other factors outside BAC Community Bank's control. We neither guarantee the delivery nor the accuracy of the contents of each Alert. Client agrees to not hold BAC Community Bank, its directors, officers, employees, agents and service providers liable for losses or damages, including attorneys' fees, that may arise, directly or indirectly, in whole or in part, from (a) a non-delivery, delayed

delivery, or the misdirected delivery of an Alert; (b) inaccurate or incomplete content in an Alert; or (c) Client's reliance on or use of the information provided in an Alert for any purpose.

As Alerts delivered via SMS, email and push notifications are not encrypted, we will never include passwords or full account numbers. Client acknowledges and agrees that Alerts may not be encrypted and may include Client's name and some information about Client's accounts, and anyone with access to Client's Alerts will be able to view the contents of these messages.

## **6. Paperless Statements**

Client may elect to receive account statements through the Paperless Statement Service. When this service is provided, Client affirmatively consents to receive and access account statements electronically.

If an Authorized User does not access business online banking services for any three (3) month period, we may terminate Client's Paperless Statement Service and resume sending paper statements to the address on file in the Bank's records for the account.

Client can withdraw its election to receive paperless statements by contacting the Bank. Any such election will not be effective until Bank actually receives the notice and has a reasonable opportunity to act on it.

Termination of the paperless Statement Service will not affect the legal validity and enforceability of any account statement before the effective date of termination.

## **7. Wire Transfer**

This section governs Client's use of the Bank's Wire Transfer Service ("Wire Service"). Client authorizes the Bank to act upon all requests to transfer funds by wire ("Request"), from any of Client's deposit accounts that are maintained at the Bank. A Request includes a "payment order", as defined in Division 11 of the California Commercial Code.

**Requests.** By submitting a Request to the Bank, Client authorizes Bank, by wire, to transfer funds from one or more of Client's accounts to (a) one or more other accounts standing in Client's name with another financial institution, or (b) one or more accounts of a third party maintained with Bank or with another financial institution. Client must complete all Requests in the form and format the Bank designates.

**Cutoff Times.** The cutoff time for receipt and processing of Requests is 12:00 noon Pacific Time on a business day. Any Request or communication relating to an amendment or cancellation of a Request received after the cutoff hour on a business day, Saturday, Sunday or holiday will be treated as if the Request was received at the opening of the next business day. Unless Client's Request advised Bank differently, Bank will assume that any other financial institution through or to which the Request will be sent has a cutoff hour for receipt of Requests which is no earlier than Bank's cutoff time.

**Security.** The Bank is authorized to honor, execute and charge the deposit accounts indicated in the Requests when such Requests are received electronically from Client through use of the Services.

If a Request received by the Bank purports to have been transmitted or authorized by Client, the Request will be deemed effective as Client's Request and Client shall be obligated to pay the Bank the amount of such Request even though the Request was not authorized by Client provided Bank accepted the Request in good faith and acted in compliance with the security procedures.

If a Request received by Bank was transmitted or authorized by Client, Client shall pay Bank the amount of the Request whether or not Bank complied with the security procedure with respect to that Request and whether or not that Request was erroneous in any respect or that error would have been detected if Bank had complied with such procedure.

**Bank's Conditional Obligation to Execute Requests.** Bank is not obligated to execute a Request or to act on any amendment or cancellation to a Request unless Bank accepts the Request and executes it or Bank otherwise agrees, in writing, to accept that particular Request. This section is not, of itself, such an agreement.

Without limiting the generality of the foregoing, Bank may reject any Request, including without limitation:

- (a) which does not comply with the requirements of this section;

- (b) if the amount exceeds Client's collected and available funds in the account on which the Request is drawn, even if there are available funds in another account of Client's;
- (c) which may be rejected under applicable funds transfer system wire rules ("Wire Rules")
- (d) which specifies or calls for execution more than 2 days after the Business Day such Request is received by Bank.
- (e) which Bank has reason to believe or suspect is not or may not be authorized by Client;
- (f) is incomplete or ambiguous; or
- (g) which the Bank for any other reason deems unsatisfactory to Bank, in the Bank's sole discretion, notwithstanding Client's compliance with Client's obligations under this section.

**Office of Foreign Asset Control (OFAC) and U.S. Patriot Act.** The Bank will comply with regulations issued by the US Treasury's Office of Foreign Assets Control (OFAC). If any transfer request is to an entity listed on OFAC's list of Specially Designated Nationals and Blocked Persons, by law the Bank shall not complete the transfer and shall "block" the funds until such time OFAC issues a written release to the Bank. If Client's funds are "blocked", Client will not have access to Client's funds. Client will comply with the provisions of the USA Patriot Act.

**Execution of Requests and Credit Entries.** Bank may execute Client's Request through any intermediary financial institution, or funds transfer system which Bank chooses to use, notwithstanding any contrary information contained in a Request. Client agrees to be bound by the Wire Rules of any applicable funds transfer payment system.

**Payment.** Client shall pay Bank the amount of each Request transmitted by Bank pursuant to this section at such time as Bank, in Bank's discretion, may determine. Bank may, without prior notice or demand, obtain payment of any amount due and payable to Bank under this section by debiting Client's account(s) at Bank. Bank shall credit the same account for any amount received by Bank by reason of the return of any Request transmitted by Bank for which Bank has previously received payment from Client. Such credit shall be made as of the day of such receipt by Bank. Client shall at all times maintain a balance of available funds in the account sufficient to cover Client's payment obligations under this section. In the event there are not sufficient available funds in the account on which the Request is drawn to cover the Request, the Bank, in its sole discretion, elects to honor the Request, then Bank may charge the excess against any account maintained by Client with Bank whether or not such charge creates an overdraft (which shall be repaid by Client upon Bank's demand), or Bank may offset against any amount Bank owes Client, in order to obtain payment of Client's obligations under this section.

**Execution and Payment Dates.** If Client's Request does not include any execution date, Bank may treat the Request as if the Request called for execution at any time appropriate to reasonably assure the Request will be received by the beneficiary's bank no later than by the close of business on the payment date. If Client's Request does not include a payment date, Bank may treat the Request as if the Request called for payment upon receipt by the beneficiary's bank, and Bank may perform the funds transfers related to the Request at any time at Bank's convenience. For Requests to another account held at Bank, Bank may credit the account on the execution or payment date, whichever is earlier, or if neither date is specified, at any time at Bank's convenience.

**International Requests.** If the Bank receives an international Request from Client, then Client will indicate the amount of United States dollars ("US Dollars") or the amount of foreign currency to be sent to the beneficiary. The Bank will send the beneficiary either US Dollars or foreign currency as instructed by Client. If the amount indicated on the Request is in foreign currency, the Bank will convert the amount into US Dollars at the Bank's buy rate for the foreign currency in effect on the date the Bank executes the Request to determine the amount to deduct from Client's account.

If Client does not indicate in the international Request whether the payment is to be made in US Dollars or foreign currency, the Bank reserves the right to convert the Request into foreign currency. Any returned funds will be converted by the Bank into US Dollars at the Bank's then current buy rate for that currency on the day of return. The Bank will not be liable for any resulting exchange losses.

**Cancellation or Amendment of Request.** Client understand that, unlike checks, once a Request is executed by Bank, the Request is complete and in most instances is irrevocable, even if the Request has not yet been received by the beneficiary. Client shall have no right to cancel or amend any Request after it has been executed. Bank, in the Bank's sole discretion, may use reasonable efforts to act on a request by Client to cancel or amend a Request, or may attempt

to process a late or nonconforming Request, and if Bank attempts to do so, Client agree to indemnify, defend and hold Bank and its agents harmless from all actions, proceedings, losses and claims which may arise, directly or indirectly, from Bank's actions in response to Client's request and Client agree to reimburse Bank for all costs, losses and damages Bank incurs as a result. Bank assumes no responsibility for the Bank's failure or refusal to take such action, even if the Bank accepts the instruction to amend or cancel.

If Client revokes, cancels or amends any previously issued Request, the Bank shall not be obligated to refund any monies to Client until acceptable evidence has been received by the Bank that the transaction has been satisfactorily terminated or amended as to all parties, including the replacement of all funds, which were transferred by the Bank to affect the Request. Any refund shall be less all charges and expenses incurred by the Bank and the Bank's agents in connection with the Request, whether such revocation, cancellation, or amendment was successful.

**Inconsistency of Name and Account Number.** Client acknowledges and agrees that, if a Request describes the beneficiary inconsistently by name and account or other identifying number, funds transmitted by Bank to the beneficiary's bank may be credited by that financial institution on the basis of the number even if the account or other identifying number is owned by or identifies a person different from the named beneficiary, and that Client's obligation to pay Bank for the Request is not excused in such circumstances. Bank is not obligated to review Requests for inconsistencies or to confirm the correctness of any Request except to the extent provided in this section. Client also agree that where Bank is the Receiving Depository Financial Institution ("RDFI") and the name and account number are inconsistent, that Bank may credit on the basis of number, even if the account is owned by or identifies a person different from the named beneficiary.

**Inconsistency of Name and Bank Number.** If a Request describes an intermediary or beneficiary's bank inconsistently by name and bank number, execution of the Request by Bank, an intermediary bank or a funds transfer system may be made on the basis of the bank number or bank name, even if they are inconsistent. Client's obligation to pay the amount of the Request to Bank is not excused in such circumstances.

**Liability of Bank.** Bank shall be responsible only for performing the Wire Service expressly provided for in this section and, unless the law expressly provides otherwise, Bank shall be liable only for its negligence or willful misconduct in performing the Wire Service. The Bank shall not be responsible for Client's acts or omissions (including without limitation the amount, accuracy, timeliness of transmittal or authorization of any Request received from Client) or those of any other person or entity, including without limitation any Federal Reserve Bank, transmission or communications facility, data processing entity, third party, any beneficiary or intermediary financial institution or beneficiary's bank (including the return of a Request by such beneficiary or financial institution), and no such person shall be deemed Bank's agent. Bank shall be liable only for direct damages caused by the Bank's gross negligence or willful misconduct in performing the Wire Service the Bank is required to perform under this section.

Client understands that Bank shall have no liability or responsibility for any loss resulting from delays in delivery of wired funds to a foreign country or for any monetary loss resulting from a change in any conversion rate occurring between the request and delivery of such funds or from any other cause whatsoever.

Neither Bank nor its officers, directors, employees or agents shall be liable to Client for (and Client waives any right to make a claim against Bank with respect to):

- (a) the use which may be made of any funds transferred pursuant to this section, or for any acts or omissions on the part of payees with respect to such transfers;
- (b) the validity, sufficiency, genuineness of, or authority to create, execute or deliver any Requests, even if such documents should prove to be in any respect invalid, insufficient, unauthorized, fraudulent or forged;
- (c) Client's failure to arrange for delivery of Requests to Bank in sufficient time for the Bank to make the transfer at the time Client desires; or
- (d) any other circumstance whatsoever in making or failing to give effect to the actions or payments specified in any Requests, except to the extent of direct (and not consequential) damages suffered by Client which are proved to be caused directly by Bank's willful misconduct or gross negligence in giving effect to



Requests or other instructions.

If under the provisions of this section or the law, Client is not obligated to pay for a Request, and Bank has charged the amount of the Request to Client or Client has otherwise paid the Request, Bank shall refund to Client the amount of the Request, except in the case of a Request executed erroneously in an amount greater than intended by Client, in which case Bank shall be liable only for the difference.

Notwithstanding any other provisions of this section, Bank's liability to Client, if any, shall be reduced by the amount, if any, of the loss that Bank could have prevented or recovered had Client exercised ordinary care to discover the error.

If Client has received notice of a Request or other communication purportedly made on behalf of Client which has been executed and charged to Client erroneously or without Client's authorization, but Client has not notified Bank of the error or lack of authorization, Bank will have no liability to Client for any subsequent similar occurrence even if Bank would otherwise be liable to Client in connection with the subsequent occurrence.

#### **8. Automated Clearing House Transactions**

Client requests to initiate credit and debit entries ("Entries" and "Entry") by means of the ACH Network pursuant to the terms of this section and the rules of NACHA-The Electronic Payments Association ("NACHA Rules"), and the Bank is willing to act as an Originating Depository Financial Institution with respect to such Entries. Unless otherwise defined herein, capitalized terms in this section shall have the meanings provided in NACHA Rules. The term Entry/Entries shall have the meaning provided in NACHA Rules and shall also mean the data received from Client hereunder from which the Bank prepares Entries.

**Transmittal of Entries by Client.** Client shall transmit credit or debit Entries to the Bank in compliance with the formatting and other requirements required by the Bank.

Client will only originate ACH debit or credit Entries from Client's Companies.

Client will only originate ACH credit or debit Entries with the following standard entry class (SEC) codes:

- (a) CCD - Cash Concentration or Disbursement (including Federal and State tax payments)
- (b) PPD – Prearranged Payment or Deposit Entry

Client will not originate ACH debit or credit Entries with any other standard entry class (SEC) codes unless an exception is made by the Bank. Such exception will be evidence by the Bank activating the appropriate SEC codes within the Services.

Client agrees to comply with the NACHA Rules. A copy of the NACHA Rules can be purchased from NACHA at [www.NACHA.org](http://www.NACHA.org). Client agrees to obtain a copy, to understand and be familiar with the Rules, and to be responsible for keeping up to date with changes in the Rules. Client agrees that information or advice received by Client from Bank as to the Rules or the operation of the Rules is not legal advice and is not a substitute for Client's obligation independently to understand and comply with the Rules.

**Processing Entries.** The Bank has the authority to establish and enforce a maximum dollar limit for the amount of transactions originated by Client in any one day or month. At the Bank's discretion, it may process Entries that exceed these established maximums. The Bank is not obligated to process Entries that exceed these established maximums even if the Bank has previously processed Entries exceeding the established maximums. Excessive violation of the established maximums is a breach of this Service Description and cause for termination of this Service Description.

**Security.** Client is solely responsible for protecting and controlling access to (a) the systems used to initiate and transmit its Entries and other communications and instructions to Bank; and (b) the data files maintained by Client on its behalf with respect to Client's Entries and the underlying payment and payee information. Client agrees that Bank is not responsible for erroneous Entries (including Erroneous Entries, as defined in the ACH Rules), except as explicitly set forth herein.

The Bank is authorized to complete all Entries received from Client.

If Entries (or a request for cancellation or amendment of Entries) received by the Bank purports to have been transmitted or authorized by Client, the Entries will be deemed effective as Client's Entries and Client shall be obligated

to pay the Bank the amount of such Entries even though the Entries were not authorized by Client provided Bank accepted the Entries in good faith and acted in compliance with the security procedure.

If Entries (or a request for cancellation or amendment of Entries) received by Bank was transmitted or authorized by Client, Client shall pay Bank the amount of the Entries whether or not Bank complied with the security procedure with respect to that Entries and whether or not Entries were erroneous in any respect or that error would have been detected if Bank had complied with such procedure.

**Processing, Transmittal and Settlement by the Bank.** Except as provided in paragraphed titled On-Ups Entries and paragraphed Rejection of Entries, Bank shall (a) process Entries received from Client to conform with the file specifications set forth in NACHA Rules, (b) transmit such Entries as an Originating Depository Financial Institution (ODFI) to an Automated Clearing House Operator (the “ACH Operator”), and (c) settle for such Entries as provided in NACHA Rules.

The Bank shall transmit such Entries to the ACH Operator by the deadline of the ACH Operator prior to the Effective Entry Date shown in such Entries, provided (a) such Entries are received by the Bank’s cut-off time on a Business Day (b) the Effective Entry Date is at least two days for credits and one day for debits after such Business Day, and (c) the ACH Operator is open for business on such Business Day. The Bank’s cut-off times are:

- (i) Credit Entries: files must be submitted by 4:00pm PT two (2) business days prior to the effective date
- (ii) Debit Entries: files must be submitted by 4:00pm PT one (1) business day prior to the effective date

Effective Entry Date must be a future Business Day or the Entries will be processed as follows:

- (iii) Entries received prior to the cutoff time for same day processing will be processed on the day received, or
- (iv) Entries received after the cutoff time for same day processing will be processed on the next Business Day.

Entries shall be deemed received by the Bank when the transmission is complete and the file is received by the Bank.

If any of the requirements in this section, Processing, Transmittal and Settlement by the Bank, are not met, Bank shall use reasonable efforts to transmit such Entries to the ACH Operator by the next deposit deadline of the ACH Operator which is a Business Day and a day on which the ACH Operator is open for business.

**Same Day ACH Origination.** Company may, as an optional service, initiate qualified credit or debit Same Day ACH Entries pursuant to the NACHA Rules. Qualified Entry is a domestic Entry of \$100,000 or less. Client will initiate qualified Entries with an Effective Entry Date of the current date, and submit those Entries to Bank per the processing schedule deadlines shown below for Same Day Settlement. Same Day Entry Fees and/or additional fees will apply to said Entries. Any Entries received by Bank containing stale-dated or incorrect /invalid Effective Entry Dates may process as Same Day ACH Entries. (Note – Entries sent with an Effective Entry Date prior to the current date may be sent as a Same Day ACH Entry.) Client is responsible for payment of all associated fees for the same day settlement option whether or not the same day settlement option was selected in error.

Same Day Processing Schedule – Cutoff Time

Type	Deadline	Day of Delivery
Same Day ACH	9:30 am PT	On the Effective Entry Date

**Prefunding.** The Bank will require Client to prefund an account maintained at the Bank two business days prior to the Settlement Date of the ACH file. Client must have available funds in the designated Settlement Account of an amount equal to the sum of all credit Entries or debit Reversals related to entry data delivered to Bank. For Same-Day ACH, Client’s account will be debited immediately upon submitting the ACH transaction.

**Prenotifications.** A Prenotification is a Non-Monetary Entry transmitted through the ACH network by an Originator to a Receiving Depository Financial Institution (“RDFI”). A Prenotification conveys the same information that will be carried on subsequent Entries, with the exception of the dollar amount, transaction code and any addenda records. Prenotifications allow the RDFI to verify the accuracy of account numbers prior to receiving a live Entry.

At Client’s option, Client may send Prenotifications. If Client chooses not to send a Prenotification, Client is responsible for Entries that are misrouted to incorrect accounts.



**Reserve Account.** The Bank reserves the right to require Client to maintain a reserve account in a specified amount. The Bank will communicate directly to Client if a reserve account is required.

**On-Us Entries.** Except as provided in paragraph titled Rejection of Entries, in the case of Entries received for credit to an account maintained with the Bank (an “On-Us Entry”), Bank shall credit the Receiver’s account in the amount of such Entries on the Effective Entry Date contained in such Entries, provided the requirements set forth in clauses (a) and (b) of section titled Processing, Transmittal and Settlement by the Bank, are met. If either of those requirements is not met, Bank shall use reasonable efforts to credit the Receiver’s account in the amount of such Entries no later than the next Business Day following such Effective Entry Date.

**Rejection of Entries.** The Bank may reject any Entries which do not comply with the requirements of section titled, Transmittal of Entries by Client, or which contains an Effective Entry Date more than five days after the Business Day such Entry is received by the Bank. The Bank may reject an On-Us Entry for any reason for which Entries may be returned under NACHA Rules. Bank may reject any Entries if Client fails to comply with Client’s account balance obligations under section titled, Account. Bank may reject any Entries if Client does not adhere to security procedures. Bank shall notify Client by either phone, email, or electronic transmission of such rejection no later than the Business Day such Entries would have otherwise been transmitted by the Bank to the ACH operator, or in the case of an On-Us Entry, its Effective Entry Date. Notices of rejection shall be effective when given. The Bank shall have no liability to Client due to the fact that such notice is not given at an earlier time than that provided for herein.

**Cancellation or Amendment By Client.** Client shall have no right to cancel or amend any Entries after receipt by the Bank. However, if such request complies with security procedures, Bank shall use reasonable efforts to act on a request by Client for cancellation of Entries prior to transmitting the Entries to the ACH Operator or, in the case of an On-Us Entry, prior to crediting a Receiver’s account, but shall have no liability if such cancellation is not affected. Client shall reimburse the Bank for any expenses, losses, or damages the Bank may incur in effecting or attempting to affect Client’s request for the reversal of Entries.

**Returned Entries.** Bank shall notify Client by either phone or electronic transmission, (including email) of the receipt of returned Entries from the ACH Operator no later than one Business Day after the Business Day of such receipt. Except for Entries retransmitted by Client in accordance with the requirements in paragraph titled, Transmittal of Entries by Client, Bank shall have no obligation to retransmit returned Entries to the ACH Operator if the Bank complied with the terms of this section titled Returned Entries, with respect to the original Entries. Client will not reinitiate returned Entries unless:

- (a) the Entries have been returned for insufficient or uncollected funds and re-initiation occurs within 180 days of the settlement date of the original Entries or
- (b) the Entries have been returned for a stop payment and re-initiation has been authorized by the receiver.

The Bank may terminate this Service Description if the volume of returned Entries is determined by the Bank in its sole discretion to be excessive.

**Payment by Client for Entries.** Client shall pay the Bank the amount of all Entries transmitted by the Bank at such time on the date of transmittal by the Bank of such Entries as the Bank, in its discretion, may determine, and the amount of each On-Us Entry at such time on the Effective Entry Date of such Entries as the Bank, in its discretion, may determine.

**Account.** Bank may, without prior notice or demand, obtain payment of any amount due and payable to the Bank by debiting Client’s deposit account(s), and shall credit the deposit account(s) for any amount received by the Bank by reason of the return on Entries transmitted by the Bank for which the Bank has previously received payment from Client. Such credit shall be made as of the day of such receipt by the Bank. Client shall at all times maintain a balance of available funds in Client’s deposit account(s) sufficient to cover Client’s payment obligations. In the event there are not sufficient available funds in Client’s deposit account(s) to cover Client’s obligations, Client agrees that the Bank may debit any account maintained by Client with the Bank or any affiliate of the Bank, or that the Bank may set-off against any amount the Bank owes to Client, in order to obtain payment of Client’s obligations.

**Account Reconciliation.** Entries transmitted by the Bank or credited to a receiver’s account maintained with the Bank will be reflected on Client’s periodic statement issued by the Bank.

**Client’s Representations and Agreements.** With respect to each and every Entry initiated by Client, Client represents and warrants to the Bank and agrees that:

- (a) Entries transmitted to the Bank by Client are limited to those types of Entries set forth in this Service Description;
- (b) Client shall perform Client's obligations under this Service Description in accordance with all applicable laws and regulations, including the sanctions laws administered by OFAC; and
- (c) Client shall be bound by and comply with ACH Rules as in effect from time to time, including, without limitation, the provision making payment of an Entry by the Receiving Depository Financial Institution ("RDFI") to the Receiver provisional until receipt by the RDFI for final settlement for such Entry.
- (d) Each Receiver of an ACH Entry has authorized the ACH Entry and the debiting or crediting of the Receiver's Account in the amount of the ACH Entry on the Settlement Date for that ACH Entry;
- (e) Each authorization for an ACH Debit Entry is in writing and signed or similarly authenticated by the Receiver;
- (f) Each ACH Entry is otherwise properly authorized by the Originator and the Receiver in accordance with the ACH Rules, including any specific requirements applicable to the particular types of ACH Entries Client submits;
- (g) Each authorization remains operative and neither the Receiver's authorization nor the agreement between the Receiver and the RDFI with respect to such ACH Entry has, to Client's knowledge, been revoked or terminated;
- (h) Client has, where applicable, followed commercially reasonable procedures to verify the identity of each Receiver and to verify the validity of the routing numbers used in the ACH Entries Client submit; and
- (i) Client has complied with all other requirements of the ACH Rules applicable to the ACH Entries Client submits, including, where applicable, security practices and procedures, annual audits of security, and use of fraud detection systems.
- (j) Client will not initiate Entries to collect: (i) payments for goods or services sold by third parties; (ii) payments relating to adult entertainment, gambling services, or child pornography; (iii) obligations belonging to third parties; or (iv) obligations related to cash advances by Client.

Client specifically acknowledges that Client has received notice of ACH Rules regarding provisional payment and of the fact that, if such settlement is not received, the RDFI shall be entitled to a refund from the Receiver of the amount credited and Client shall not be deemed to have paid the Receiver the amount of the Entry.

**Bank Responsibilities; Liability; Limitations on Liability; Indemnity.** Bank shall be responsible only for performing the ACH Services expressly provided for, and shall be liable only for its negligence or willful misconduct in performing those Services. The Bank shall not be responsible for Client's acts or omissions (including without limitation the amount, accuracy, timeliness or transmittal or authorization of any Entry received from Company) or those of any other person, including without limitation any Federal Reserve Bank, Automated Clearing House or transmission or communications facility, any Receiver or Receiving Depository Financial Institution (including without limitation the return of an Entry by such Receiver or Receiving Depository Financial Institution), and no such person shall be deemed the Bank's agent. Bank shall be liable only for direct damages caused by the Bank's gross negligence or willful misconduct in performing the ACH Services the Bank is required to perform under this section.

**Inconsistency of Name and Account Number.** Client acknowledges and agrees that, if an Entry describes the Receiver inconsistently by name and account number, payment of the Entry transmitted by the Bank to the RDFI may be made by the RDFI (or by the Bank in the case of an On-Us Entry) on the basis of the account number supplied by Client, even if the Entry identifies a person different from the named Receiver, and that Client's obligation to pay the amount of the Entry to the Bank is not excused in such circumstances.

**Notifications of Change.** The Bank shall notify Client of all notifications of change received by the Bank relating to Entries transmitted by Client by either phone or electronic transmission (including email) no later than two Business Days after receipt thereof.

**Data Retention.** Client shall retain data on file adequate to permit remaking of Entries for (5) five Business Days following the date of their transmittal by the Bank as provided herein, and shall provide such data to the Bank upon its request.

**Evidence of Authorization.** Client shall obtain all consents and authorizations required under the NACHA Rules and shall retain such consents and authorizations for two (2) years after they expire. Client will provide to Bank copies of authorizations within 10 days when requested by Bank.