



HANOVER BANK

BUSINESS ONLINE BANKING SERVICES

This agreement for Business Online Banking Services (“**Agreement**”) is between the person or business entity acknowledging its acceptance of the terms and conditions of this Agreement below (“**Customer**”; “**you**”; “**your**”) on behalf of Customer and each Authorized User (as defined below) it may authorize from time to time, which shall govern your use of the online banking and cash management services described herein (each, a “**Service**” and, collectively, the “**Services**”) provided to you by Hanover Community Bank (“**Hanover**”; “**Bank**”; “**we**”; “**our**”; “**us**”) at www.hanoverbank.com (“**Website**”). You further acknowledge and agree that this Agreement may be amended and/or supplemented from time to time by documents we provide to you pertaining to the terms and conditions of the Services or for a specific Service we may make available to you. Please read this Agreement and any other documents carefully.

This Agreement sets forth the terms and conditions under which Bank will provide the Services. The Services provided hereunder supplement and are subject to the terms of your Business Account Deposit Agreement and other services agreements and disclosures you have received, which are incorporated by reference and made part hereof, including as each may be amended from time to time (collectively, the “**Account Agreement**”). Unless otherwise defined in this Agreement, capitalized terms shall have the meanings provided in the Account Agreement. The additional definitions and terms and conditions in this Agreement apply to the Services. To the extent there is a conflict between the Account Agreement and this Agreement, the terms of this Agreement will govern the Services.

This Agreement covers your and our rights and responsibilities concerning the Services offered to you by the Bank. The enrollment in and/or termination of the Services may be done selectively and will be subject to approval and/or the application of certain limitations by the Bank in its sole discretion. Customer agrees to complete any other forms or supply any other information requested by Bank from time to time.

SECTION I: GENERAL TERMS AND CONDITIONS

The following are the General Terms and Conditions which are applicable to the Services offered by the Bank generally. Additional terms and conditions may apply to specific Services.

1. ONLINE BANKING SERVICES. Bank will make available to Customer certain Services through the Website that will enable Customer to gain access to the balance in its deposit account(s) held at Bank (each, an “**Account**”) and other information regarding the Accounts, as well as such additional Services as may be offered by us from time to time. The Bank reserves the right, at its sole discretion, to set maximum dollar limits for each type of transaction that may be conducted through the Services. To enroll in the Services the customer must complete a Business Online Banking Application and Maintenance Form (“**Implementation Form**”).

Business Online Banking Services. The following Services are available to all Customers and are more fully described in Section II below:

- Account Information Reporting
- Internal Transfers between Linked Accounts
- Stop Payments
- Account Alerts
- Mobile Banking

The following services are provided by third party vendors and are subject to their own, separate Terms and Conditions.

- Bill Pay
- Electronic Delivery of statements and notices



Cash Management Services. Customers may submit a Business Online Banking Application and Maintenance form (“**Implementation Form**”) to receive the following Services, as are more fully described in Section III below:

- Check Positive Pay
- ACH Positive Pay
- ACH Origination and Transfers
- Wire Transfers
- Remote Deposit Capture

The Bank reserves the right, at its sole discretion, to decline to provide one or more Services requested through an Application and, if approved, to set limits on the value and/or volume of transaction or establish other applicable restrictions on the utilization of each Service by Customer as set forth in the Implementation Form or as otherwise communicated to Customer from time to time.

2. AUTHORIZED USERS. The persons identified as authorized signers of Customer will designate an individual(s) as Customer’s Authorized Users who shall have access to the Services as so designated. Customer understands and agrees (i) the individual(s) designated as Customer Authorized User(s) shall access and use the Services as defined in Customer’s Implementation Form and (ii) the Customer assumes the complete and absolute risk of loss for all acts and omissions by any Authorized Users. Customer hereby understands and agrees that the Bank is entitled to rely, without further inquiry, on any information or direction submitted by the any Authorized Users in accordance with the terms of this Agreement. It is the responsibility of Customer to notify the Bank in writing of any changes to those individuals designated as an Authorized User by the Customer.

3. SECURITY ITEMS; SECURITY PROCEDURES.

Upon enrollment, Customer can access the Services from the Website by using the security procedures as herein described, including any additional security procedures that may apply to a specific Service (collectively, the “**Security Procedures**”). Bank will provide each Authorized User designated by Customer with credentials to access the Services. The Bank will provide credentials to each additional Authorized User that may be designated by the authorized signers of Customer from time to time, including the permissions and transaction limits applicable to each. You agree that Authorized Users must change their individual passwords from time to time for security purposes as prompted by the Bank or more frequently as Customer deems appropriate.

Customer acknowledges that Bank may rely on the Instructions (as defined below) of its authorized signers to set up Authorized Users and provide Authorized Users with their Security Items. Customer further acknowledges that its Authorized Users may, and are authorized to, change or de-activate Security Items from time to time and at his/her sole discretion by contacting the Bank as set forth herein. Customer acknowledges the Bank is entitled to rely, and will so rely, on the authorized signers to determine the access rights of all Authorized Users, the validity of information received from Security Items, and that each Authorized User will follow all Security Procedures.

In addition, Customer may, from time to time, change or delete an Authorized User by completing and submitting the appropriate documentation or by otherwise notifying the Bank in writing. Customer acknowledges and agrees that any addition, change or deletion is not effective until received and processed by the Bank. Customer also agrees Bank may refuse to comply with requests from any individual on behalf of Customer until Bank receives documentation reasonably satisfactory to it confirming the individual’s authority. Customer represents and warrants that all Authorized Users shall only be granted privileges to access Customer accounts pursuant to a Corporate Resolution or written authorization otherwise granted by an officer or owner of Customer. Further, if available, Customer may designate certain persons who are Authorized Users to be a Customer Administrator. A “**Customer Administrator**” is a type of Authorized User that is empowered to manage the privileges of Customer’s Authorized Users by: (i) designating other persons to access and utilize the Services in the capacity

as an Authorized User; (ii) providing credentials enabling access to the Website and determining the Services and transaction limits of Authorized Users; (iii) amending or deactivating access by Authorized Users to the Services; and (iv) periodically certifying the referenced accounts and parameters to Customer.

Certain tools may be issued by Bank that are distributed to Authorized Users to enable access to the Services (“**Security Items**”). The confidentiality of any passwords and/or the physical security of each Token is the sole responsibility of Customer. Customer acknowledges access to the Services may include, as part of the Security Items, a multi-factor authentication security procedure (“**One-Time Passcode**”; “**OTP**” or “**Token**”). A One-Time Passcode is generated to Authorized Users with approval authority for certain types of transactions and is sent to an Authorized User’s designated method of receipt, either a downloaded mobile phone token app or a physical token fob. The Bank may also change or implement additional tools or methods as part of the Security Procedures from time to time. Any such changes generally will be effective immediately upon notice to Customer. Customer will be deemed to accept any such changes if Customer accesses or uses any of the Services after the date on which the change becomes effective.

The following applies if the Bank uses short message service (SMS) text messages in connection with its Security Procedures. SMS message services are provided on an AS IS, AS AVAILABLE basis. The Bank will not be liable for any delays or failures in your receipt of any SMS messages as delivery is subject to the successful transmission from your wireless carrier and reception and processing by your mobile device. By enrolling in the Services, you are deemed to provide the explicit agreement by each Authorized User to receive an SMS message from the Bank (and/or its agents) until such permission is revoked by a User. We will send each registered User a message only once. You represent and warrant that each Authorized User is the owner, or an authorized user of the wireless device that is used to receive the SMS messages and that you and they agree to pay all applicable charges. The Bank does not impose any charges for issuing SMS messages. Customer understand and agrees that certain data of each Authorized User may be obtained by us in connection with the use of SMS messages, including but not limited to a mobile phone number, name of the wireless carrier, the date, time and content of an Authorized User’s messages.

When an Authorized User leaves Customer’s employ, their Security Items must be deleted/canceled by a request made to the Bank Customer and, if a Token device had been issued to such Authorized User, Bank must be promptly notified so that Bank may deactivate such departing Authorized User’s Token. In the event of any change or revocation in authority of an Authorized User, the Customer shall be solely responsible for notifying Bank in order to modify an Authorized User’s access rights or deleting such individual as an Authorized User. If the Customer requires a Token for any additional Authorized User, the authorized signer(s) must request the Token from the Bank in writing to distribute it to an Authorized User.

Customer further acknowledges and agrees that certain transactions initiated through the Services may incorporate “dual control” or separation of duties such as in a case where: (i) one Authorized User initiates transactions using his/her Security Items; and (ii) a second different Authorized User approves such transactions with his/her Security Items. Customer acknowledges that the implementation of this dual control security procedure, as may be applicable, is Customer’s sole responsibility. The Security Items identify and authenticate Customer to Bank when Customer accesses or uses the Services. Customer authorizes Bank to rely on the Security Items to identify Customer when Customer accesses or uses any of the Services. Customer acknowledges and agrees the Bank is authorized to act on any and all communications or Instructions received using the Security Procedures, regardless of whether the communications or Instructions are authorized by Customer. Bank owns the Security Items, and Customer may not transfer them to any other person or entity without Bank’s prior written consent, which consent may be withheld in Bank’s sole and exclusive discretion.

Customer agrees that it is responsible for establishing and maintaining commercially reasonable security procedures and safeguarding its computer systems against unauthorized access to obtain information and conduct transactions through the Services at the Website. Customer will be solely responsible for the maintenance and protection of its own computer systems against unauthorized access. Customer will be solely responsible for any and all losses and damages arising from any unauthorized access to the Website through the use of Customer computer systems and devices, the computer systems and devices of its Authorized Users, or through the use of a valid Customer Username and password in accordance with the Security Procedures. If Customer believes or suspects that any such information or Instructions have been made available to, known or accessed by unauthorized persons, Customer agrees to notify Bank of such breach immediately, followed by written



confirmation. The occurrence of unauthorized access will not affect any transfers made in good faith by Bank prior to receipt of such notification and within a reasonable time period to take action to prevent unauthorized transfers.

The Bank will have no obligation, liability or control, either directly or indirectly over the security procedures used by Customer to safeguarding its computer systems and devices against unauthorized access. Customer acknowledges that it is not technically feasible for the Bank and its service providers to read Customer passwords used to access the Website and, given the inability of the Bank and its service providers to read Customer passwords. Customer further acknowledges that in the event of a breach or unauthorized disclosure of Customer's passwords, Customer's computer systems, its officers, directors or employees or any other third party that Customer has entrusted with its passwords, are the likely source of any disclosure of Customer's password.

Customer acknowledges and agrees the Security Items and other Security Procedures applicable to Customer's use of the Services as set forth herein are a commercially reasonable method for the purpose of verifying whether any use of the Services was initiated by Customer. Customer also agrees any election Customer may make to change or waive any Security Procedures recommended by Bank is at Customer's sole risk and any loss resulting in whole or in part from such change or waiver will be Customer's sole responsibility. Customer further acknowledges and agrees the Security Items are not intended to detect any errors relating to or arising out of any use of the Services.

4. ACTIONS ON INSTRUCTIONS. Customer understands and agrees that the Bank (and other banks) rely on account numbers and routing numbers to identify different banks or financial institutions (and not the names of the accounts or the financial institutions) when executing instructions, including wire transfers, Payment Orders, ACH entries, draw down requests or other instructions (collectively, "**Instructions**"). In acting on such Instructions, the Bank shall be entitled to rely solely on the information, instructions, representations and warranties provided by Customer, even if an Instruction contains inconsistent information the Bank knows to be inconsistent, and shall not be responsible for the accuracy or completeness thereof. Bank is under no duty to independently determine whether the name and identifying bank account number in any Instruction are consistent with the name or other information contained in such Instruction. Bank shall have no duty to inquire as the propriety of any Instruction initiated by the Customer even if it will result in payment to any officer, employee or agent of Customer, or an Authorized User, or is otherwise tendered in payment of any such individual's obligations. In acting on such Instructions, Customer is obligated to pay the amount specified in such Instructions and agrees to compensate Bank for any loss or expenses (including reasonable in house and outside attorneys' fees and related costs) incurred by Bank as a result of such reliance on executing Customer's Instructions.

Cancellation or Amendment of Instruction. If Customer asks Bank to amend or cancel any Instruction and Customer's request complies with the Bank's procedures, Bank will use reasonable efforts and have a reasonable period of time to act upon such Instruction and comply with Customer's request. Bank will not be liable to Customer, however, if Bank fails for any reason to amend or cancel the Instruction.

No Action on Instruction. Bank will not be obligated to act upon any Instruction: (a) that is not in accordance with Bank's current Instructions as they relate to such request; (b) for which Bank is not able to obtain necessary authentication; (c) that will result in a charge to any of Customer's Accounts with Bank exceeding the available funds in such Account or any pre-established credit/deposit limit; (d) that will exceed any credit or other limit established for Customer by the Bank from time to time; (e) that is incomplete or ambiguous; (f) on which, in Bank's sole judgment, Bank is unable to act because of legal process, applicable law or regulation, or other government guidelines (including, without limitation, if acting upon such Instruction will result in Bank exceeding any limitation or not being in compliance with any present or future guidelines established by the Federal Deposit Insurance Corporation or other regulatory body, or any rule or regulation of any other applicable governmental regulatory authority); (g) if, in Bank's sole judgment, Customer's financial condition is impaired or Bank suspects fraud or improper or unlawful activity in connection with any Service; or (h) if doing so will, in Bank's sole judgment, expose Bank to potential liability under any applicable law or regulation.

If Bank rejects or does not act upon an Instruction, Bank will use reasonable efforts to so notify the Customer within a reasonable time by telephone, facsimile, electronic transmission or overnight mail. Bank will have no liability to Customer



(whether for interest or otherwise) or any other person by reason of any delay in providing, or any failure to provide, such notice or the requested transaction.

Customer is responsible for verifying Bank has received each Instruction. Bank will have no liability in connection with an Instruction Customer attempts to issue to Bank that is not actually and timely received by Bank.

Instructions Received After Cut-Off Time. Bank may establish Cut-Off times for transactions. Instructions received after a Cut-Off time are deemed presented to the Bank on the next Business Day. Bank may, in its discretion, accept and attempt to process Instructions after the Cut-Off time, but Bank will have no obligation to do so and will have no liability for deeming the Instructions received on the next Business Day. See **Schedule B** for cut-off times.

Changes to Instructions. From time to time Customer may change information the Customer has provided to the Bank. Bank may rely on the information previously supplied by Customer until the Bank receives written notice of any change via such means and in such form as prescribed by Bank and signed by an Authorized User of Customer and Bank has a reasonable opportunity to act on such written notice. All such changes will be subject to the Agreement.

Alterations and Amendments to Agreement. The Bank may alter or amend the terms and conditions of this Agreement, including but not limited to, applicable fees and service charges from time-to-time. We will provide notice of such changes to you as required by applicable law. Any use of the Service after we provide you a notice of change will constitute your agreement to such change(s). Further, we may, from time to time, revise or update the Applications, Services, and/or the related Documentation, which may render all such prior versions obsolete. We therefore reserve the right to terminate this Agreement as to all such prior versions of the Applications, Services, and/or the related Documentation and limit access to only the Service's more recent revisions and updates.

You agree that we may provide notice to you by posting it on our website, by sending it to you as a message within the Services, emailing it to an email address that you have provided us, mailing it to any postal address that you have provided us, or by sending it as a text message to any mobile phone number that you have provided to us.

5. OVERDRAFTS. Bank may in its sole discretion, but will not be obligated to, complete any transaction in connection with the Services if there are insufficient available funds in Customer's Account(s) to complete the transaction. Bank has no obligation to verify the availability of collected funds in the Account at the time of the transfer request. If an overdraft is created as a result of a transfer request, Customer will reimburse Bank for the amount of the overdraft immediately upon request and pay Bank charges imposed as a result of the overdraft. To secure any overdraft, Customer grants to Bank a security interest in all of Customer's assets in the possession of, or held for the account of, Bank. Such security interest will attach immediately upon the creation of any such overdraft. Customer agrees that Bank is under no obligation to create an overdraft on any transaction for any purpose. If any of Customer's Accounts become overdrawn, underfunded or for any reason contain a negative balance, Bank will have the right of set off against all of Customer's Accounts and other property maintained by Customer at Bank, and Bank will have the right to enforce its interests in any collateral held by it to secure any debts of Customer to Bank

6. MOBILE ACCESS. Customer acknowledges and agrees that its Authorized User(s) will be able to access Business Online Banking through a mobile device, such as a smart phone or tablet computer, using a wireless web browser or local Wi-Fi network. Mobile access is subject to the same authorization and Security Items required for access to the Website by Customer, and Authorized Users. There may be separate and/or supplemental terms and conditions applicable to initiating access through a mobile device.

7. RIGHT TO TERMINATE USE OF SERVICES. We reserve the right to terminate your use of the Services at any time if we suspect that You have violated any of these terms or conditions or are otherwise using the Service in a fraudulent or other illegal manner.

8. DISCLAIMER OF WARRANTIES. You acknowledge and agree that from time to time your use of the Service may be delayed, interrupted, or disrupted for an unknown period of time for reasons we cannot control. Neither we nor our affiliates



will be liable for any claim resulting from or related to the Service due to such delay, interruption, disruption or similar failure. We have no obligation to correct any bugs, defects or errors in the Service to otherwise support, maintain, improve, modify, upgrade, update or enhance the Service. EXCEPT AS OTHERWISE PROVIDED HEREIN, AND SUBJECT TO APPLICABLE LAW, BANK DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES, REPRESENTATIONS OR ENDORSEMENTS WHATSOEVER WITH RESPECT TO THE SERVICES. BANK HEREBY DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT, WITH REGARD TO THE SERVICES DESCRIBED OR PROVIDED. BANK DOES NOT WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED, TIMELY, SECURE OR ERROR-FREE, OR THAT DEFECTS WILL BE CORRECTED. THE SERVICES ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS.

9. LIMITATION OF LIABILITY. EXCEPT AS OTHERWISE PROVIDED HEREIN AND SUBJECT TO APPLICABLE LAW, IN NO EVENT WILL BANK OR THEIR RESPECTIVE OWNERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS BE LIABLE FOR ANY DAMAGES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO ANY DIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY OR OTHER INDIRECT DAMAGES ARISING OUT OF (I) ANY TRANSACTION CONDUCTED THROUGH OR FACILITATED BY THE SERVICES; (II) ANY CLAIM ATTRIBUTABLE TO ERRORS, OMISSIONS, OR OTHER INACCURACIES IN THE SERVICES DESCRIBED OR PROVIDED, (III) UNAUTHORIZED ACCESS TO OR ALTERATION OF YOUR TRANSMISSIONS OR DATA, OR (IV) ANY OTHER MATTER RELATING TO THE PRODUCTS OR SERVICES DESCRIBED OR PROVIDED, EVEN IF THE BANK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IF YOU ARE DISSATISFIED WITH THE SERVICES OR WITH THE TERMS OF THIS AGREEMENT, YOUR SOLE AND EXCLUSIVE REMEDY IS TO DISCONTINUE USING THE SERVICES. IN THE EVENT THE FOREGOING EXCLUSION OR LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES MAY NOT APPLY IN ANY JURISDICTION, ANY LIABILITY OF BANK OR ITS OWNERS, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS IN SUCH JURISDICTIONS SHALL BE LIMITED AND WARRANTIES ARE EXCLUDED TO THE GREATEST EXTENT PERMITTED BY LAW, BUT SHALL IN NO EVENT EXCEED TWO HUNDRED FIFTY DOLLARS (\$250.00).

10. INDEMNIFICATION. You acknowledge and agree that you are personally responsible for your conduct while using the Service and, except as otherwise provided in this Agreement, you agree to indemnify, defend and hold harmless us and owners, directors, officers, employees and agents from and against all claims, losses, expenses, damages and costs (including, but not limited to, direct, incidental, consequential, exemplary and indirect damages), and reasonable attorneys' fees resulting from or arising out of your use, misuse, errors, or inability to use the Services, or any violation of this Agreement.

11. NOTICES. Any notice required hereunder shall be given by (i) personal delivery, (ii) first class U.S. mail, (iii) nationally recognized express carrier, (iv) an electronic mail address, or (v) by any other means agreed upon by the parties in writing. Notice to Customer shall be at the most recent mailing address or electronic mail address shown for Customer in Bank's records. Notices to Bank shall be given at by telephone at 877-548-8880, option #4, or by e-mail at cashmanagement@hanoverbank.com. They can also be mailed or delivered to:

Hanover Bank
80 E Jericho Turnpike
Mineola New York 11501
Attn: Cash Management Services

12. ACCOUNT LINKING. Subject to procedures utilized by the Bank from time to time and with the prior written approval of the Bank, which may be withheld in the Bank's sole discretion, Customer may be permitted to link its Account(s) beyond Internal Transfers between its linked Accounts as described in Section II of this Agreement.

Eligibility and Approval. Customer may request Bank to enable its Accounts to be linked with a Related Account. A "Related Account" of Customer is a business account at Bank held by a Related Entity of Customer. A "Related Entity" is a commercial enterprise: (a) that is owned, controlled by or under common control with Customer; and (b) whose authorized signer(s) have



agreed to permit the linking of its accounts with the Eligible Accounts of Customer. The term 'control' as used herein means any entity that Customer owns, directly or indirectly, in excess of fifty (50%) percent of the equity interests or voting rights or which is under direct or indirect common control with Customer, whether now existing or subsequently created or acquired during the term of this Agreement. Bank will only permit linking where it is satisfied that all affected account holders have duly authorized Bank to implement account linking of each party's designated Accounts and all Related Accounts. An authorized signer of Customer and each Related Entity, which may be the same person, must designate the Accounts and Related Accounts for which linking is authorized hereunder by listing all companies, and accounts in Schedule D of this Agreement. Additional accounts may be added from time to time by updating Schedule D. You agree that these terms and conditions for Account Linking will supplement all other existing disclosures and agreements that govern the affected Accounts maintained by Customer and the Related Entity that holds each Related Account at Bank.

Consumer Accounts; Privacy. An authorized signer of Customer may request the Bank to treat one or more of his/her personal consumer accounts held at the Bank as a Related Entity for purposes of this Agreement (each, a "**Consumer Account**"), provided that all owners of such Consumer Account(s) authorize such linking. In the case of a linked Consumer Account, by signing below, each of the owners of the Consumer Account agrees that he/she is giving a written instruction to Bank to share any non-public personal information ("**NPPI**") with Customer and each Related Entity and that this Agreement is your express consent and direction to Bank in accordance with Section 1016.15 of Regulation P of the Consumer Financial Protection Bureau. Each owner of the Consumer Account further agrees that if any of the owner(s) of a Consumer Account choose to revoke this consent and direction authorizing the Bank to share such party's NPPI the Bank shall have a reasonable opportunity to take action on such revocation to prevent further sharing.

Access to Accounts and Services. If linking to a Related Account is permitted, each authorized signer of Customer and the applicable Related Entity acknowledges and agrees that the linking contemplated hereunder will enable any Customer Administrator and Authorized User(s) designated by Customer and each Related Entity to access each party's own Accounts and the Related Accounts of the other party to the same extent as if such person was a Customer Administrator or Authorized User of such party. As used herein, the term 'link' (including, 'linking' or 'linked') means the ability of an authorized signer of Customer and each applicable Related Entity to instruct Bank to enable a person who is a Customer Administrator or Authorized User of Online Banking Services on behalf such party to access the Account(s) and Service(s) of the other parties that have authorized the linking of their accounts (each, a "**Linked User**"). each Linked User of a Customer Account or Related Account shall have the same authority to access information as any Authorized User. The authorized signers of Customer and each Related Entity shall designate the Services and authority that each Linked User shall have to conduct transactions in a Customer Account or Related Account in the Implementation Form at enrollment in the Service and/or in the maintenance forms thereafter and by updating Schedule D of this Agreement. Any request by Customer or a Related Entity to amend the identity of Linked Users and/or their respective authority(ies) of access and conducting transactions shall require the written consent of all parties who participated in enrollment in the Service.

Representations and Warranties; Limitation of Liability. By requesting the linking of Accounts hereunder, Customer and each Related Entity, as applicable, represents and warrants, that: (1) the Account linking is authorized by a duly authorized signer of such party and such authorization will not violate any applicable provision of such party's existing agreements or resolutions; (2) any transactions between and among the applicable Accounts and Related Accounts held by each party and any related commingling of funds among and between them is in accordance with the authorization and permissions applicable to the parties and their respective Linked Users ; (3) any transactions between and among Accounts and Related Accounts held by the parties and any related commingling of funds will be performed at the direction of a duly authorized Linked User of such party and at the sole risk of the affected party or parties; (4) each Linked User is acting on behalf of its respective party and none of the parties shall make a claim against Bank or hold Bank liable for any actions, omissions, losses and/or damages of any type or kind arising from the access or transactions initiated by a Linked User that are permitted hereunder; (5) the authorizations described herein are in addition to any other authorizations currently in effect; (6) the authorizations set forth herein shall remain in effect until written notice of their revocation is delivered to Bank by a party and Bank has a reasonable opportunity to take action with respect to such requested revocation; and (7) none of the Accounts or Related Accounts that are linked hereunder are deposit accounts held for personal, family or household purposes (i.e., a consumer account).



Access to Accounts. By linking your Accounts with Related Accounts as described herein, Customer and each Related Entity acknowledge, understand and agree that it is giving the Bank an express written instruction to provide a Linked User of the other party with any and all information about its Account(s) that are available through the Online Banking Services and the applicable Service(s).

Transaction Limits and Security Procedures. Access by a Linked User of one party to a Related Account of the other party shall be subject to the same terms and conditions of a Service, including any conditions and/or limitations on the frequency or dollar amount of transactions during a prescribed time period (e.g., daily or monthly payment limit) as may be established in an Implementation Form or is otherwise imposed on the applicable Linked User or Account. In addition, Customer and each Related Party agree that each Linked User will use the Security Procedures applicable to the Account or Related Account, as applicable, for which linking is granted hereunder and that each party acknowledges and agrees that such Security Procedures are commercially reasonable.

13. GOVERNING LAW. The parties agree that any legal suit, action, or proceeding arising out of or relating to this Agreement, including but not limited to, a deposit accounts, products and services are governed by federal laws and regulations. To the extent such federal laws or regulations do not apply for any reason, the laws and regulations of the State of New York will govern.

SECTION II: BUSINESS ONLINE BANKING SERVICES

14. ACCOUNT INFORMATION REPORTING.

Previous Day Reporting. Bank will make available to Customer Account transactions balance information related to control and manage Customer Accounts through the Website. This may include information generated from multiple Services used by the Customer and may include image of deposit tickets, deposit items, paid checks, return deposit items and stop payment information. Such information may be subject to adjustment upon final posting. The length of time periods for which transaction history and check images may be viewed may vary and depend upon various factors including account opening and Service implementations.

Current Day Reporting. Bank will make information about Account transactions available to Customer, such as balance information available through the Website. Information reported on a current day basis is subject to updating and therefore, at any point in time, may not reflect the information on our records at such time. In addition, such information may be subject to adjustment upon final posting.

15. INTERNAL TRANSFERS. Customer may initiate scheduled and recurring Internal Transfers between and among its linked Accounts. Bank may assume all Internal Transfers are properly authorized and will have no obligation to verify, by telephone or by any other means, any such transfers. By initiating any Internal Transfer of funds from an Account, Customer represents and warrants to Bank the balance of collected and available funds in the Account is equal to or greater than the amount of the transfer. Transfers initiated through the System before 5:00 p.m. Eastern Time (ET) on a Business Day are posted to your Account the same day. Transfers completed after 5:00 p.m. ET on a Business Day or on a Saturday, Sunday or federal banking holiday will be posted on the next Business Day.

16. STOP PAYMENT SERVICES. Customer agrees that a stop payment request with respect to any transaction must be received by Bank within time required by the terms and conditions of the applicable Service and, in any event, Bank will use reasonable efforts and have a reasonable period of time to act upon such a request. With respect to the Services, Customer may make the stop payment request online where a Service possesses such feature. Under no circumstances shall Bank or any of its agents be responsible for any losses resulting from any delay in Bank's receipt of stop payment request transmitted through the Service.

IF ANY REQUIRED NUMBER OR AMOUNT IS INCORRECT, OR IF THE REQUEST IS MISSING OR CONTAINS INFORMATION REQUIRED THAT IS INACCURATE, PAYMENT WILL NOT BE STOPPED AND BANK WILL NOT BE RESPONSIBLE FOR THE PAYMENT. All other information provided must be accurate. Stop payments using the Services are generally effective for six (6) months.



Except as otherwise provided by applicable law or rule, Customer shall not have the right to cancel a stop payment request or recall any payment or transfer made hereunder after it has been paid or transmitted by Bank.

17. ELECTRONIC DELIVERY OF STATEMENTS AND NOTICES. Customer, subject to enrollment requirements, may elect to enroll to receive your periodic statements from the Bank electronically. Each Authorized User for an Account can enroll in this service and receive periodic statement(s), legal notices that would be included with your periodic statement, paid checks, and other communications about your Account(s) electronically through the Website. Tax documents about your account(s) may also be provided electronically where possible. During any statement cycle in which any Authorized User of an Account is enrolled in the electronic delivery service, the Bank will not mail a paper version of your periodic statement to you. The transfer to electronic delivery will generally become effective beginning with the next periodic statement cycle.

You will select the Account(s) that will be included in the service at the time of enrollment. Following enrollment, the Bank will send you a notice to the e-mail address you designate for this service ("**Electronic Delivery Notice**") informing you that your periodic statement, legal notice or other communications about your Account(s) are available for you to access and/or download through the Website. You agree that the Bank shall issue an Electronic Delivery Notice to the e-mail address you designate for this service, which you may change from time to time, and we will not use any alternative e-mail address even if we have one on file for you. You acknowledge and agree that by sending an Electronic Delivery Notice to you we are deemed to have provided to you, as applicable, your periodic statement, legal notice(s) and all other types of communications associated with such Electronic Delivery Notice whether or not (i) you open and read the periodic statement and other materials, if any, or (ii) the Electronic Delivery Notice is not delivered or is returned as undeliverable. You understand and agree that even though you have enrolled in the Service, we may at your discretion continue to deliver certain periodic statements, legal notices, and/or other communications to you in paper form to your mailing address of record. In addition, once you enroll Account(s) in the service, you may also unenroll them at any time.

In addition to these provisions, you must agree to terms and conditions of the electronic delivery service at the time of enrollment. The Bank reserves the right to amend the terms of the service from time to time in its sole discretion without prior notice, except where prior notice is required by applicable law.

18. ACCOUNT ALERTS. The Services allow Customer to voluntarily choose alert messages regarding Customer's accounts including but not limited to alerts regarding balance information and payment transactions and, other features. Bank may add new alerts from time to time, or cancel existing alerts. If Customer has opted to receive an alert that is being canceled, Bank will notify Customer in accordance with the terms hereof. Each alert has different options available, and Customer will be asked to select from among these options upon activation of Customer's alerts service.

By using a Service that includes the issuance of an e-mail message or SMS text notice to an Authorized User, you represent and warrant to Bank that you are the owner of (or have been granted legal authority by the owner) the e-mail address and/or the mobile phone number you provide to receive and issue and required communications with Bank as described in this Agreement and any additional terms and conditions that may apply to a Service. You hereby give consent to receive e-mails and/or SMS text messages from us or our agents with respect to the applicable Service.

FURTHER, YOU HEREBY AGREE THAT THE BANK AND/OR ANY OF OUR AGENTS MAY USE AUTOMATIC TELEPHONE DIALING SYSTEMS IN CONNECTION WITH SENDING SMS TEXT MESSAGES TO ANY MOBILE PHONE NUMBER YOU PROVIDE TO US.

Electronic alerts will be sent via method(s) the user has selected: email, SMS text and/or phone. If Customer's email address changes, Customer is responsible for informing Bank of the change. Customer understands and agrees that Customer's alerts may be delayed or prevented due to a variety of factors. Bank will use commercially reasonable efforts to provide alerts in a timely manner. Bank neither guarantees the delivery nor the accuracy of the contents of any alert. Customer also agrees that Bank shall not be liable for any delays, failure to deliver, or misdirected delivery of any alert; for any errors in the content of an alert; or for any actions taken or not taken by Customer or any third party in reliance on an alert. Customer agrees that Bank is not responsible for any costs or fees incurred as a result of alerts sent to email addresses or phone numbers connected with a mobile phone or similar mobile devices.

SECTION III: CASH MANAGEMENT SERVICES

Each Service described below is subject to Section I - General Terms and Conditions and Section II - Business Online Banking Services of this Agreement. The details pertaining to each Service, including any additional definitions and terms and conditions pertaining to a particular Service, are set forth below. If there is any conflict between the General Terms and Conditions and/or the terms of the Business Online Banking Services and the terms of the following Cash Management Services, the terms of the Cash Management Services will govern. In addition to the terms and conditions set forth herein, the Cash Management Services are subject to any and all Documentation, Application, user set-up form, system or technical requirements, schedule of fees, user manual, any other user guides, references, and Instructions (including on-line Instructions) relating to the Services or a particular Service which Bank may provide to Customer from time-to-time (collectively, the “Documentation”).

19. CHECK POSITIVE PAY.

Services Overview. The Positive Pay Service described herein will provide Customer with a means to either approve the payment of a particular Check upon presentment or return its payment. A “**Check**” is an “Item” within the meaning of Article 4 of the New York Uniform Commercial Code (“**UCC**”) or as defined in Federal Reserve Board Regulation CC (“**Regulation CC**”). Customer acknowledges that Positive Pay is a service that has been identified by Bank as reducing the risk of fraudulent items being paid against your Account(s) when such Service is adopted and properly used by Customer.

Check Issue File. Customer must provide Bank with an electronic file of checks issued for a particular reconciliation period (“**Check Issue File**”). Customer or a third-party agent or independent service provider designated by Customer (“**Service Provider**”) shall submit a Check Issue File to Bank. The Check Issue File shall accurately state the account number, check number and the exact amount of each check drawn on each Account since the last Check Issue File was submitted. Each Check Issue File also shall identify any checks that have been voided and/or cancelled by Customer or the Customer’s Service Provider. If available, a Check Issue File may also identify all applicable payee names for any checks of the Customer. A “**Presented Check**” means a Check, Substitute Check, or electronically-presented Check drawn on an Account and presented to Bank for payment through the Check collection system [or over-the-counter at one of Bank’s branch teller stations]. A “**Substitute Check**” is a digital Image of a Check as defined in Regulation CC. An “**Exception Check**” is a Presented Check that does not match data included in a Check Issue File.

If Customer elects to receive payee verification Services, the following additional terms shall also apply. Bank’s payee verification Services require the payee name to match against Customer’s Check Issue File at a minimum threshold or matching score. The payee name in the Check Issue File will be electronically compared to the payee name on Presented Checks. Other information related to the payee name may also be electronically compared as part of the automated verification process to establish a matching score. Such comparisons that result in a minimum threshold or matching score will be deemed to be a matching check.

Customer is responsible for complying with the payee verification Services’ check specifications as specified by Bank from time to time in order to ensure the highest level of performance from the payee verification Services. If Customer is unable or unwilling to comply with the payee verification Services’ check Specifications as specified by Bank, Bank may, in its sole and exclusive discretion, (a) terminate or suspend Customer’s use of the payee verification Services as provided in this Agreement, or (b) at Customer’s request, reconfigure the logic associated with the payee verification Services to systematically process Presented Checks in reliance solely on the payee name provided by Customer to Bank in the Check Issue File and without regard to any other information related to the payee name that may appear on the Presented Checks (“**Systematic Override Checks**”). Any Presented Check or Systematic Override Check that does not result in a minimum threshold or matching score shall be deemed an Exception Check and reported as such to Customer. Except as may otherwise be provided in this Agreement, Bank shall have no liability for Systematic Override Checks.

Customer or the Customer’s Service Provider shall send the Check Issue File to Bank in the prescribed format and via delivery channels agreed to by Customer as set forth in the Documentation.



Payment of Presented Checks; Reporting of Exception Checks. Bank shall compare each Presented Check by account number, check number, check and amount against each Check Issue File received by Bank. Bank may satisfy its obligation hereunder by comparing the account number, check number, and dollar amount set forth in Substitute Checks, checks presented at Bank, and/or electronic presentment of checks on each Business Day. Bank may pay and charge to the Account each Presented Check that matches, by check number, account number and dollar amount, a check shown in any Check Issue File and shall provide to Customer a notification, either by email or through the System, of the Exception Checks by the deadline set forth in this Service description. Customer must provide check payment approval via written or electronic Instructions to Bank on each Exception Check reported by the deadline set forth in this Service description.

Payment and Dishonor of Exception Checks. Except as otherwise provided herein, Bank will pay or return Exception Checks in accordance with Customer's Pay Decision or Return Decision. A "**Pay Decision**" means the Instructions of Customer to Bank instructing Bank to pay an Exception Check. A "**Return Decision**" means the Instructions of Customer to Bank instructing Bank not to pay an Exception Check.

Pay Decisions. Bank shall finally pay and charge to the Account, to the extent there are sufficient available funds in the Account, any Exception Check that Customer directs Bank to pay.

Return Decisions. Bank shall return to the depository bank any Exception Check drawn on an Account that Customer directs Bank to return.

Default Action. Customer agrees to select whether – in the absence of any direction by Customer regarding a Pay Decision or Return Decision about the Exception Checks on a Business Day (after the Positive Pay Exception Cut-Off time) - the Bank will process such Exception Checks as a Pay Decision or a Return Decision in accordance with the selected decision on the Implementation Form. Customer is permitted to change this Default Action from time to time by signing an updated **Implementation Form** and allowing Bank a reasonable opportunity to implement such change.

Checks Presented for Payment at Bank. Notwithstanding anything in this Service description to the contrary, Bank may, in its sole and absolute discretion, return to the person presenting a check drawn on an Account for payment at Bank any such check that does not appear on a Check Issue File. Customer acknowledges and agrees that Bank shall have no obligation to inform Customer that any such check has been presented for payment at Bank. Bank shall have no liability to Customer for wrongful dishonor with respect to any such check.

Customer and Bank Communications. Bank is not responsible for detecting any Customer error contained in any Check Issue File, Pay Decision or Return Decision sent by Customer to Bank.

Submission of Data Prior to Implementation of Services. Existing Customers shall submit to Bank a current, reconciled list of all outstanding checks issued on each Account one (1) Business Day prior to the implementation of the Services hereunder. Bank reserves the right to require Customer to submit one or more additional such lists so that all outstanding, unpaid checks issued on any Account have been reported to Bank prior to the implementation of the Services. Customer or Customer's Service Provider shall have checks prepared in accordance with Bank Specifications and will supply Bank test data (voided checks, issue file or other transmission) prior to implementation.

Wrongful Actions; Remedies.

Wrongful Honor. It shall constitute wrongful honor by Bank if Bank pays an Exception Check listed in the Exception Check Report unless Customer issued a Pay Decision. In the event that there is wrongful honor, the following shall apply after the Bank has investigated and determined the validity of the claim:

- i. Bank shall be liable to Customer for the lesser of the amount of the wrongfully paid Exception Check or Customer's actual damages resulting from Bank's payment of the Exception Check.

- ii. Bank expressly waives any right it may have to assert that Customer is liable for the amount of the wrongfully honored Exception Check on the grounds that the Exception Check was properly payable under UCC Section 4-401.
- iii. Bank retains the right to assert Customer's failure to exercise reasonable care under UCC Sections 3-406 and 4-406.
- iv. Bank retains the right to assert the defense that Customer has sustained no actual damages because Bank's honor of the Exception Check discharged for value an indebtedness of Customer.

Wrongful Dishonor. Except as provided below, it shall constitute wrongful dishonor by Bank if Bank dishonors an Exception Check: (i) that Bank has been ordered to pay pursuant to a Pay Decision, or (ii) Bank does not pay a valid Check on the Check Issue File.

Bank's liability for wrongful dishonor of an Exception Check shall be limited to the damages for wrongful dishonor recoverable under UCC Articles 3 and 4. Notwithstanding the preceding sentence, Bank shall have no liability to Customer for wrongful dishonor when Bank, acting in good faith, returns an Exception Check: (i) that it reasonably believed was not properly payable; or (2) if there are insufficient available funds on deposit in the Account; or (3) if required to do so by the service of legal process on Bank or the instructions of regulatory or government authorities or courts.

Cut-Off Times. Bank agrees to provide Customer notification of any Exceptions Checks on Customer's Accounts. Customer agrees to decision all Exception Checks the applicable Cut-Off Time listed in **Schedule B** on the same Business Day. If no decision is made on the Exception Check, the Default Action by Bank is to process such Exception as a Pay Decision or a Return Decision in accordance with the selected decision on the Implementation Form. The Customer or the Customer's designated Service Provider agrees to send the Check Issue File. Check Issue Files received after designated delivery time will be processed the next Business Day.

20. ACH POSITIVE PAY.

Customer may enroll to direct the Bank to block the payment of Debit Entries against an Account. Just like Check positive pay, ACH Positive Pay Service described herein will provide Customer with a means to either approve the payment of a particular debit entry upon presentment or return its payment. A "**Debit Entry Authorization**" means Customer's Instructions and authorization criteria provided to Bank via Positive Pay portal, in each instance in form and substance acceptable to the Bank, concerning Debit Entries the Bank is authorized to pay, including (i) Customers can set up ACH 'Rules' in the Positive Pay system to allow one or more appropriately identified Debit Entry originators (each, a "**Preapproved Originator**"), and (ii) Customer's (each, a "**Pay Decision**") provided to the Bank as provided hereunder authorizing Bank to pay a Debit Entry. Customer agrees that without a timely Debit Entry Authorization Bank is authorized and instructed to return all such Debit Entries to its Originator as "Corporate Customer Advises Unauthorized" without giving Customer any notice of such Return Entry. Customer acknowledges and agrees that it is instructing the Bank to block Debit Entries (including without limitation electronic check conversion entries) as part of the Services described herein, but not to block other types of funds transfers that are originated by or on behalf of Customer or are originated for the purpose of reversing or correcting erroneous ACH credits.

Default Action. Customer agrees to select whether – in the absence of any direction by Customer regarding a Pay Decision or Return Decision about the Exception Debit Entries on a Business Day (after the Positive Pay Exception Cut-Off time) - the Bank will process such Exception Debit Entries as a Pay Decision or a Return Decision in accordance with the selected decision on the Implementation Form. Customer is permitted to change this Default Action from time to time by signing an updated **Implementation Form**, and allowing Bank a reasonable opportunity to implement such change.

The Service will provide Customer with a means to review Debit Entries each Business Day that are scheduled to be returned by the Bank to the Originator as "Corporate Customer Advises Unauthorized" unless the Bank receives a timely Pay Decision from Customer. If the Bank does not receive a Pay Decision from Customer by the Positive Pay Cut-Off time listed in **Schedule B** on the same Business Day the Exception Debit Entries are made available to Customer, the Bank will return the Debit Entries to the Originator as unauthorized for which no such Pay Decision is received. The Bank uses its own clocks to determine the time of day and Customer acknowledges that clock times may vary and agrees to remit all Pay Decisions to



the Bank at least ten minutes before the deadline described in schedule B, EST to allow for any differences between the clocks operated by each party.

All Debit Entry Authorizations (including without limitation Preapproved Originator requests and Pay Decisions) should be set up by the customer as a rule, using the positive pay portal. The Bank reserves the right to change the Bank's requirements for Debit Entry Authorizations from time to time. The Bank shall not be obligated to comply with any Debit Entry Authorization received in a format or medium not specified by the Bank, after a pre-established deadline, or at a location not permitted under the terms of this Agreement. Pay Decisions received by the Bank for processing are not subject to amendment or revocation except in the sole discretion of Bank. Once a Pay Decision or other Debit Entry Authorization has begun to be processed by Bank with respect to Debit Entries that have been received by Bank, the Bank cannot ensure that an amendment or revocation of a Pay Decision or other Debit Entry Authorization will be processed in time to effectuate the requested amendment or revocation.

Customer is solely responsible for the content and timing of any Debit Entry Authorization (including without limitation Preapproved Originator requests and Pay Decisions) given to the Bank for processing. Customer agrees that the Bank is not required to and will not verify the accuracy or completeness of a Debit Entry Authorization Rules. If there is any internal inconsistency or conflict within a Debit Entry Authorization between a name and account number (including, by way of example only, the name of an Originator and an account number or other identifying number associated with an Originator), the Bank may rely solely on the number provided. Customer further agrees that Bank may rely on any Debit Entry Authorization that reasonably appears to have been authorized or submitted by or on behalf of Customer.

Although the Services are not designed to affect the payment of any paper draft or check, including remotely created checks or demand drafts, Customer acknowledges and agrees that the Services may cause the Bank to return items that are converted to Debit Entries (e.g., POP or BOC ACH Entries) unless the Bank receives a Pay Decision from Customer about any such Debit Entry. Customer agrees to take any and all appropriate steps to ensure that persons making purchases with checks drawn on Account(s) of Customer do not permit their conversion to electronic form.

21. ACH ORIGATION AND TRANSFERS

Customer wishes to initiate certain credit and debit Entries (as defined below) by means of the Automated Clearing House ("ACH") network pursuant to the terms hereof and the NACHA Operating Rules and Guidelines ("NACHA Rules") and Bank is willing to act as an Originating Depository Financial Institution ("ODFI") with respect to such Entries.

Definitions. Unless otherwise defined in this Agreement, capitalized terms shall have the meanings provided in the NACHA Rules. The term "**Entry**" shall have the meaning provided in the NACHA Rules and shall also mean the data received from Customer from which Bank prepares and/or initiates each Entry. An "**Originator**" is a person who has authorized an ODFI to transmit an ACH Entry. A "**Receiver**" is a person that has authorized an Originator to initiate an Entry to their account at the Receiving Depository Financial Institution ("**RDFI**"). An "**ACH Operator**" is the entity that acts as a central facility for processing ACH Entries, such as the Federal Reserve Bank.

NACHA Rules. Customer agrees to comply with and be bound by the NACHA Rules and any other applicable laws, regulations and guidance. Bank reserves the right to audit Customer, as Originator, for compliance with this Agreement and the NACHA Rules. In the event that Customer violates the NACHA Rules or any other applicable law or regulation and a fine is imposed on Bank because of a Customer violation, Bank may charge the fine to Customer. Entries may not be initiated that violate applicable federal and state laws, which include but are not limited to Unlawful Internet Gambling Enforcement Act (Federal Reserve Board Regulation GG) which prohibits the origination of illegal ACH transactions. The Bank will not process any Entries it reasonably believes are illegal and restricted under Regulation GG or for any other reason.

Customer hereby acknowledges that it has access to a copy of the NACHA Rules, a copy of which can be obtained from the NACHA website at www.nacha.org or www.achrulesonline.org. Customer agrees to comply with and be bound by the Rules



and any future amendments made to the NACHA Rules. The NACHA Rules, as amended from time to time, are deemed incorporated into this Agreement as though fully set forth at length. It is the responsibility of Customer that the origination of ACH Entries complies with U.S. law, including, but not limited to sanctions enforced by the Office of the Foreign Assets Control (“OFAC”). It shall further be the responsibility of the Customer to obtain information regarding such OFAC enforcement sanctions. Bank will charge the Customer with any fines incurred as a result of non-compliance by the Customer and the Customer agrees to fully reimburse and/or indemnify Bank for such charges or fines. The duties of the Customer set forth in the following paragraphs of this Agreement in no way limit the requirement of complying with the NACHA Rules.

Transmission of Entries by Customer. Customer shall transmit such Entries to the Bank, whether individually or in a File, as defined and permitted in the Implementation Form and in compliance with the formatting and other requirements set forth in **Schedule A** of this document. Failure on the part of the Customer to comply with the Cut-Off Times in the transmission schedule in **Schedule B** and/or failure to properly schedule and/or transmit Entries prior to their Effective Entry Dates will result in a special handling fee for each occurrence as defined in **Schedule C**. The “**Effective Entry Date**” is the date specified on the Entry on which the Originator intends the Entry to be settled. In addition, such failures may result in termination of ACH Transfer Services to the Customer by Bank.

Entries transmitted to Bank by Customer are limited to the following types of ACH Standard Entry Class (“**SEC**”) codes: **CCD** and **PPD**, unless Customer makes a request to use additional SEC codes in its Application (e.g., WEB, CTX, TEL) and the Bank agrees to process such Entries to the extent set forth in the Implementation Form (or as Bank otherwise agrees in writing.) The use of any other SEC code is prohibited without the express prior written consent of Bank. Customer may submit Entries via Bank’s Commercial Online System or, with prior written approval, via secure transmission directly to Bank or its designated vendor by accessing and uploading Files to a website that supports the encrypted transfer of files using Secure File Transfer Protocol (“**SFTP**”) or similar technology. The total dollar amount of Entries submitted by Customer to Bank on any one day shall not exceed the Customer’s ACH Daily Limit set from time to time and provided to the Customer.

With respect to each Entry transmitted to Bank by Customer, Customer represents and warrants to Bank and agrees that (a) each person shown as the Receiver on an Entry has authorized the initiation of such Entry and the crediting or debiting of its account in the amount and on the Effective Entry Date shown on such Entry, (b) such authorization is operative at the time of transmittal or crediting or debiting by Bank as provided herein, and (c) each Entry contains accurate information. Customer agrees that it has financial and legal responsibility for all transactions originated within the Statute of Limitations in each State in which it conducts business with Bank.

Security Procedures. Customer agrees to comply with all Security Procedures set forth in Section I of this Agreement and the additional Security Procedures that may apply to the origination of ACH Transfers, including as set forth herein . The Customer will remake any Entry or file at the request of Bank. Customer may use their own program to create Entries in a NACHA formatted file to transmit them to the Bank. Bank will provide the Customer with NACHA format standards to which Customer will adhere.

At a minimum, pursuant to NACHA Rules, Customer must use 128-bit encryption technology for the entry and transmission of ACH Entries. Customer must use Internet browsers that support 128-bit encryption to access this Institution’s Business Online Banking service and its ACH Origination features. Customer must also use the dual control features within the online ACH Origination feature to provide segregation of duties for entering and approving ACH batches.

The Bank will have no obligation, liability or control, either directly or indirectly over said security procedures or the failure of Customer to maintain said procedures. Customer acknowledges that it is not technically feasible for the Bank and its service providers to read Customer passcodes in the Business Online Banking service. Given the inability of the Bank and its service providers to read Customer passcodes, Customer further acknowledges that in the event of a breach or unauthorized disclosure of Customer’s passcodes, Customer’s computer systems, its officers, directors or employees or any other third party that Customer has entrusted with its passcodes, are the likely source of any disclosure of Customer’s passcodes.



Customer represents and warrants that all Authorized Users shall only be granted privileges to access Customer accounts pursuant to a Corporate Resolution or written authorization otherwise granted by an officer or owner of Customer. It is the responsibility of the Customer to notify the Bank in writing of any changes to those individuals designated as an Authorized Representative for the Customer.

Administering Authorized Users

If applicable, the Bank will administer access and system privileges for the Customer's designated Authorized Users as detailed in the Implementation Form. Customer remains solely responsible for designating Authorized Users and their privileges and disclosing the identity of said users, and all changes thereof in writing to the Bank pursuant to the notification process as described in the Implementation Form.

The Bank and its service providers will not be responsible for verifying the authenticity of any person claiming to be an Authorized User of the Customer or the authenticity of any instruction, direction or information provided by any said person. Any Instructions, directions or other information provided by the Customer, or any of its Authorized Users will be deemed to have been authorized by the Customer and the Bank will be indemnified and held harmless by the Customer for acting upon any such direction, instruction or information.

The Bank shall process Entries and batches approved by Authorized Users of the Customer as detailed in the Implementation Form in accordance with this Agreement and other Schedules.

Protection of Access Devices, Passwords, Authentication Controls:

Customer warrants that no individual or Authorized User will be allowed to initiate transfers in the absence of proper supervision and safeguards; which may include but not be limited to dual controls and segregation of duties. Customer agrees to take commercially reasonable steps to maintain the confidentiality of the security procedures, passcodes, security authentication devices, and related instructions provided by the Bank.

If the Customer believes or suspects that any such information has been accessed by an unauthorized individual, the Customer shall verbally notify the Bank immediately, followed by written confirmation. The occurrence of such notification will not affect any transfers made in good faith by the Bank prior to the notification and within a reasonable time period to prevent unauthorized transfers.

The Customer agrees to return all physical access devices (tokens) upon terminating this agreement. The Customer also agrees to return all physical access devices (tokens) for authorized representative that have had their access deleted from the system while this agreement is in effect.

Authorization of Transactions

Customer agrees to be bound by any Credit or Debit Entry (i) authorized or transmitted by Customer or an Authorized User through the Business Online Banking service (ii) made in Customer's name, with a valid Username and passcode and accepted by this Bank in good faith in compliance with the Security procedures in this Schedule, even if not properly authorized by you.

If the Bank takes any actions beyond those described in these Security procedures, in an attempt to detect unauthorized credit entries or to detect errors in the transmission or content of Customer's credit Entries, Customer agrees that no matter how many times the Bank takes these actions they will not become part of the Security procedures and the Bank will not be liable in any situation for failing to take or correctly perform these actions.

Customer agrees that the following security procedures, as well as the security features within the Business Online Banking service, constitute commercially reasonable security measures.



Exposure Limit

Customer may only originate Entries subject to the Approved Exposure Limits as defined in the Implementation Form, including as such Exposure Limit may be adjusted from time to time.

Procedures: Files submitted electronically

Once approved by the Bank for ACH Origination services, the Customer's Authorized User(s) create or import NACHA formatted Entries through the Bank's Business Online Banking service by utilizing prearranged logon and authentication procedures.

Only Customer-approved Entries are transmitted to the Bank for processing on the scheduled effective date.

Other Security Procedures:

The Customer shall only schedule and approve entries for processing and transmission to the Bank on the dates specified in the agreed upon transmittal schedule in **Schedule B**.

The Customer is responsible for ensuring that the Bank receives the transmission on each processing date indicated in the processing schedule. In the event an ACH batch fails to process, the Bank will make commercially reasonable efforts to contact the Customer as soon as reasonably possible. Customer may designate an emergency contact for such circumstances. The Authorized contact shall be listed on the Implementation Form.

Compliance with Security Procedures. If an Entry received by Bank in accordance with the applicable Security Procedure or otherwise purports to have been transmitted or authorized by the Customer, it will be deemed effective as Customer's Entry and Customer shall be obligated to pay Bank the amount of such Entry even though the Entry was not authorized by the Customer, provided Bank accepted the Entry in good faith and acted in compliance with the Security Procedures outlined in this Agreement with respect to such Entry. If signature comparison is to be used as part of the Security Procedures, Bank shall be deemed to have complied with that part of the procedures if it compares the signature accompanying a file of Entries with the signature of an Authorized User of the Customer and, on the basis of such comparison, believes the signature to be that of such Authorized User. If an Entry received by Bank was actually transmitted or authorized by Customer, Customer shall pay Bank the amount of the Entry, whether or not Bank complied with the Security Procedures with respect to that Entry and whether or not that Entry was erroneous in any respect or that error would have been detected if Bank had complied with such procedures.

Cut-Off Times; Delays. Customer must adhere to the applicable Cut-Off Time set forth on the Transmission Schedule provided below in **Schedule B**. Bank assumes no liability for delays in processing by any ACH Operator, RDFI, or Third-Party Service Provider (i.e., any entity that facilitates ACH processing on behalf of an ACH Participant).

Processing of Entries; Settlement. Except as provided for On-Us Entries and Rejections, Bank shall: (a) process Entries received from Customer to conform with the file specifications set forth in the NACHA Rules, (b) transmit such Entries as an ODFI to the ACH Operator acting as an Automated Clearing House processor, and (c) settle for such Entries as provided in the NACHA Rules.

Bank shall transmit such Entries to the ACH Operator by the deadline set forth in **Schedule B** below, no earlier than two (2) Business Days prior to the date the RDFI is to credit/debit the Receiver's account in the designated financial institution, provided (i) such Entries are received by Bank's Cut-Off Time set forth in **Schedule B**, (ii) the Entries are received at least two (2) Business Days before the Effective Entry Date, and in compliance with any related Security Procedures, including as set forth below. If any of the requirements of clause (i) or (ii) of the preceding sentence 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 following that specified in **Schedule C** which is a day on which the ACH Operator is open for business.

On-Us Entries. Except as provided for Rejections, in the case of an On-Us Entry, Bank shall credit the Receiver's account in the amount of such Entry on the Effective Entry Date contained in such Entry, provided the requirements for the timely delivery of Entries to Bank by Customer set forth in the foregoing paragraph are met. If any of those requirements is not met, Bank shall use reasonable efforts to credit the Receiver's account in the amount of such Entry no later than the next Business Day following such Effective Entry Date. An "**On-Us Entry**" is an Entry received for credit or debit to an account maintained with the Bank.

Rejection of Entries. Bank shall reject any Entry or File that does not comply with the requirements of this Agreement, the NACHA Rules, the Bank's procedures, including but not limited to applicable Security Procedures, or which contains an Effective Entry Date more than two (2) Business Days after the Business Day such Entry is received by Bank. Bank shall have the right to reject an On-Us Entry for any reasons for which an Entry may be returned under the Rules. Bank shall have the right to reject any Entry or File if Customer has failed to comply with its payment obligations for the Entries. Further, as described in the Implementation Form, Bank shall have the right to reject any Entry or File if Customer has failed to establish or maintain a prescribed balance in an Operating Account and/or Reserve Account, or if Customer has exceeded its approved credit limit. Bank shall have no liability to Customer by reason of the rejection of any such Entry or the fact that notice is not given at an earlier time than provided herein. Bank shall be permitted to reject any Instructions orally, electronically, or in writing, and notice of rejections communicated by any such means shall be effective at the time such notice is given by Bank. Bank will give notice of rejected Entries or Files by no later than the Business Day such Entry or File would otherwise have been transmitted by Bank to the ACH Operator or, in the case of an On-Us Entry, its Effective Entry Date. Bank shall have no liability to Customer by reason of the rejection of any such Entry or File or that such notice is not given at an earlier time than that provided for herein.

Amendment or Cancellation of Entry. Customer shall have no right to amend any Entry after its receipt by Bank. However, Bank shall use reasonable efforts to act on a request by Customer for cancellation of a an Entry or a File prior to transmitting it to the ACH Operator or, in the case of an On-Us Entry, prior to crediting or debiting a Receiver's account, provided such request complies with the Security Procedure for Cancellation, but shall have no liability if such cancellation is not effected. In the case of a File, the entire File of Entries (e.g., an entire payroll) may be cancelled/deleted. Bank cannot delete a single Entry from a File of payments. Cancellation of an individual Entry within a File will require an Item Reversal after the entire File of Entries has been processed, as more fully explained below. Customer shall reimburse Bank for any expenses, losses, or damages Bank may incur in effecting or attempting to effect Customer's request for the cancellation of an Entry or a File of Entries.

Prenotification. Bank strongly recommends that Customer send prenotification entries prior to sending live entries. A prenotification Entry is used in the ACH system to test the acceptability of entries. The prenotification process serves to notify the RDFI that a live dollar transaction is forthcoming and verify the accuracy of the account number being credited or debited. Failure to send a prenotification significantly increases the possibility of future payments being returned. To allow adequate response time, a prenotification must be sent through the ACH system at least three (3) banking days prior to a live Entry being initiated. It is the responsibility of the RDFI to verify the accuracy of the prenotification and Receiver's account number and notify Bank if any information needs to be corrected. Upon notification from the RDFI, Bank will notify Customer if changes are required. It is Customer's responsibility to make the changes prior to the next live Entry being sent.

Reversal. If Customer sends an Entry or File of Entries in error or duplicate and the Entry posts to a Receiver's account, it is Customer's responsibility to correct the error. Customer may request a reversal of an Erroneous Entry or Erroneous File through the ACH Network as permitted by the NACHA Rules. An "**Erroneous Entry**" or "**Erroneous File**" is an Entry or File that (1) is a duplicate of an Entry previously initiated by the Originator, (2) orders payment to or from a Receiver not intended to be credited or debited, or (3) orders payment in a dollar amount different than was intended. The RDFI must receive Customer's reversal request no later than opening of business on the fifth (5th) Business Day after the Settlement Date of the Erroneous Entry(ies) or File. Customer shall reimburse Bank for any expenses, losses, or damages Bank may incur in effecting



or attempting to affect Customer's request for the reversal of an Entry/File. This process does not guarantee that Customer will reverse the flow of funds. If funds are not available for a reversal, then Customer must pursue reimbursement for the funds directly with the Receiver of the Entry outside of the ACH Network.

Returns, Notifications of Change. Each Return Entry, Notification of Change ("**NOC**") Entry or Corrected Notification of Change ("**Corrected NOC**") Entry received by Bank from the RDFI will be provided to Customer. Except for an Entry retransmitted by Customer as set forth herein, Bank shall have no obligation to retransmit a Return Entry to the ACH Operator if Bank complied with the terms of this Agreement with respect to the original Entry. Return Entries will not be re-initiated, except for those returned due to insufficient or uncollected funds up to an additional two (2) times, without the Receiver's re-authorization. Bank shall provide Customer all information, as required by the NACHA Rules, with respect to each Return, NOC Entry or Corrected NOC Entry received by Bank relating to Entries transmitted by the Customer. Bank will provide such information to the Customer within two (2) Business Days of the Settlement Date of each Return, NOC, or Corrected NOC Entry. Customer shall ensure that changes requested by the NOC or Corrected NOC are made within six (6) Business Days of Customer's receipt of the NOC information from Bank or prior to initiating another Entry to the Receiver's account, whichever is later. Returns, NOCs, and corrected NOCs that are received from the RDFI will be provided to the Customer.

Payment by Customer for Entries. Customer shall pay Bank the amount of each credit Entry transmitted by Bank pursuant to this Agreement at such time specified in the ACH Implementation Form. If Customer is required to prefund, payment must be made when the Entry is transmitted to Bank or as otherwise specified by Bank. In the case of credit Entries, Customer shall pay Bank the amount of each credit Entry transmitted by Bank pursuant to this Agreement at such time specified in the Implementation Form. In the case of debit Entries, Bank shall credit Customer the amount of each debit Entry transmitted by Bank pursuant to this Agreement at such time on the Settlement Date as Bank, in its discretion, may determine, and subject to its right to return or reject entries in accordance with the NACHA Rules, the amount of each On-Us Entry at such time on the Settlement Date as Bank, in its discretion, may determine. Customer will promptly provide immediately available funds to indemnify Bank if any debit items are rejected after the Bank has permitted the Customer to withdraw immediately available funds, should funds not be available in the Customer's accounts to cover the amount of the rejected or returned Entries.

Operating Account; ACH Account; Set Off. The Customer will maintain one or more non-interest bearing demand accounts with the Bank at all times during the term of this Agreement that are: (i) an operating account for the management of the day-to-day operations of the Customer ("**Operating Account**") and (ii) an ACH account through which the ACH Entries will be processed (each an "**ACH Account**" and, collectively, the "**ACH Accounts**"). Customer may designate the same demand account as its Operating Account and ACH Account. Bank may, without prior notice or demand, obtain payment of any amount due and payable to it under this Agreement by debiting the applicable ACH Account(s) of Customer identified in the Implementation Form, and shall credit the applicable ACH Account for any amount received by Bank in such ACH Account by reason of the settlement of debit Entries originated or by the return of an Entry transmitted by Bank for which Bank has previously received payment from Customer. Such credit shall be made to the applicable ACH Account as of the Business Day of such receipt by Bank. Customer shall maintain a balance of available funds in the applicable ACH Account sufficient to meet its payment obligations under this Agreement. In the event there are not sufficient available funds in the applicable ACH Account to cover Customer's obligations under this Agreement, Customer agrees that Bank may cancel any ACH Entries for which available funds are not available, debit any other ACH Account maintained by Customer, or set off against any amount it owes to Customer (i.e., balance(s) in Operating Account(s) or the Reserve Account), in order to obtain payment of Customer's obligations under this Agreement.

From time to time, Bank shall evaluate Customer's transaction activity for the purpose of establishing averages for transaction frequency, amount, returns and adjustments. These evaluations will occur periodically as determined in Bank's discretion. In connection with these evaluations, Bank reserves the right to require Customer to establish and maintain balance of available funds in an amount calculated by Bank in a designated account held by Customer at Bank ("**Reserve Account**"). If required, the funds in the Reserve Account will be used to prefund and cover Customer's obligations to Bank arising from ACH activities under this Agreement. The Bank may calculate the required balance to be expressed as a fixed dollar amount to prefund an ACH File or as a "rolling reserve" based on "rolling" averages determined by Bank's periodic evaluations. The amount of the



required balance in the Reserve Account, if any, will be communicated directly to Customer from time to time. Customer agrees to establish the balance required by Bank within five (5) Business Days after receipt of a communication setting forth the amount of required reserves. Bank will provide the details of the calculations used to determine the amount of the required balance upon request by Customer. Customer agrees that Bank may suspend ACH processing activity for Customer under this Agreement if Customer fails to establish and maintain the required balance in the Reserve Account.

Credit Approval. The Bank will authorize the Customer a certain limit representing the maximum aggregate dollar amount of Entries that may be initiated by the Customer each day (“**Exposure Limit**”). The Customer understands and agrees that the daily requests for Entries exceeding this Exposure Limit are honored solely at the discretion of the Bank. Requests that will not be honored will be communicated to Customer or its designated representative.

Customer Reconciliation of Account. Entries transmitted by Bank or posted to a Receiver’s account maintained with Bank will be reflected on Customer’s periodic statement issued by Bank with respect to the Account pursuant to the agreement between Bank and Customer. In accordance with the NACHA Rules, Bank shall not be obligated to provide a separate notice to Customer of Bank’s acceptance of credit Entries designating Customer as beneficiary. Customer agrees to notify Bank promptly of any discrepancy between Customer’s records and the information shown on any periodic statement. If Customer fails to notify Bank of any discrepancy within thirty (30) days of receipt of a periodic statement containing such information, Customer agrees that Bank shall not be liable for any other losses resulting from Customer’s failure to give such notice or any loss of interest with respect to an Entry shown on such periodic statement. If Customer fails to notify Bank of any such discrepancy within thirty (30) days of receipt of such periodic statement, Customer shall be precluded from asserting such discrepancy against Bank.

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

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

Financial Information. Customer will at all times keep proper books of records and accounts in which full, true and correct entries shall be made in accordance with generally accepted accounting principles and will deliver to Bank within 15 days of Bank’s request, a copy of the annual financial statement of Customer relating to such fiscal year, such statements to include (i) the balance sheet of Customer as of the end of each fiscal year and (ii) the related income statement, statement of retained earnings and statement of changes in the financial position of Customer for such fiscal year, prepared by such certified public accountants as may be reasonably satisfactory to Bank, or a copy of the Corporate tax return for the past fiscal tax year, which must include a profit and loss statement and balance sheet, as determined by the Bank.

Documentation. The Bank will provide User Documentation for the Services and the following Account documentation: (i) Bank will issue periodic statements electronically for the Customer’s account that will reflect Entries credited to and debited from the Customer’s account; and (ii) the Business Online Banking system will display a confirmation at the time Customer initiates ACH transactions, which confirmation should be printed and kept for Customer’s records.

Termination/Suspension by Bank. Customer may terminate this Agreement at any time, provided that such termination shall be effective sixty days (60) following the day of Bank’s receipt of written notice thereof or such later date as is specified in that notice. Bank reserves the right to terminate this Agreement immediately upon providing written notice of such termination to Customer. Any termination of this Agreement shall not affect any of Bank’s rights and Customer’s obligations with respect to Entries initiated by Customer prior to such termination, or the payment obligations of Customer with respect to services performed by Bank prior to termination, or any other obligations that survive termination of this Agreement. Bank



may suspend the Customer from initiating Entries under this Agreement or terminate Customer for breach of the NACHA Rules at any time upon notice to the Customer.

Governing Law. This ACH Transfer Services shall be construed in accordance with and governed by the laws of the United States and the State of New York, including Article 4-A of the Uniform Commercial Code. Such laws are acknowledged to include economic sanctions administered by OFAC, as required by the NACHA Rules.

22. WIRE TRANSFER SERVICES.

The Wire Transfer service provides Customer with the capability to transfer funds from a specific Account at the Bank to the Beneficiary Account, whether of Customer or a third party, via Business Online Banking. Customer acknowledges Bank is authorized to honor and execute all Payment Orders when made in accordance with the provisions of this Service description.

Unless defined otherwise herein, all terms shall have the meaning set forth in UCC Article 4A and Subpart B of Federal Reserve Regulation J. A **"Payment Order"** is an instruction by Customer to the Bank that is transmitted electronically to pay, or to cause a Beneficiary Bank to make a payment to a Beneficiary Account. The **"Beneficiary Account"** is the account of the person Customer is paying. The **"Beneficiary's Bank"** is the bank or other financial institution located in the United States where the Beneficiary Account is maintained. The Beneficiary Account may be held by the Customer or a third party and may be with the Bank or another financial institution. All Payment Orders must be initiated by an Authorized User. When used herein, the term **"Payment Order"** also refers to any amendment and/or cancellations of a Payment Order. A **"Recurring Transfer"** are Payment Orders made on a repetitive basis that involves the same Customer Account and Beneficiary Account.

Execution of Payment Order. By submitting a Payment Order, Customer authorizes Bank to withdraw the amount of the Payment Order, plus any applicable fees and charges, from Customer's designated Account. Subject to the terms of this Agreement, Bank will accept and execute all Payment Orders that conform with the Security Procedure, Cut-Off times and other requirements as described herein. Bank is also authorized to act upon such other directions and Instructions relating to Payment Orders, including the cancellation or amendment of prior Payment Orders, as may be provided to Bank from time to time by an Authorized User.

Each Payment Order must contain all include the following information: (i) account number from which the funds are to be withdrawn, (ii) amount to be transferred, (iii) name and ABA routing number of the Beneficiary's Bank, and (iv) Beneficiary Account name, address and account number of the payee. In the event a Payment Order describes an account number for the payee that is in a name other than the designated payee, Banks may execute the Payment Order to the account number so designated notwithstanding such inconsistency.

As may be applicable, this Service is subject to the provisions of all relevant regulations of the Board of Governors of the Federal Reserve System, and the operating circulars of the Federal Reserve Banks, and any other applicable provisions of state or federal law and banking regulations. You understand and agree that the Bank will not accept a Payment Order to a Beneficiary Account at a Beneficiary's Bank located outside the United States.

Security Procedures. Customer agrees to comply with all Security Procedures for the Agreement and any additional Security Procedures that may apply to Wire Transfers. Customer agrees the Security Procedures used by Customer are commercially reasonable methods of providing security against unauthorized Payment Orders and related Instructions from Customer to Bank. Any Payment Order by Customer shall bind Customer, whether or not authorized, if transmitted in Customer's name and accepted by Bank in compliance with the Security Procedures. Customer also agrees that any election Customer may make to change or refuse a Security Procedure is at Customer's sole risk and any loss resulting in whole or in part from such change or refusal will be Customer's sole responsibility.

Customer covenants that no employee or other individual will be allowed to initiate Payment Orders in the absence of proper authority, supervision and safeguards. Payment Orders will not be accepted or transmitted unless initiated by an Authorized



User under Security Procedures. Authority to initiate Payment Orders shall be conclusively presumed if the person initiating the Payment Order uses the Security Procedures applicable to Customer by its Authorized User.

Customer hereby acknowledges the Security Procedures are neither designed nor intended to detect errors in the content, or verify the contents, of a Payment Order. Customer errors include (but are not limited to) providing Bank with the wrong name and/or wrong account number of the Beneficiary Account; providing Bank with the wrong name and/or wrong account number of the Beneficiary's Bank or Intermediary Bank (if applicable); providing Bank with an incorrect amount of a Payment Order; or instructing Bank to initiate the same Payment Order on multiple occasions. Accordingly, any errors contained in Payment Orders shall be Customer's responsibility. Bank shall have no liability to Customer for Customer errors in Payment Orders and Customer shall be obligated to pay or repay (as the case may be) or can suffer a loss up to the full amount and/or charges for correcting or requesting a return of any such erroneous Payment Order.

The occurrence of unauthorized access will not affect any transfers made in good faith by Bank prior to receipt of such notification and within a reasonable time period thereafter. Following the receipt by Bank of a Payment Order, Bank reserves the right (but shall not be obligated) to attempt to further verify any such Payment Order by (i) a subsequent telephone call to an Authorized User or other representative, (ii) where there is more than one Authorized User, by calling an individual other than the Authorized User who initiated the Payment Order, or (iii) any other means Bank may deem appropriate. However, Bank's failure to further verify any such Payment Order by means of a return telephone call shall not be evidence of any failure on the part of Bank to act in good faith or in a commercially reasonable manner.

Rejection of Payment Orders. Bank reserves the right, in its sole discretion, to reject any Payment Order. Customer agrees Bank shall incur no liability whatsoever to Customer or any third party because of any such rejection. In the event Bank elects to reject a Payment Order, Bank shall notify Customer of the rejection orally, electronically or in writing. Bank shall be deemed to have rejected any Payment Order, and Customer waives notice of the rejection of such Payment Order, unless Customer has on deposit with Bank collected funds sufficient to cover the amount of the Payment Order on the execution date of the Payment Order.

Attempted Cancellation/Return or Amendment of Payment Orders. In the event Customer wishes to cancel or amend a Payment Order previously sent to or received by Bank, upon receipt of signed request, Bank shall use commercially reasonable efforts to effectuate Customer's wishes unless Bank in good faith believes such efforts to be futile. Bank makes no representations or warranties as to its ability to (a) cancel, return or amend a Payment Order previously received by Bank or (b) recover any funds already transferred. Bank shall have no liability to Customer for Bank's failure to effectuate any requested amendment, return or cancellation of any Payment Order. Any request to cancel, return or amend any Payment Order must be given to Bank in writing and in sufficient time, as determined by Bank, to give Bank a reasonable opportunity to act on it before Bank executes the Customer's Payment Order.

Cut-Off Time for Receipt of Payment Orders. Bank will execute all Instructions for Payment Orders on the Business Day received (or requested by Customer if future-dated) so long as the Domestic or International Payment Orders are received by Bank prior to the cut-off time as listed in **Schedule B**, and is in conformity with all Security Procedures. Bank reserves the right to reject a Payment Order request that cannot be properly authenticated via Security Procedure. Cut-Off Times may be established and changed by Bank from time to time. Instructions for Payment Orders received after such Cut-Off Times may be treated by Bank for all purposes as having been received on the following Business Day. Bank may handle Payment Orders received from Customer in any order convenient to Bank, regardless of the order in which they are received.

Payment Orders initiated and approved after the Cut-Off Time for Domestic or International Payment Orders will be processed the next Business Day if that day is also a Business Day for Bank.

Reliance on Account Numbers and Bank Numbers. Customer acknowledges and agrees that, in accordance with Article 4A of the Uniform Commercial Code, Bank shall be entitled to rely upon the numbers supplied by Customer to identify banks, Beneficiaries and other parties to the Payment Order, even if those numbers disagree or are inconsistent with the names of



those parties as provided by Customer. It is the sole and exclusive obligation of Customer to ensure the accuracy of such numbers. Bank shall have no obligation to confirm any such numbers provided by Customer.

Restricted Payment Orders. The Bank reserves the right in its sole discretion to delay or not accept Payment Orders (a) for any account of Customer, (b) to any Beneficiary Account located in certain foreign jurisdictions, (c) to Beneficiary Accounts listed on the Specially Designated National lists from FinCEN, or (d) for any other reason related to Executive Orders of the President, Foreign Governmental Embargoes Sanctions, or any Directives of Governmental Authorities. The Customer shall cooperate with any procedures related to such Payment Order. Customer is prohibited from sending and receiving illegal and restricted internet gambling transactions as defined in the Unlawful Internet Gambling Enforcement Act (Regulation GG). The Bank will not process payment orders that are illegal and restricted under Regulation GG.

Limitation of Liability. The Bank shall be responsible only for performing the funds transfer services described in this Agreement and shall be liable only for its own gross negligence or willful misconduct in performing these Services. The Bank shall not be liable for acts or omission by Customer or any other person or entity, including without limitation any funds transfer systems, any Federal Reserve Bank, any Beneficiary's Bank and any Beneficiary, none of which shall be deemed the Bank's agent. Without limitation, the Bank shall be excused from delaying or failing to act if caused by legal constraint, interruption of transmission or communication facilities, equipment failure, war, emergency conditions, strikes or other circumstances beyond the Bank's control. In addition, the Bank shall be excused from delaying or failing to execute a funds transfer due to any changes in the rules, regulations and policies of the Federal Reserve Board that affect the Bank's ability to send or receive funds at any time, for any reason, if the funds transfer would result in the Bank's exceeding any limitation on its intra-day net funds position established through Federal Reserve guidelines or if the funds transfer would result in violating any present or future risk control program of the Federal Reserve or a rule or regulation of any other governmental regulatory authorities.

Except as otherwise required by applicable law, the Bank shall not be liable for any loss or liability arising from (a) any inaccuracy or failure to act on the part of any person not within the Bank's reasonable control, including but not limited to the failure of any other financial institution(s) to provide accurate or timely information to the Bank or the Customer, (b) the failure of other financial institutions to accept payment orders, (c) Customer's negligence, wrongful act or breach of this Agreement, or (d) any ambiguity or inaccuracy in any instruction given to the Bank by Customer.

IN NO EVENT SHALL THE BANK BE LIABLE FOR SPECIAL, CONSEQUENTIAL, PUNITIVE OR INDIRECT LOSSES OR DAMAGES SUFFERED OR INCURRED BY CUSTOMER IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, INCLUDING WITHOUT LIMITATION SUBSEQUENT WRONGFUL DISHONOR RESULTING FROM THE BANK'S ACTS OR OMISSIONS, REGARDLESS OF WHETHER THE BANK KNEW OR SHOULD HAVE KNOWN SUCH LOSSES OR DAMAGES MIGHT BE INCURRED. ANY LIABILITY OF THE BANK FOR LOSS OF INTEREST RESULTING FROM ITS ERROR OR DELAY SHALL BE CALCULATED USING A RATE EQUAL TO THE FEDERAL FUNDS RATE AT THE FEDERAL RESERVE BANK OF NEW YORK FOR THE PERIOD INVOLVED. PAYMENT WILL BE MADE BY CREDITING THE APPROPRIATE ACCOUNT AT THE BANK INVOLVED IN THE FUNDS TRANSFER. THE BANK SHALL NOT BE RESPONSIBLE FOR CUSTOMER'S ATTORNEYS' FEES.

Recovery Under Mistake and Restitution. Customer understands an error on the part of Bank may result in a third party receiving funds that it is not entitled to receive. In such case, Bank may elect to attempt to recover the funds under the laws governing mistake and restitution. In the event that Bank so elects, Customer agrees to reasonably cooperate with Bank and to provide Bank with any documents, information and other assistance as may be necessary to enable Bank to recover the funds.

Daily Funds Transfer Limit. Customer's daily funds transfer account limit(s) will be in accordance with limit(s) set from time to time and provided to the Customer. In addition, Customer's authorized signers may request Bank to modify the limit for each Authorized User from time to time in Business Online Banking, which limit(s) may not exceed the Customer's daily funds transfer account limit(s).



Funds Transfer Fees. Customer hereby authorizes Bank to debit its fees and charges for payment orders from Customer accounts, for all payment orders executed on behalf of Customer. Additionally, any fees or charges either now or hereafter imposed on Bank by the Federal Reserve or any other bank relating to the services provided by Bank to Customer shall be added to the fees charged by Bank effective the same day as such fees are imposed on Bank, or Beneficiary or Intermediary Bank fees such as Payment Order amendments, investigation, cancelation or return fees. A portion of those charges may be shared with us.

23. REMOTE DEPOSIT CAPTURE

Services Overview. Subject to these terms and conditions, Bank will provide the Remote Deposit Service to Customer, which allows Customer through its Authorized Users to make deposits to the Account from Customer's office by scanning checks on a desktop scanner that is: (i) licensed to Customer by Bank pursuant to the terms hereof, or (ii) a make and model approved by Bank in which Customer installs the required Software (collectively, a "**Scanner**"). The term "**Software**" means any drivers and other software programs which may be offered or required by Bank to utilize the Remote Deposit Services, whether incorporated into a Scanner provided by Bank or must be installed into an approved Scanner obtained by Customer that supports the delivery of the Images and information required by this Agreement either to: (i) the Bank; or (ii) a processor designated by Bank ("**Processor**"). An "**Image**" means the digitized image of a Check that is created by Customer and transmitted to Bank using the Service. The Scanner must capture an Image in accordance with the Documentation, must read and capture the MICR line on each check and must read and capture all such other data and information as is required by this Service description.

Customer will transmit the File to Bank or Processor via the Internet. Subject to compliance with the terms, provisions and conditions of, and as provided herein, Bank will provisionally credit the Accounts designated by Customer for the amount of the deposits to which the Files pertains on the day of receipt of the Files and enter the Images into the collection process in accordance with the Account Agreement and this Service description. A "**File**" means a file transmitted by Customer to Bank containing Images, the MICR line from each Check and all other required data and information from or pertaining to all Checks and other required information. An "**Accepted File**" is a File that Bank accepts after (i) validation of the File and the Images and other information contained in the File and (ii) Bank's determination (a) Customer has complied with the applicable Documentation, (b) the File was processed and transmitted in accordance with this Service description and the Documentation, and (c) the File is balanced (if applicable) and the Images meet the requirements of this Service description. A "**Corrected File**" is a File for which Bank corrects errors in the Images or other information contained in the File.

Hardware And Software. Customer understands it must, and hereby agrees to, at its sole cost and expense, use a Scanner and other computer hardware and Software that meet all technical requirements for the proper delivery of the Remote Deposit Service and that fulfills Customer's obligation to obtain, and maintain, secure access to the Internet (collectively, the "**Equipment**"). Customer understands and agrees it may also incur, and shall pay, any and all expenses related to the use of the Remote Deposit Service, including, but not limited to, telephone service or Internet service charges. Customer is solely responsible for the payment of any and all costs and expenses associated with meeting and maintaining all technical requirements and additional items necessary for the proper use of the Remote Deposit Service at its . Customer understands and agrees that it is solely responsible for the operation, maintenance and updating of all Equipment and the cost thereof, and Customer hereby agrees that it will perform, or cause to be performed, all vendor recommended maintenance, repairs, upgrades and replacements, and such performance shall be rendered by properly trained personnel, whether they are employees of Customer or third-party employees. Customer agrees to indemnify and hold harmless the Bank, its officers, directors, employees, agents, affiliates, successors and assigns from any and all damages, loss, cost or liability (including reasonable attorney fees) arising out of or resulting from including but not limited to (a) any computer virus, hacking or related issues that may be associated with the use of electronic mail, the Internet or the like; (b) any defects or malfunctions of the hardware or software of the Customer's electronic device , (c) failures or interruptions in any electrical, telephonic, Internet services or (d) by Customer's misuse of such hardware or software. Customer hereby acknowledges that the Bank has recommended the Customer scan its computer hardware and software on a regular basis using a reliable computer virus detection product in order to detect and remove computer viruses. In connection with its use of the Remote Deposit Service,



Customer shall only use the hardware and software as described in the Documentation or such other hardware and/or software as is approved in advance by Bank, which technical requirements may change from time to time.

All right, title and interest in any Software, Remote Deposit Services user manual and all Documentation shall be, and remain, the property of Bank or any third-party Software provider, as applicable. Unless otherwise expressly authorized, Customer may not copy, reproduce, transmit, retransmit, disseminate, display, publish, sell, broadcast, circulate, distribute, transfer, assign, commercially exploit, reverse engineer, reverse compile or create derivative works of, the Software or User Documentation in any form.

Checks; Prohibited Checks. Customer understands and agrees that it will only deposit Checks, as defined in Section 19 above, which may include the following items: (i) U.S. personal checks; (ii) U.S. business checks; U.S. postal money orders; U.S. bank checks; federal, state or local U.S. government checks. Customer shall endorse each Check with the restrictive endorsement "For Remote Deposit Only" and then, in accordance with the Documentation provided to Customer by Bank, scan the front and back of each Check to be deposited, ensure that the front and back of each Check is captured in the Image, and transmit the Image to Bank.

Customer further agrees that it will not remotely deposit any "**Prohibited Checks**", meaning Checks that: (a) is payable to any person or entity other than Customer, (b) is drawn, or otherwise issued, by Customer or any affiliate of Customer on any account of Customer or of such affiliate, for the purpose of benefiting from an unlawful float, (c) is prohibited by the Documentation or is in violation of any law, rule or regulation, (d) Customer knows or suspects, or should know or suspect, is fraudulent or otherwise not authorized by the owner of the account on which the Check is drawn, (e) has been previously endorsed by a bank and are either Substitute Checks or "image replacement documents" that purport to be Substitute Checks, without Bank's prior written consent, (f) is drawn on financial institutions that are located outside of the United States or its Territories, (g) does not contain the endorsement "For Remote Deposit Only"; (h) is a U.S. Savings Bond; (i) is a draft related to a revolving line of credit account; or (j) is not acceptable to Bank for deposit into a deposit account as provided in the Deposit Agreement, which is incorporated herein by reference and made a part hereof. Customer agrees to reimburse and further indemnify and hold harmless the Bank, its officers, directors, employees, agents, affiliates, successors and assigns from any and all damages, losses, costs or liabilities (including reasonable attorneys' fees) arising out of or resulting from the Customer's deposit of a Prohibited Check or other claim related thereto. Furthermore, if, after first having obtained Bank's written consent to do so, Customer provides Bank with an electronic representation of a Substitute Check for deposit into an Account instead of an original Check, Customer agrees to indemnify and reimburse Bank, its officers, directors, employees, agents, affiliates, successors and assigns for, and hold Bank harmless from and against, any and all losses, costs and expenses (including reasonable attorneys' fees) Bank incurs because any such Substitute Check resulting from such electronic representation does not meet applicable Substitute Check standards and/or causes duplicate payments.

Scanning Checks; Transmission of Files. Customer shall properly install and use all Equipment required by this Service description and the Documentation for use of the Remote Deposit Service. Customer shall (a) properly endorse each Check to be deposited and otherwise in accordance with the procedures in the Documentation, (b) scan each Check to be deposited and thereby capture the Image of each Check and capture the MICR encoding on, and any other required data from, each Check and (c) transmit the File containing the Images of, the MICR line from and all other required data and information from or pertaining to, such Checks and all batched ACH data and other information to Bank or its Processor in accordance with the Documentation, a copy of which has either heretofore been, or are herewith, provided to Customer by Bank, and Customer acknowledges receipt thereof. Bank reserves the right to amend the Procedures, with or without prior notice to Customer. Bank requires Customer to use Security Items and Security Procedures to access the Remote Deposit Service. Customer agrees to, at all times, (a) comply with the Security Procedures and (b) safeguard the confidentiality and security of all other proprietary property or information Bank provides to Customer in connection with the Remote Deposit Capture Service and (c) notify Bank immediately if Customer has any reason to believe the security or confidentiality required by this provision has been or may be breached. Bank is not, and will not be, obligated to detect errors by Customer or others, even if Bank takes certain actions from time to time to do so.

To ensure accuracy, Customer shall balance the dollar amount of each deposit to the sum of the Checks prior to transmitting the File in accordance with the procedures in the Documentation. Customer agrees the total dollar value of the Files sent by Customer to Bank on any Business Day shall not exceed the dollar amount of the “**Aggregate Daily Deposit Limit**” specified in Documentation. If the total dollar value of the Files sent by Customer to Bank on any Business Day exceeds the Aggregate Daily Deposit Limit, Customer shall contact Bank to determine ability to process File(s). To be eligible for processing on the Business Day transmitted, Files must be received by Bank prior to the applicable Cut-Off Time. A File is considered received by Bank when a complete copy of such file has been written on a Bank electronic storage device in conformity with Bank’s technical and operational requirements. To meet the Cut-Off Time, the entire File must be received by Bank prior to the Cut-Off Time, and the File must successfully pass the edits for conformity with the technical requirements. For purposes of determining when a File has been delivered and received, Bank’s records shall be determinative. A File that is not balanced in accordance with the Documentation (if applicable) or which is received after the Cut-Off Time shall be deemed to have been received on the Business Day following the Business Day on which the File is actually received by Bank. Bank reserves the right to change the number of Files that may be transmitted in a day, the Aggregate Daily Deposit Limit and the Cut-Off Time. All such changes shall be effective immediately and may be implemented prior to Customer’s receipt of notice thereof. Customer may contact Bank at any time to verify the current number of Files that may be transmitted in a day, the Aggregate Daily Deposit Limit and the Cut-Off Time as listed in **Schedule C**.

Check Maintenance. . After submitting the deposit Customer shall securely store all original of Checks for a retention period of sixty (60) days after Customer has received notice from Bank that the File containing the Images of such Checks has been accepted (“**Retention Period**”). During the Retention Period, Customer shall take appropriate security measures to ensure that: (a) only authorized personnel shall have access to original Checks, (b) the information contained on such Checks shall not be disclosed, (c) such Checks will not be duplicated or scanned more than one time and (d) such Checks will not be deposited or negotiated in any form. Customer shall destroy original Checks upon the expiration of the Retention Period applicable to such Checks. Customer will use commercially reasonable methods to destroy Checks after expiration of the Retention Period.

Image and MICR Quality. Each File transmitted by Customer to Bank shall contain Images of the front and the back of the Checks scanned and remotely deposited by Customer. Each Image of each Check shall be of such quality that the following information can clearly be read and understood by sight review of such Image:

- a. the amount of the Check;
- b. the payee of the Check;
- c. the signature of the drawer of the Check;
- d. the date of the Check;
- e. the Check number;
- f. the information identifying the drawer and the paying bank that is preprinted on the Check, including the full-field MICR line (i.e., ABA routing transit number, account number, encoded amount, and encoded serial number and the process control field); and
- g. all other information placed on the Check prior to the time an Image of the Check is captured, such as any required identification written on the front of the Check and any endorsements applied to the back of the check.

Further, each Image shall also meet all standards for image quality established by the American National Standards Institute (ANSI), the Board of Governors of the Federal Reserve or any other regulatory agency, clearing house or association.

Receipt of File. Customer agrees that Customer shall be solely liable for, and Bank shall not have any liability whatsoever to Customer for, any File or the Images or other information contained therein that are not received by Bank or for any File or the Images or other information contained therein that are intercepted or altered by an unauthorized third party. Customer agrees that Bank has no obligation to accept a File and, therefore, may reject any File or the Images or other information contained therein submitted by Customer. Bank has no obligation to notify Customer of the rejection of a File or the Images or other information contained therein. Bank shall have no liability to Customer for the rejection of a File or the Images or other information contained therein or for the failure to notify Customer of such rejection. Upon receipt of a File submitted by Customer, Bank may examine such File and the Images and other information contained therein to ensure that Customer

has complied with this Service Description and followed the procedures in the Documentation. If Bank determines that Customer has not complied with this Service Description or followed the procedures or if errors exist in the Images or other information contained in the File, Bank, in its sole discretion, may either reject the File or elect to correct the error and accept and process the Corrected File. As a form of correction, Bank may credit Customer's Account for the full amount of the deposit and make any necessary adjustments to the Account to correct the error. Bank may, at its option, also perform a risk management analysis of one or more Files submitted by Customer to detect potentially fraudulent Checks, and, in its sole discretion, Bank may reject any such File or the Images or other information contained therein. If after examination of a File and the Images and other information contained therein, Bank determines that Customer has complied with this Service description and processed and transmitted the File in accordance herewith and the Documentation, the File is balanced and the Images meet the requirements of this Service description, then Bank shall accept the File for deposit to Customer's Account. Upon acceptance of the File, Bank shall electronically notify Customer of receipt and acceptance of the Accepted File for deposit. Notwithstanding the fact that Bank has accepted a File for deposit, any credit made to Customer's Account shall be provisional, and Customer shall remain liable to Bank for any errors, inaccuracies, breach of warranties and any other loss sustained by, or claim made against, Bank.

Provisional Credit; Availability of Funds. Upon acceptance of the File, Bank shall grant Customer's Account Provisional Credit for the total amount of the Corrected File or the Accepted File, as applicable. For the purpose of determining availability of funds, Bank may hold funds for the period of time permitted by Regulation CC. For the purposes of determining the time for which funds may be held by Bank under Regulation CC, the place of deposit shall be: 80 E Jericho Turnpike, Mineola New York 11501.

Laws, Rules and Regulations. Customer agrees to comply with all existing and future operating procedures used by Bank for processing of transactions. Customer further agrees to comply with, and be bound by, all applicable state or federal laws, rules, regulations, orders, guidelines, operating circulars and pronouncements, affecting checks and drafts and ACH transactions, including, but not limited to, all rules and procedural guidelines established by the Federal Trade Commission, the Board of Governors of the Federal Reserve Bank, National Check Exchange, Small Value Payments Customer, Endpoint Exchange, Nacha, Electronic Check Clearing House Organization and any other clearinghouse or other organization in which Bank is a member or to which rules Bank has agreed to be bound. The Rules are incorporated herein by reference. In the event of conflict between the terms of this Service description and the Rules, the Rules will control.

Collection of Checks. Bank, in its sole discretion, shall determine the manner in which Images shall be presented for payment to the drawee bank. Bank, in its sole discretion, shall select the clearing agents used to collect and present the Images, and Bank's selection of the clearing agents shall be considered to have been designated by Customer. Bank shall not be liable for the negligence of any clearing agent. Collection of Checks is also subject to the Rules and the terms of the Account Agreement.

Contingency Plan. Customer agrees that, in the event Customer is not able to capture, balance, process, produce or transmit a File to Bank, or otherwise comply with the terms hereof or of the Documentation, for any reason, including, but not limited to, communications, Equipment or software outages, interruptions or failures, Customer will transport the originals of all Checks to the closest office of Bank and deposit original Checks with Bank until such time that the outage, interruption or failure is identified and resolved. The deposit of original Checks at an office of Bank shall be governed by the terms and conditions of the Account Agreement and not by the terms of this service description. Notwithstanding the foregoing, to the extent this Service Description deals with warranties such warranties shall apply to the deposit of original Checks.

Warranties. Customer represents, warrants and covenants the following to Bank:

- a. Checks Deposited. Customer shall only deposit Checks that are authorized by this Service description or the Documentation;
- b. Image Quality. Each Image transmitted by Customer to Bank contains an accurate representation of the front and the back of each Check and complies with the requirements of this Service description;

- c. Accuracy of Information. All data and other information submitted by Customer to Bank, including, but not limited, to data contained in the MICR line of each Check is complete and accurate and complies with the requirements of this Service Description;
- d. Business Purpose Only. Customer is not a consumer, and the Remote Deposit Service shall be used for business purposes only;
- e. No Duplicates. Customer will not: (i) create duplicate Images of the Checks, (ii) transmit a duplicate Image or File to Bank, or (iii) deposit or otherwise negotiate the original of any Check of which an Image was created. Customer further warrants that no subsequent transferee, including but not limited to Bank, a collecting or returning bank, drawer, drawee, payee or endorser, will be asked to pay the original Item from which the Image(s) was created or a duplication (whether paper or electronic, including ACH entries) of the Items;
- f. No Loss. No Subsequent transferees of the Items, including but not limited to Bank, a collecting or returning bank, drawer, drawee, payee or endorser, shall sustain a loss as the result of the fact that the Image was presented for payment or returned instead of the original Check;
- g. Transactions. All Checks and business transactions of Customer are, and will be, genuine. All signatures on Checks are authentic and authorized.
- h. Rule Compliance. Customer conducts its business, and submits Checks and Files in compliance with this Agreement, the Security Procedures, applicable law and the Rules.
- i. Computer Virus. No Files or Checks contain any known computer viruses or other harmful, intrusive or invasive codes.
- j. Destruction of Checks. Customer shall use commercially reasonable means to destroy all Checks after the expiration of the Retention Period.

Return Checks. If Images of Checks deposited by Customer are dishonored or otherwise returned unpaid by the drawee bank, or are returned by a clearing agent for any reason, including, but not limited, to issues relating to the quality of the Image, Customer understands and agrees that, since Customer either maintains the original Check or has destroyed the original Check in accordance with this Service description, the original Check will not be returned, and Bank may charge back an Image of the Check to Customer's Account. Customer understands and agrees that the Image may be in the form of an electronic or paper reproduction of the original Check or a Substitute Check. Unless otherwise instructed by Bank, Customer agrees not to deposit the original Check if an Image or other debit as previously described is charged back to Customer.

Update Notice. Bank retains the right to (i) review Customer's Checks, Files and business activities from time to time to confirm Customer is conducting business as stated by Customer at the time in its Application for this Service, (ii) re-price or terminate the Remote Deposit Service based on changes to information previously provided to Bank by Customer and (iii) complete and respond promptly to the Bank's Remote Deposit Capture assessment questionnaire when requested to do so.

Bank's Responsibilities. Customer agrees to monitor its account balances and charges, to promptly notify Bank if any periodic statement or other report conflicts with Customer's records, and to refrain from acting on information it has reason to believe is erroneous. In all instances, the sole liability of Bank and any vendor it may use in the provision of the Service shall be limited to the correction of any errors made. Bank reserves the right to change, suspend or discontinue the Services, in whole or in part, or Customer use of the Services, in whole or in part, immediately and at any time without prior notice to Customer.

Third Parties. Customer may be using special equipment, services or software provided by a Third Party to assist it in processing Checks and Files hereunder with the prior written approval of the Bank. Customer (i) agrees that any Third Party is acting as Customer's agent in the delivery of Checks and Files to Bank, and (ii) agrees to assume full responsibility and liability for any failure of that Third Party to comply with the Rules or this Service description. Bank will not be liable for any losses or additional costs incurred by Customer as a result of any error by a Third Party or a malfunction of equipment provided by a Third Party. Customer shall provide at least ten (10) days advance written notice to Bank in the event it uses any such Third Party. Customer is solely responsible for maintaining compliance with the requirements of any Third Party, including obtaining any software updates. Bank shall not have any responsibility for any Check or File handled by a Third Party until that point in time when Bank accepts and approves a Check or File from such Third Party for processing.

License of Scanner; Software. If Customer obtains a Scanner or Software from Bank in connection with the Remote Deposit Services, Customer agrees that the following terms and conditions will apply to the license of such Scanner or Software. The Customer hereby agrees to license a Scanner specified by Bank, including the Software loaded onto it or any Software provided to Customer separately, and any other technology or other materials provided to Customer by Bank as part of the Services, Bank hereby grants to Customer a nontransferable non-exclusive license (“License”) to use the Scanner and/or Software only in connection with the Remote Deposit Services provided by Bank. If Customer chooses to download the Software and install it on Equipment owned by Customer, as prescribed in the Documentation, Customer agrees that all right, title and interest in and to the Software shall be, and remain, the property of Bank and/or any third-party Software provider, as applicable. Unless otherwise expressly authorized, Customer may not copy, reproduce, transmit, retransmit, disseminate, display, publish, sell, broadcast, circulate, distribute, transfer, assign, commercially exploit, reverse engineer, reverse compile or create derivative works of, the Software in any form. Customer acknowledges and agrees that additional license terms and conditions may apply when activating the Software incorporated in a Scanner or downloading the Software to Equipment owned by Customer.

If at any time during the relationship between the Bank and the Customer, it becomes necessary for the Customer to provide the Bank with remote access to Customer’s computer, the Customer agrees to indemnify and hold the Bank harmless from any and all costs, losses, liability, and expenses (including legal fees) the Bank may incur in connection with the Bank’s accessing the Customer’s computer.

Use and Maintenance of Scanner. Customer shall use the Scanner in a careful and proper manner and shall comply with and conform to all federal, state, and municipal laws and regulations in any way relating to the possession, use or maintenance of the Scanner. If at any time during the term hereof, Bank supplies the Customer with labels, plates or other markings, stating that the Scanner is owned by Bank, the Customer shall affix and keep them upon a prominent place on the Scanner. The Customer shall limit the use of the Scanner to the processing of transactions with Bank pursuant to the Services. Customer shall maintain the Scanner(s) in working order by following the instructions for proper use, care and cleaning of the Scanner provided to Customer. In the event that the Scanner does not function in accordance with the manufacture’s specifications, Bank shall either repair or replace the Scanner as soon as reasonably possible the date of receipt of notification from the Customer. Bank shall not repair or replace the Scanner if it is lost or damaged as provided herein, or because of misuse, negligence or failure of Customer to follow instructions for proper use, care and cleaning of the Scanner.

Equipment. If customer licenses a Scanner, Bank shall deliver the Scanner and any related Equipment to Customer in operative condition.

- a. Customer shall pay a fee for the Service in accordance with the Bank’s current fee schedule.
- b. The expense of all costs associated with operating and performing routine maintenance on the Equipment shall be paid by Customer.
- c. BANK, BEING NEITHER THE MANUFACTURER NOR A DEALER IN THE EQUIPMENT, MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, ITS DESIGN, ITS CAPACITY, ITS PERFORMANCE, ITS MATERIAL, ITS WORKMANSHIP, ITS FITNESS FOR ANY PARTICULAR PURPOSE. BANK FURTHER DISCLAIMS ANY LIABILITY WHATSOEVER FOR LOSS, DAMAGE, OR INJURY TO LESSEE OR THIRD PARTIES AS A RESULT OF ANY DEFECTS, LATENT OR OTHERWISE, IN THE EQUIPMENT. CUSTOMER AGREES THAT THEY ARE LEASING THE EQUIPMENT IN ITS “AS IS” AND PRESENT CONDITION. BANK SHALL NOT BE LIABLE IN ANY EVENT TO CUSTOMER FOR ANY LOSS, DELAY, OR DAMAGE OF ANY KIND OR CHARACTER RESULTING FROM DEFECTS IN, OR INEFFICIENCY OF, EQUIPMENT HEREBY PROVIDED BY THE BANK OR ACCIDENTAL BREAKAGE THEREOF.
- d. At such time when the Service is terminated, Customer shall return the Equipment to Bank at Customer’s own expense.
- e. Customer shall not sublet use of the Equipment, nor shall Customer assign or transfer any interest in the Equipment without prior written consent of Bank.
- f. If Customer fails to pay any amounts due and payable hereunder in a timely manner, Bank shall have the right to take possession of or disable the Scanner(s) and/or Software, without demand or notice, wherever same may be located, without any court order or other process of law. Customer hereby waives any and all damages occasioned



by such taking of possession and hereby authorizes the Bank to debit the Customer's Account for amounts due and payable to Bank.

Access to Customer Premises. Bank shall have the right at any time to enter the premises Customer during regular business hours where a Scanner and/or Software is installed and shall be given free access thereto and afforded necessary facilities for the purpose of inspection.

Surrender of Scanner. Within fifteen (15) calendar days of the expiration or earlier termination of the license to the Scanner, Customer shall return the Scanner to Bank in good repair, condition and working order (ordinary wear and tear resulting from proper use thereof alone excepted), or Customer shall pay Bank the invoice amount contained in an invoice submitted to Customer upon termination. If Customer fails to return the Scanner or, if the scanner is not in good working order and repair upon return, or if Customer fails to pay the invoice amount, such failure shall be a default under the agreement.

Location of Scanner. Customer agrees to install the Scanner(s) at the business address(es) provided to Bank in the Application where Customer would use the Remote Deposit Service. Customer understands and agrees that neither the Software nor Check Printer shall be installed in any other location without the prior written approval of the Bank. Customer agrees to not install the Scanner outside of the United States.

Personal Property. The Scanner(s) is, and shall at all times remain, personal property notwithstanding that the Scanner(s) or any part thereof may now be, or hereafter become, in any manner affixed or attached to, or imbedded in, or permanently resting upon, real property or any building thereon, or attached in any manner to what is permanent as by means of cement, plaster, nails, bolts, screws or otherwise.

Encumbrances. Customer shall not do any act that will in any way encumber the title of Bank in and to the Scanner(s). In the event the Scanner(s) becomes the subject of any lien or encumbrance through the action of Customer, Customer shall indemnify and hold harmless Bank from all costs, losses or expenses with respect thereto, and Customer shall immediately pay any such lien and obtain a release thereof.

24. MOBILE BANKING

The Service allows Customer, its Authorized Users and, if available, Customer Administrators to access certain features and functionality available on the Website through their mobile device, such as a smart phone or tablet computer, using a wireless web browser or a local Wi-Fi network. The same authorization and Security Procedures required for access to the Website will apply to access via a mobile device. There may be subject to a separate and/or supplemental terms and conditions and activation procedure when initiating access through a mobile device. Mobile banking may be provided through either the web browser feature of a mobile device or a downloadable mobile application ("Mobile App").

In addition to making deposits through the Remote Deposit Capture Service as explained above, Authorized Users can make deposits through your supported mobile device with a camera by using the Bank's downloadable Mobile App. The Mobile App is titled "Hanover Business Mobile" and is available for download from the Apple App Store, Google Play and/or other marketplaces. The use of the Mobile App by you is subject to the terms and conditions of its End User License Agreement ("EULA"), including as the EULA may be amended from time to time. The Authorized Users of Customer who use the Mobile App must agree to the EULA on behalf of Customer and themselves upon downloading the Mobile App. In addition, use of the Mobile App shall be subject to the terms and conditions of the Remote Deposit Capture Services set forth herein or as is provided through the Mobile App.

Check Endorsement. Customer shall endorse each Check with the restrictive endorsement "For Mobile Deposit only, Hanover Bank" and then, in accordance with the Documentation provided to Customer by Bank, scan the front and back of each Check to be deposited, ensure that the front and back of each Check is captured in the Image, and transmit the Image to Bank.



25. SIGNATURES

This Agreement manifests the entire agreement between the parties regarding the subject matter hereof and supersedes all prior understandings, writings, proposals, representations or communications, oral or written, of either party. Neither party relied on any representation or promise by the other party that are not set forth in this Agreement. This Agreement may not be assigned by the Business without the Bank's prior written consent. The Bank may assign this Agreement without the Business's consent. Neither the Business nor the Bank shall display any name, trademark or service mark of the other without the prior written consent of the other. The Business shall not advertise or promote the Services without the Bank's prior written consent. This Agreement shall bind and benefit the parties and their successors and assigns. None of the terms of this Agreement may be waived except as the Bank may consent in writing, and no agreement with or representation made by any employee of the Bank that is in conflict with this Agreement will be binding on the Bank unless contained in a written modification of this Agreement signed by an authorized officer of the Bank. No delay on the part of the Bank in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right or power under this Agreement preclude further exercise thereof or the exercise of any other right or power. The rights and remedies under this Agreement are cumulative and not exclusive of any rights or remedies which the Bank would otherwise have. Section headings in this Agreement are for convenience of reference only and do not constitute a part hereof or thereof. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument and upon execution the parties agree to be bound by the terms herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.



Schedule A

Transmittal and Format Requirements for ACH Entries

Communications: Location and File Format Requirements

All ACH files must be in a format approved by and compatible with NACHA's requirements. File formats are defined in the ACH Rules book.

I. File Transmission

All Entries must be entered and transmitted via the Bank's Business Online Banking's ACH Manager or Customer may submit, with prior written approval, via secure transmission directly to Bank or its designated vendor by accessing and uploading Files to a website that supports the encrypted transfer of files using Secure File Transfer Protocol ("SFTP") or similar technology. For File transmission inquiries contact:

Hanover Bank
Cash Management Services
cashmanagement@hanoverbank.com
877.548.8880, ext. 4

II. Transmission Failure – Alternate Processing

Only in the case of electronic transmission failure, files may be hand delivered to the Bank's Cash Management Department. In the event that hand delivery of files is necessary, the Bank's Cash Management Department must be contacted prior to delivery in order to coordinate and facilitate the processing of such.

Hanover Bank
Cash Management Services
80 E Jericho Turnpike
Mineola, NY 11501
cashmanagement@hanoverbank.com
877.548.8880, exr. 4



Schedule B

Delivery Methods and Cut-Off Times for Services

- I. Hanover Bank follows the Federal Reserve Bank Holiday Schedule. This schedule may be viewed on the Bank’s website, www.hanoverbank.com.
II. Unless a later processing date is requested by the Customer, Transactions received by the Bank before the below Cut-Off times will be processed by the Bank the same day they are received. Transactions received after the below Cut-Off times will be processed by the Bank before the close of business on the next Business Day. To fully complete the transaction, they must also be processed by the corresponding Federal Operating Entity (ACH Operator or Federal Reserve Bank) over which the Bank has no control.
III. Transactions created through the Business Online Banking service must be approved by Customer before the Bank’s cut-off time on the appropriate Business Day. Transactions will not begin processing until they have been “approved”. Transactions must be submitted by the Bank’s cut-off time in order to provide sufficient time for the Bank to transmit transactions to the corresponding Federal Operating Entity (ACH Operator or Federal Reserve Bank) before their significant cut-off times.

Transmission Schedule for Positive Pay Services

- 1. Issued Check Files must be submitted before the issued checks are disbursed to the receivers of the checks.
2. Exception Item Cut-Off Time is 12:00 p.m. ET

Transmission Schedule for Internal Transfers

- 1. Transfers initiated through the System before 5:00 p.m. Eastern Time (ET) on a Business Day are posted to your Account the same day. Transfers completed after 5:00 p.m. ET on a Business Day or on a Saturday, Sunday or federal banking holiday will be posted on the next Business Day.

Transmission Schedule for ACH Entries

- 1. ACH Entries must be initiated at least two (2) Business Days prior to the transaction Effective Date. The Customer shall deliver electronic media defined below to the Bank:

Table with 3 columns: MEDIA, DELIVERY METHOD, SUBMISSION DEADLINE. Rows include Bank System ACH Batches and Nacha File.

- 1. The Bank cannot and does not guarantee the date a transaction will be completed. To increase the likelihood the Entries will be fully completed by the desired effective date, the Customer shall deliver electronic media to the Bank no less than two (2) business banking days prior to the effective date.
2. DELIVERY DATE: The date that the Customer must schedule and approve ACH batches online through the Business Online Banking service or deliver a NACHA formatted file to the Bank. The Delivery Date must be a Business Day as defined in this Agreement.



Transmission Schedule for Wire Transfers

1. Cut-Off time for wires is 5:00 PM ET
2. Timely wire requests will be executed on the same business day as receipt, but may not be processed immediately.

Transmission Schedule for Remote Deposit Services

1. Cut-Off time for Remote Deposit current-day deposit is 6:00 p.m. ET
2. Images that are transmitted for deposit are not subject to the availability requirements of Regulation CC. See Business Account Disclosure Information booklet for information on Funds Availability.

Transmission Schedule for Mobile Deposits

1. Cut-Off time for Mobile Deposit current-day deposit is 6:00 p.m. ET
2. Images that are transmitted for deposit are not subject to the availability requirements of Regulation CC. See Business Account Disclosure Information booklet for information on Funds Availability.



Schedule C

Fees for Cash Management Services

1. PAYMENT FOR CASH MANAGEMENT SERVICES. The Customer agrees to pay the fees disclosed to the customer by the Bank prior to enrollment in any or all of the services mentioned in this Agreement. The Bank is authorized to deduct such fees from any Authorized Checking Account, or, if there are no funds available in any Authorized Checking Account, the Bank is authorized to deduct such fees from any other account of the Customer maintained at the Bank or to offset such fees from any amounts payable by the Bank to the Customer, whether such amounts are payable under this Agreement or otherwise. The Company shall be responsible for payment of, sales, use, or exercise, value added, utility or other similar taxes relating to the services provided for in the Company's agreement between the Bank and the Company with respect to the Company Account (the "Account Agreement").
2. SCHEDULE OF FEES. For a list of Fees, you may refer to the **Hanover Bank Business Fee Schedule** in the **Business Account Disclosure Information** document you received at account opening. Your account will be directly charged for each service enrolled in, according to the **Fee Schedule**, unless otherwise an alternate fee was negotiated and disclosed through an Account Analysis Proforma produced by the Bank.
3. The Bank reserves the right to change the fees at any time; any changes to the fees will be communicated to the customer.