

We're here to help.

This Service Description is part of the Treasury Services Master Agreement (the "*Master Agreement*") currently in effect between you and BMO Harris Bank N.A. ("*we*" or "*us*" and "*our*"). This Service Description is part of the Master Agreement, and is subject to all of the terms and conditions contained in the Master Agreement. Any references herein to the Master Agreement shall be deemed to include the terms of this Service Description, including any User Guide and set-up form. Any capitalized terms not defined herein shall have the same meaning as set forth in the Master Agreement.

### 1. Services.

We will provide to you our Reverse Positive Pay Service (the "*Service*") on the terms and subject to the conditions of this Service Description. With this Service, we provide you an electronic record of checks presented to us on each Account you designate for this Service ("*Designated Account*") and allow you an opportunity to instruct us regarding payment of those checks. The Operating Procedures and Service Options for this Service are set forth in the attached Appendix.

### 2. Check Presentment File.

On each business day (i.e., Monday through Friday, excluding Federal holidays) (each a "*Business Day*"), we will transmit or otherwise make available to you via our Online Banking for Business website ("*OLBB*"), at the time selected by you, an electronic record of checks drawn on the Designated Account which have been presented to us for payment (a "*Check Presentment File*"). The Check Presentment File is prepared on an automated basis by scanning the MICR encoding line for check number and amount. We are not responsible for any error in the Check Presentment File caused by an error in encoding or reading MICR data. You can compare each Check Presentment File with your check issue data and determine whether each such check should be paid or returned by us. You may view images of checks presented to us via OLBB or, alternatively, at your request we will promptly furnish to you, by facsimile transmission or other agreed upon means such check images about which you have questions.

### 3. Payment and Direction.

You authorize and direct us to honor and pay all checks which are presented for payment on the Designated Account on each Business Day, except as to checks for which you timely deliver a "No Pay" instruction as described in the Appendix. A "No Pay" instruction must be delivered to our Account Reconciliation Unit prior to 3:00 p.m. Central Standard Time ("*CST*") on the next Business Day (Day 2) following the Business Day (Day 1) on which the check was presented for payment. A "No Pay" instruction must be given via OLBB and must include the check number and amount. An instruction to return any check is not effective if received after we have paid, certified, or finally settled for the check. You authorize and direct us to honor and charge to the Designated Account each check presented to us unless a "No Pay" instruction has been timely and properly received by us. Such checks will be considered for all purposes properly payable from the Designated Account. We will not manually examine any check for any purpose or conduct any customary check processing procedure. You agree that we are not responsible for determining the validity or genuineness of any check, or of any signatures of the drawer or endorser thereof.

### 4. Over the Counter Checks.

The Services require a reasonable interval between the time of presentment of checks and the time to either return or settle for such checks under applicable laws and regulations. The time interval is insufficient when the holder of the check makes presentment for immediate payment over the counter at a lobby teller. Accordingly, we

offer two alternative methods of handling checks which are presented over the counter and these are designated in the Appendix as Option 4A and Option 4B.

- (a) If you elect Option 4A, you are directing us and our affiliates to refuse to honor checks which are presented for immediate payment over the counter. Our refusal would not constitute the wrongful dishonor of any check. If either we or an affiliate refuse to honor a check presented for immediate payment over the counter, our personnel would generally inform the holder that the check must first be deposited at another financial institution before being presented to us for payment. If either we or an affiliate elect to accommodate the holder of a check by paying or cashing such check over the counter, then under this Option (i) the check will be included in the Check Presentment File transmitted to you just as if the check had been presented by an unrelated bank, and (ii) you will have all of your rights under the Services with respect to such check, including the right to stop payment within the regularly allotted time following receipt of such Check Presentment File, and (iii) we (or such affiliate) will be considered as the transferee of such check.
- (b) If you elect Option 4B, you give us the authority (but not obligation) to pay or cash the check in our discretion, provided that (i) you have not given a stop payment order on the check which appears in our stop payment system at the time the check is presented to us, (ii) we have inspected reasonable identification presented by the check holder to verify such person's identity, and (iii) we act in good faith and with ordinary care in paying or cashing the check, but we are not required to verify that the check bears a genuine signature of an authorized signer on the Account. If such conditions have been satisfied, then we are authorized to honor the check as properly payable, and finally pay and charge the Designated Account for the amount of that check. If either we or an affiliate exercise our discretion to refuse to honor any check presented for immediate payment over the counter, then you agree that such refusal does not constitute the wrongful dishonor of the check.

#### **6. Liability/Indemnification.**

We shall have no liability for paying a check if you did not designate it with a "No Pay" instruction, even if such check bears a forged or unauthorized signature, is counterfeit or was otherwise not validly issued. You agree to indemnify us and hold us harmless from any liability as a result of our failure to pay a check based on your "No Pay" instruction.

THIS SERVICE DESCRIPTION HAS BEEN EXECUTED AS PROVIDED IN THE SCHEDULE OF SERVICES FORMING A PART OF THE MASTER AGREEMENT.

## APPENDIX TO THE REVERSE POSITIVE PAY SERVICE

### SERVICE DESCRIPTION

This Appendix lists and describes various options with respect to the Service. You must make your selections on the Service Documentation:

#### 1. Receipt of Check Presentment File Transmission.

Select one of the following options:

Option 1A—Day 1 Early Morning File Receipt: Provided we receive on-time delivery of check presentments from the Federal Reserve Bank of Chicago, we will provide a Check Presentment File of checks presented for payment on Day 1 by 11:00 a.m. CST. If transmission is to be later than 11:30 a.m. CST we will notify you. In order to be eligible to receive this file, you must be signed up for our Controlled Disbursement Service and have established a Controlled Disbursement Account.

Option 1B—Day 1 Mid-day File Receipt: We will provide a Check Presentment File of checks presented for payment on Day 1 by 4:00 p.m. CST. This file will include checks which were also presented Day 1 and which are subject to required same day settlement. In order to be eligible to receive this file, you must be signed up for our Controlled Disbursement Service and have established a Controlled Disbursement Account.

Option 1C—Day 2 Previous Day File Receipt: We will provide a Check Presentment File of checks presented for payment on Day 1 by 5:30 a.m. CST on the next Business Day (Day 2). This file will include all checks presented and posted to your Designated Account. You do not have to be signed up for our Controlled Disbursement Service in order to select this option.

#### 2. Payment Decision Process.

You must review the Check Presentment File or balance reporting through OLBB to make all pay/no pay decisions and contact our Account Reconciliation Unit with instructions regarding checks presented to us. You need only communicate “No Pay” and “Pay and Adjust” payment decisions. All decisions received as “No Pay” will be processed as “Hard Stop Payments.” As a result, the check will be pulled and returned to the bank of first deposit. “Pay and Adjust” items represent checks in which the dollar amount of the check was incorrectly MICR encoded. We will adjust your checking account and process the adjustment to the bank of first deposit for correction. All payment decisions must be received by 3:00 p.m. CST on Day 2. You must use our Recon Management and Disbursement Imaging Services available through OLBB to process payment decisions. Our Recon Management and Disbursement Imaging Services available through OLBB allow you to view check images, make payment decisions and to communicate them electronically. You must submit your return items through our OLBB check return module to initiate or return a check.

#### 3. Controlled Disbursement Diagnostic Report.

We offer the ability to obtain detailed information of discrepancies occurring between the time you obtain totals from the Controlled Disbursement Reporting and the time the Check Presentment File is received. These reports may be obtained through OLBB. You have the following options for daily viewing reports:

Option 3: This report is known as the **Previous Day Report** and is available the next Business Day at 5:00 a.m. CST for check presentment (Day 2). It will explain the difference between what was reported on Day 1 for the Controlled Disbursement funding requirement against the check detail posted to the Designated Account, with an option to receive option 3A or option 3B.

Option 3A: This report is known as the **Early Report** and is available at 11:00 a.m. CST. It will explain the difference between the 9:00 a.m. CST Controlled Disbursement totals and the 11:00 a.m. CST detail of check information.

Option 3B: This report is known as the **Mid-Day Report** and is available at 4:00 p.m. CST. It will explain the difference between the 9:00 a.m. CST Controlled Disbursement totals against its detail of checks presented to us for payment on Day 1, including checks subject to required same day settlement, as well as other checks subject to next day (Day 2) settlement.

#### **4. Handling Checks Presented Over the Counter to BMO Harris Bank N.A. Tellers:**

You must select one of the following options:

Option 4A—You authorize us and our affiliates to refuse to honor checks presented for immediate payment over the counter, as explained in Section 4(a) in the Service Description.

Option 4B—You authorize us and our affiliates to honor or cash checks presented for immediate payment over the counter in our discretion, as explained of Section 4(b) of the Service Description.

#### **5. Procedures in the Event of Processing Difficulties (Applicable to all Customers—No Selection Necessary).**

If you experience system or processing problems which may prevent you from receiving the Check Presentment File or communicating stop payment orders to us prior to the applicable deadline, you should immediately inform us and indicate the time that you expect to be able to receive and respond to such Check Presentment File. Conversely, if we are experiencing system or processing problems which may prevent us from transmitting or otherwise making the Check Presentment File available to you by the applicable deadline, then we will notify you of the expected time that we will transmit the Check Presentment File to you. If such system or processing problems prevent us from returning checks on your instructions prior to the applicable Federal Reserve System deadline, then we will nevertheless endeavor to return such checks on a best efforts basis.

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