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Image Cash Letter Service Schedule

This is a Schedule to the Treasury Services Master Agreement, Cash Management Services Master Agreement, or other master agreement for treasury and payment services (the "**Master Agreement**") in effect between the Client and Bank of Montreal ("**BMO**"), and is subject to all of the terms and conditions contained in the Master Agreement. All capitalized terms not defined in this Schedule shall have the meaning given to them in the Master Agreement or in any other applicable Schedule. By accepting this Schedule as part of the Master Agreement, the Client and BMO agree to the following terms and conditions in connection therewith.

1. Nature of Service and Appointments

1.1. The image cash letter service (the "**ICL Service**") allows the Client to deposit cheques and other instruments acceptable to BMO in its sole discretion and in compliance with Applicable Law ("**Cheques**") for credit to the Client's designated BMO accounts (the "**Account(s)**") through the creation and transmission of electronic files using the Image Capture Equipment (defined below).

1.2. BMO hereby appoints the Client to act as its agent to:

(i) create digital images of Cheques intended to be deposited to the Account(s) ("**Images**") and

(ii) transmit electronic files of Images and related data for processing ("**Image Files**").

The Client hereby accepts its appointment as BMO's agent. The Client acknowledges that it has received and has had the opportunity to review a copy of the User Documentation.

1.3. If the Client engages any third party to perform any part of the Client's responsibilities as agent of BMO for the purposes set out in Section 1.2 (a "**Vendor**"), the Client has appointed or hereby appoints the Vendor to act on its behalf and as BMO's sub-agent for such purposes, and BMO consent to the foregoing sub-agency appointment. The Client agrees to provide each Vendor a copy of this Schedule and the User Documentation and is solely responsible for ensuring that each Vendor complies with the terms of, and satisfies (and enables the Client to satisfy) the Client's obligations under, the Master Agreement, this Schedule, and the User Documentation applicable to such sub-appointment. The Client is bound by all information, entries, or other instructions provided on the Client's behalf by Vendors all as though such information, entries, or other instructions were provided by the Client.

As between BMO and the Client, the Client is solely liable for (i) any Vendor's failure to comply, or to cause the Client to comply, with any of Client's obligations under the Master Agreement, this Schedule, or the User Documentation, (ii) all fees, costs, and expenses owed to each Vendor for its services on Client's behalf and as sub-agent hereunder, and (iii) any claims, damages, costs, and expenses incurred by the Client or BMO as a result of any Vendor's failure to perform, or delay or error in performing, its services on Client's behalf or as sub-agent hereunder.

2. Image Cash Letter Service

2.1. The Client shall use the Image Capture Equipment (defined below) to create Images and transmit Image Files to BMO or BMO's designated processor for processing in order to present the Image Files (or such other permitted form) to the payor's bank for payment and credit to the Account(s).

2.2. The Client is wholly responsible for creating Images and transmitting Image Files in accordance with this Schedule and any User Documentation.

2.3. For the purposes of this Schedule, the term "**User Documentation**" as defined in the Master Agreement also includes any user guide, instructions, manuals, or other documentation provided by BMO or its designated processors in connection with this Schedule.

2.4. BMO's service fees shall be communicated to the Client by BMO from time to time in a fee schedule, in User Documentation, or as otherwise advised.

3. Image Capture Equipment

3.1. *Set-Up*. The Client will acquire the equipment required to create Images and transmit Image Files to BMO (the "**Image Capture Hardware**"), and license the software to install on such Image Capture Hardware (the "**Image Capture Software**", and together with the Image Capture Hardware, the "**Image Capture Equipment**"). BMO may from time to time advise the Client of any required system specifications.

3.2. *Image Capture Equipment*. The Client agrees to comply with all licenses and purchase and usage agreements entered into with its third-party Image Capture Equipment suppliers. The Client agrees that the ICL Service is only available through the use of Image Capture Equipment. The Client agrees not to move or use any Image Capture Equipment outside of Canada or the United States of America unless previously agreed to in writing by BMO. The Client agrees that it will update the Image Capture Equipment no later than 5 business days after BMO provides the Client with notice.

3.3. *Client's Responsibility*. As between the Client and BMO, the Client shall be solely responsible for the operation of the Image Capture Equipment, and shall provide any other required equipment, software and items necessary to operate the Image Capture Equipment in connection with the ICL Service.

4. Prohibited Items/Actions; Scanning; Image Processing

4.1. *Prohibited Items*. The Client agrees that it will not use the ICL Service to deposit any Cheque that:

(a) is payable to any person or entity other than the Client, unless deposit of such item is permitted pursuant to an existing agreement between the Client and BMO;

(b) is prohibited by the User Documentation or violates any Applicable Law;

(c) the Client knows or suspects, or should know or suspect, is fraudulent or otherwise not authorized by the owner of the account on which the Cheque is drawn;

(d) is drawn on financial institutions that are located outside of Canada and the United States of America or its Territories;

(e) would not be acceptable to BMO for deposit into the relevant Account under the terms of the agreements governing such Account (each, an "**Account Agreement**");

(f) is not correctly Magnetic Ink Character Recognition ("**MICR**")-encoded;

(g) is not denominated in Canadian or U.S. dollars; or

(h) is a U.S. domestic money order or traveler's cheque.

4.2. *Prohibited Actions*. The Client agrees that it will not

(i) use the ICL Service for Cheques which have previously been scanned and transmitted in order to ensure that no financial institution, drawee, drawer or endorser receives presentment or return of a Cheque, or is otherwise charged for the same Cheque, more than once in any form and

(ii) present any Cheques for deposit using the ICL Service that have been restrictively endorsed, in order to permit BMO to present and process such Cheques in compliance with Applicable Law.

4.3. *Image Captured Payment Exchange*. The Client may create Images and transmit Image Files to BMO for processing provided

(i) such creation and transmission is completed in accordance with the User Documentation and Applicable Law,

(ii) the Client builds edits into the Image Capture Equipment to ensure all MICR line data is accurate, and

(iii) the Client ensures each Image is an accurate image of each Cheque presented for deposit and is of sufficient image quality for processing.

The Client agrees that it will scan for deposit processing only original Cheques and that all Image Files submitted to BMO will meet the standards for image captured payment creation required by Rule A10 of the CPA Rules, or such other standards established from time to time by BMO or by Applicable Law.

4.4. *Cut-Off Times*. To be eligible for processing on the day transmitted, the Image File must be received by BMO no later than BMO's established cut-off time (the "**Cut-Off Time**"), and the Image File must balance and conform to all applicable technical requirements. For purposes of determining when an Image File has been delivered and received, BMO's records shall be determinative. An Image File 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 Image File is actually received by BMO. BMO may change the Cut-Off Time at any time in its sole discretion.

4.5. *Deposit Limits*. BMO may establish limits with respect to the (collectively, the "**Limits**"):

(i) number of Image Files that may be transmitted at any time,

(ii) number of Cheques included in an Image File,

(iii) dollar amount of any Cheques (either individually or in aggregate) included in an Image File, and

(iv) aggregate amount of deposits made using the ICL Service over any period of time.

BMO may refuse to accept any Image Files which are transmitted for deposit in breach of any Limit.

4.6. *No Obligation*. BMO has no obligation to accept any Image File. BMO will endeavor, but has no obligation, to notify the Client of the rejection of an Image File. The Client acknowledges that email or other confirmations or deposit reports howsoever provided do not constitute acceptance by BMO of any Image File and are not statements with respect to the Accounts for the purpose of any Account Agreement.

4.7. *Receipt of Image File*. Without limiting Section 4.6, BMO may

(i) review any Image Files to confirm that the Client has complied with this Schedule and the User Documentation and no errors exist in the Image File and

(ii) perform a risk assessment of any transmitted Image File to detect potential risks (including, without limitation, fraud risks), and in the event BMO determines that (x) the Client has not complied with the Schedule or the User Documentation or there are errors in the Image File or (y) after completing its risk assessment, there are unacceptable risks attributable to the Image File, BMO may in its sole discretion, reject the Image File or correct any error in order to process the corrected Image File (a "**Corrected Image File**").

4.8. *Constructive Delivery*. The Client intends that the transmission of any Image File and its acceptance by BMO shall be deemed to be a constructive delivery of the corresponding Cheques to BMO for the purpose of deposit and collection by BMO. If BMO accepts an Image File or the Corrected Image File, as applicable, BMO will submit the Images contained therein, as Images or in another permitted form, for clearing and settlement under applicable CPA Rules. Thereafter, all requirements applicable to deposit of original Cheques will apply to such Images and the Images will be treated as if the original Cheques had been deposited at a BMO branch.

4.9. *Client's Responsibility*. The Client is liable for any deposits made using the ICL Service which are returned for any reason including, without limitation, if Cheques had forged signatures, were altered, were duplicated, were counterfeit, or were for any other reason unauthorized or fraudulent.

4.10. *Provisional Credit*. Notwithstanding the fact that BMO may have accepted an Image File or the Corrected Image File, as applicable, for deposit, any credit made to the Client's Account(s) shall be subject to final payment of the Cheques and the terms of the applicable Account Agreements, and the Client shall remain liable to BMO for any errors, inaccuracies, breaches of warranty, and any other loss sustained by, or claims made against, BMO. For the purpose of determining availability of funds, BMO may hold funds for the period of time permitted by Applicable Law or the applicable Account Agreements.

5. Storage and Destruction; Contingency

5.1. *Storage and Destruction*. The Client shall securely store all original Cheques deposited through the ICL Service for a period of at least 45 calendar days, but not more than 120 calendar days from the date of creation of the Image of the relevant Cheque (such period, the "**Retention Period**"). During the Retention Period, the Client shall take appropriate security measures to ensure that:

(a) only authorized personnel have access to the Cheques,

(b) the information contained on the Cheques is not altered or disclosed to third parties,

(c) the Cheques are not duplicated or rescanned,

(d) the Cheques are not deposited or negotiated in any form, and

(e) the Cheques contain a stamp or other mark identifying the Cheques as having been deposited through the ICL Service.

During the Retention Period, the Client will promptly (but in any event, within 10 business days) deliver any original Cheque to BMO upon request.

5.2. *Destruction*. The Client shall destroy original Cheques upon the expiration of the Retention Period applicable to such Cheques. Upon BMO's request, the Client shall provide satisfactory evidence (in BMO's sole discretion) of such destruction and compliance with this Section 5.2. For greater certainty, satisfactory evidence may include a certificate of an officer of the Client.

6. Representations, Warranties, and Covenants

6.1. The Client hereby represents, warrants, and covenants the following to BMO:

(a) the Client shall only deposit Cheques that are authorized by this Schedule, the User Documentation and the Account Agreements;

(b) each Image created and transmitted as an Image File contains an accurate representation of the front and the back of each Cheque, and complies with the requirements of this Schedule and Applicable Law in order to be treated as an "official image" within the meaning of the Bills of Exchange Act (Canada);

(c) each transmitted Image File contains an accurate representation of the information representing each Cheque whose Image is contained therein, and complies with the requirements of this Schedule and Applicable Law in order to be treated as an "ICP File" within the meaning of Rule A10 of the CPA Rules;

(d) the Client is not a consumer, and the ICL Service and Image Capture Equipment shall be used for business purposes only and only in connection with the business of the Client previously disclosed to BMO;

(e) the Client is authorized to enforce and to deposit to each Account all Cheques that are deposited to such Account by way of the ICL Service;

(f) all Cheques deposited to an Account by way of the ICL Service will be deposited on the Client's behalf and not on behalf of, or for the benefit of, any other party;

(g) the Client shall inform BMO of any change in its business activities previously disclosed to BMO, its use of the ICL Service or the information it has provided in the User Documentation; and

(h) the Client shall conduct its business, create and submit Image Files, destroy original Cheques, and otherwise perform its obligations hereunder, in compliance with this Schedule, the User Documentation, and Applicable Law (including, without limitation, the CPA Rules).

7. Returned Cheques

7.1. Unless otherwise instructed by BMO, the Client agrees not to deposit the original Cheque if an Image of such Cheque, as an Image or in another permitted form, is dishonored or otherwise returned unpaid for any reason including, but not limited to, issues relating to the quality standards of such Image.

8. Required Equipment; Security Procedures

8.1. *Required Equipment*. The Client agrees to acquire and maintain the Internet-connected computer equipment capable of supporting the ICL Service as provided for in the User Documentation and otherwise as advised by BMO. To the extent that it is used in connection with the ICL Service, the Client agrees to physically restrict and otherwise limit access to such computer equipment, the Image Capture Equipment and any Cheques to representatives and employees directly involved in and authorized to use the ICL Service. The ability to access the Image Capture Equipment and the Client's ability to submit Image Files will be protected by passwords and user identifiers or other security measures (the **"Security Devices"**) in order to prevent unauthorized access to the ICL Service and transmission of unauthorized Image Files. BMO may also provide the Client with, or require the Client to establish, a site key, security phrase, and/or challenge questions and other procedures (together with the Security Devices, the "**Security Procedures**") to submit an ICL file to BMO. BMO may require the Client to designate authorized users and/or user administrators for the purpose of the Security Procedures. BMO reserves the right to amend the Security Procedures, with or without prior notice to the Client.

8.2. *Security*. The Client agrees to comply with and safeguard the confidentiality and security of the Security Procedures and notify BMO immediately if it has any reason to believe the Security Procedures have been or are likely to be breached. The use by the Client of the ICL Service constitutes the Client's acceptance of the Security Procedures as commercially reasonable and as a means of authenticating Image Files received by BMO from the Client. The Client acknowledges that the Security Procedures are used only to verify the authenticity and source of, and not detect errors in, the Image Files received by BMO.

8.3. *Binding Instructions*. The provision of Image Files to BMO through the ICL Service will be binding on the Client as instructions to BMO as if the original paper Cheques to which the Image Files relate were deposited at a BMO branch, regardless of the actual identity or authorization of the sender.

8.4. *Responsibility*. It is the responsibility of the Client to take all necessary precautions to ensure that any computer hardware, software, and related materials that the Client uses to access the ICL Service are free of defects, bugs, viruses, malware, and other items of similar destructive nature. BMO is not responsible for, and the Client hereby releases BMO from, any and all claims or damages resulting from, or related to, any of the foregoing.

9. Information; Inspection

9.1. *Requests for Information*. BMO may from time to time request information from the Client in order to evaluate a continuation or modification of the ICL Service and/or adjustment of any limits set by this Schedule or the User Documentation. The Client agrees to provide the requested information immediately upon request and in the form required by BMO. The Client authorizes BMO to investigate at any time any information provided by the Client in connection with this Schedule or the ICL Service and to request reports from credit bureaus and reporting agencies for such purpose.

9.2. *Inspection*. The Client agrees to permit, and to cause its Vendor to permit, BMO or its Representatives to conduct on-site visits and/or assessments or alternatively, if requested by BMO, the Client will complete, and cause its Vendor to complete, a self-assessment of its operations, facilities, management, staff, systems, internal controls, security arrangements, training and risk management practices that would otherwise be reviewed by BMO in its own assessment of the Client or the Vendor.

9.3. *Termination/Suspension*. If the Client fails to provide the requested information, or if BMO concludes, in its sole discretion, that the risk to BMO of continuing to provide the ICL Service to the Client is unacceptable, or if the Client or its Vendor refuses to give BMO access to its premises, BMO may terminate or suspend the Client's access to the ICL Service.

10. Limitations of Liability; Exclusions

10.1. In addition to the limitations set forth elsewhere herein or in the Master Agreement, in no event will BMO have any liability arising out of:

(a) an event or series of events beyond BMO's control including, without limitation, accident, disaster, electrical fault, power surges, lightning, internet connection fault, vandalism or burglary;

(b) the availability and integrity of the power, environmental, and connectivity requirements of the Image Capture Hardware, and any other equipment, software, consumables or other items necessary to operate the Image Capture Equipment in connection with the ICL Service;

(c) accepting and processing in good faith any Image File purportedly sent by the Client using the Image Capture Equipment, whether or not it was actually sent by the Client;

(d) the Client's inability to image a Cheque or transmit an Image File whether due to the failure of any part of the Image Capture Equipment or the Client's inability to use the ICL Service over the Internet or otherwise;

(e) the monitoring, interception, rerouting, altering, copying or use by unintended parties of data transfers to or from BMO through the ICL Service, or any other known or unknown hazards of Internet use;

(f) rejection by BMO of an Image File, the corresponding Images or Data or other information contained therein, or for the failure to notify the Client of such rejection; or

(g) any failure by BMO to process a deposit through the ICL Service because of the application of relevant deposit limits or the lawful exercise of any right or obligation of BMO not to accept such deposit, or the relevant Image File, Images, Data or other information contained therein, under the Master Agreement, this Schedule, the Account Agreements, or otherwise in accordance with Applicable Law.

10.2. Except as expressly provided for herein, BMO makes no representations or warranties, either express or implied, of any kind with respect to the ICL Service or that the operation thereof will be error-free or uninterrupted. BMO hereby disclaims all liability in connection therewith, and expressly disclaims any warranty with respect to the imaging or character recognition process, the electronic information exchange process, any implied warranty of merchantable quality, fitness for a specific purpose, infringement or other implied contractual warranty, and those arising by statute or otherwise in law or from a course of dealing or usage of trade. The Client hereby agrees and acknowledges that BMO shall not have any liability whatsoever for any of the matters set forth in this Section.

11. Indemnity

11.1. In addition to the indemnification provided in the Master Agreement or in any other agreement between BMO and the Client, the Client will indemnify and save BMO and its Representatives harmless against any and all Claims directly or indirectly incurred by BMO or its Representatives which are the direct or indirect result of:

(a) the Client's access to and use of the ICL Service and the Image Capture Equipment;

(b) the Client's violation of any of its agreements or breach of any of its representations or warranties under this Schedule;

(c) any non-receipt, delayed receipt or receipt with errors, corrupted data, or receipt in a format not acceptable to BMO, of an Image File or the Images, Data or other information contained therein, including inaccurate or incomplete data received by BMO;

(d) BMO's obligations as a "Capturing Member", "participant", "participating Direct Clearer" and "receiving Direct Clearer" as defined in the CPA Rules (including, without limitation, Rules A10 and G3) relating to Images created by the Client using the Image Capture Equipment, to the creation and exchange of Image Files, or similar obligations of BMO under any modification of or replacement for such rules;

(e) any claims by makers of any Cheques that the Client deposits with BMO using the ICL Service; or

(f) any Vendor's access to, use of, or performance of any part of the ICL Service, including, without limitation, any Vendor's failure to comply, or to cause the Client to comply, with any of the Client's obligations under the Master Agreement, this Schedule, or the User Documentation, in each case except to the extent such Claims are a direct result of BMO's gross negligence or willful misconduct.

12. Termination, Suspension, or Changes to Terms of ICL Service

12.1. In addition to any rights of termination as set forth in the Master Agreement, BMO may terminate this Schedule immediately or immediately suspend providing the ICL Service to the Client for any reason including, without limitation, if:

(a) the Client or its Vendor engages in or is suspected of any fraudulent or unlawful activity using the Image Capture Equipment, processing of any Cheque, or otherwise using the ICL Service;

(b) in BMO's good faith judgment, BMO determines that the risk profile or loss or chargeback history of the Client's business changes adversely; or

(c) the Client or its Vendor fails or refuses to

(i) allow BMO to access or assess the Client's or the Vendor's image data creation operations or

(ii) complete an attestation as to the Client's or its Vendor's practices and procedures regarding the ICL Service that is reasonably requested by BMO.

12.2. The Client will comply with any specifications, instructions or User Documentation BMO may make available from time to time, as well as any implementation instructions, terms of service and Security Procedures applicable to the ICL Service BMO may apply or amend from time to time.

13. CPA Rules

13.1. The Client will comply with the CPA Rules pertaining to the creation of Images, image captured payment exchange, the use of Clearing Replacement Documents and Return Replacement Documents (as defined therein), and related matters, and all other Applicable Law which may now or in the future affect the ICL Service.

13.2. The Client will sign and/or obtain any further documentation which BMO may reasonably request or which may be required from time to time by the CPA Rules with respect to the ICL Service.

13.3. The Client acknowledges that future changes to the CPA Rules may require modification to or the termination of the ICL Service.

Applicable only if the Client's head office is in Québec: The parties have requested that this agreement and all documents, including any schedules, contemplated by this agreement be drawn up in English. Les parties aux présentes ont exigé que cette entente et tous autres documents envisagés par les présentes soient rédigés en anglais.

The following Agreement has been signed by the Client's duly authorized representative(s) and by Bank of Montreal, where applicable, as of the date set out below.

- Image Cash Letter Service Schedule

Agreement and Consent

Applicable only if the Client's head office is in Québec: The parties have requested that this agreement and all documents, including any schedules, contemplated by this agreement be drawn up in English. Les parties aux présentes ont exigé que cette entente et tous autres documents envisagés par les présentes soient rédigés en anglais.

Legal Entity Name

The following Agreement has been signed by the Client's duly authorized representative(s) and by Bank of Montreal, where applicable, as of the date set out below.

- Image Cash Letter Service Schedule

Signature of Authorized Signer	Date (Month DD, YYYY)
Full Name (First Name, Middle Initial, Last Name and Suffix)	Position (Job Title)

Agreement and Consent (cont'd)

Signature of Authorized Signer	Date (Month DD, YYYY)
Full Name (First Name, Middle Initial, Last Name and Suffix)	Position (Job Title)