



CAPITAL BANK, NA TREASURY SERVICES DISCLOSURES,
SCHEDULES, AND TERMS & CONDITIONS

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TREASURY MANAGEMENT SERVICES AGREEMENT

This TREASURY MANAGEMENT SERVICES AGREEMENT is made part of the Electronic Banking Services Agreement, as the same may be amended, restated, supplemented or otherwise modified (collectively, the "Master Agreement") as of the date ascribed below, by and between the undersigned (the "Customer") and Capital Bank, National Association ("Capital Bank" or the "Bank"). Customer has requested the Bank to perform one or more financial services (a "Service", and "Services"), and the Bank may do so, subject to, and in accordance with, this Master Agreement, which incorporates and includes any of the following schedules (each a "Schedule", and collectively, the "Schedules") that apply to a specific Service, which Master Agreement and Schedules may from time to time be amended, restated, supplemented or otherwise modified in accordance with the terms and conditions set forth herein:

- Wire Transfer Schedule (Terms and Conditions for Wire Transfers)
- Positive Pay Schedule (Terms and Conditions for Positive Pay)
- Lonely Teller Mobile Deposit Capture Schedule (Terms and Conditions for Mobile Deposit Capture)
- Lonely Teller Remote Deposit Capture Schedule (Terms and Conditions for Remote Deposit Capture)
- Zero Balance Account Schedule (Terms and Conditions for Zero Balance Account)
- ZEscrow Account Schedules (Terms and Conditions for ZEscrow Account)
- ACH Origination Agreement (Terms and Conditions of ACH Agreement)
- Secure File Transfer Protocol (Terms and Conditions of SFTP Addendum)

1. **Documentation.** On or before the implementation of the Services, the Bank will make available to Customer any applicable Schedules detailing the Services to be performed by the Bank. Prior to the implementation of the Services, Customer will execute and deliver to the Bank such account documentation as the Bank deems necessary, including, but not limited to, the Electronic Banking Services Agreement, the Electronic Banking Services Account Setup & Maintenance Form, the Electronic Banking Services User Setup & Maintenance Form (these three documents will be hereinafter referred to as "Electronic Banking Services Forms"), any applicable Schedules, signature cards, resolutions and other evidence of corporate, partnership or limited liability authority. Customer agrees to promptly notify the Bank of any changes to any information presented in the account documentation and further agrees to promptly execute any new or additional account documentation as the Bank may deem necessary. Customer agrees to give the Bank prior written notice, in accordance with the procedures contained in each Schedule, of (a) any and all additions to, or deletions from, the list of its authorized representatives specified within the documentation required by the Bank in connection with the implementation of the respective Service, and (b) any other additions, substitutions or other changes to any other schedules or attachments to the Electronic Banking Services Forms, this Master Agreement or the Schedules.

2. **Payment for Services.** Customer shall pay to the Bank all usual and customary fees, as determined by the Bank, from time to time, for the Services. Unless otherwise agreed in writing, the Bank is authorized to collect such fees by making appropriate charges to deposit accounts maintained by Customer with the Bank. Customer shall be responsible for payment of any sales, use excise, value added, utility or other similar taxes or fees relating to any Service.

3. **Liability.** Customer hereby releases the Bank from any claim or liability Customer may have or bring, becoming due, arising under, out of, as a result of, in connection with, or related to, this Master Agreement or the Bank's performance of the Services, provided such claim or liability has not directly resulted from the Bank's gross negligence or willful misconduct. Customer agrees to indemnify the Bank against and hold it harmless from any and all (a) losses, liabilities, or expenses (including attorneys' fees and expenses) incurred by the Bank, and/or (b) actions, claims, demands or suits made or brought by any person, becoming due, arising under, out of, as a result of, in connection with or related to, this Master Agreement or the Services, provided the same has not directly resulted from the Bank's gross negligence or willful misconduct. In no event shall the Bank be liable for any consequential, special, punitive or indirect loss or damage which Customer may incur or suffer in connection with this Master Agreement or the Services. Without limiting the generality of the foregoing provisions (a) the Bank shall be excused from failing to act or a delay in acting if such failure or delay is caused by legal constraint, interruption of transmission or communications facilities, equipment failure, war, emergency conditions or other circumstances beyond the Bank's control, and (b) the Bank shall be excused from failing to act or a delay in acting if in the opinion of the Bank such action would result in the Bank's violation of any present or future law or regulation binding on the Bank.

4. **Miscellaneous.** This Master Agreement (including the Electronic Banking Services Forms and any applicable Schedules) constitutes the complete and exclusive expression of the terms of the agreement between the parties regarding the Bank's cash management and non-credit commercial products, and supersedes all prior agreements and all prior and

contemporaneous communications between the parties relating such products, including, without limitation, all prior Master Cash Management Agreements.

The parties further agree that this Master Agreement may not in any way be explained or supplemented by a prior or existing course of dealings between the parties or by any other prior performance between the parties pursuant to this Master Agreement or otherwise.

Customer's use of the Services constitutes acceptance of this Master Agreement and applicable Schedules. This Master Agreement and applicable Schedules are subject to change from time to time in the Bank's sole discretion. The Bank will notify the Customer of any material changes via e-mail or on our website(s) by providing a link to the revised Master Agreement and applicable Schedules. Customer's continued use of the Services will indicate acceptance of such changes. Further, the Bank reserves the right, in its sole discretion, to change, modify, add, or remove portions from the Services.

This Master Agreement shall be governed by and interpreted in accordance with the law of the State of Maryland. Customer consents and submits to the exclusive jurisdiction and venue of any state or federal court sitting in the State of Maryland over any suit, action or proceeding arising out of or relating to, or in connection with, this Master Agreement. The indemnifications provided herein shall remain in full force and effect until all applicable periods of laches or statutes of limitation shall expire on any claim related hereto. Nothing in this Master Agreement shall constitute or be construed as constituting a waiver by the Bank of any cause of action or right of set off for recovery under any applicable law. Unless otherwise defined in a Schedule with respect to a particular Service, the term "Business Day" or "Business Days" as used herein means any day other than Saturday, Sunday or other day on which commercial banks in the State of Maryland are authorized to close. If any term or provision of this Master Agreement is declared invalid, illegal or unenforceable by any court of competent jurisdiction, the validity, legality or enforceability of the remaining provisions of this Master Agreement shall in no way be affected or impaired thereby. This Master Agreement shall be binding upon and inure to the benefit of Customer and the Bank and their respective successors and assigns, except that Customer shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Bank. Section headings in this Master Agreement are included herein for convenience of reference only, shall not constitute a part of this Master Agreement for any other purpose and shall not be deemed to affect the meaning or construction of any of the provisions hereof. THE BANK AND CUSTOMER SPECIFICALLY WAIVE THE RIGHT TO TRIAL BY JURY IN RESOLVING ANY CLAIM OR COUNTERCLAIM ARISING FROM, OR IN CONNECTION WITH, THIS MASTER AGREEMENT AND/OR ANY OR ALL OF THE SERVICES.

WIRE TRANSFER AGREEMENT AND TERMS AND CONDITIONS

("Wire Transfer Schedule")

RECITALS

A. Customer enters into this Wire Transfer Agreement and Terms and Conditions ("Wire Transfer Schedule") in connection with its entry into the Master Agreement. Customer has requested the Bank to initiate wire transfers of funds (each a "Wire Transfer") upon receiving payment instructions (each a "Payment Order") from Customer delivered in accordance with the procedures described in this Wire Transfer Schedule; and

B. The Bank is willing to accept Payment Orders and initiate Wire Transfers on behalf of Customer (the "Wire Transfer Service") subject to the following terms and conditions:

NOW, THEREFORE, in consideration of the mutual promises contained in the Master Agreement and this Wire Transfer Schedule, Customer and the Bank agree as follows:

1. Upon receipt of a Payment Order from an Authorized Agent, as defined below, of Customer, and subject to the terms and conditions of this Wire Transfer Schedule, the Bank is authorized and directed to initiate a Wire Transfer from any demand deposit account of Customer now or hereafter maintained with the Bank to whatever financial institution, account or person the Authorized Agent may designate from time to time in a Payment Order (the "Beneficiary").

Each officer or agent of Customer who has authority to deliver a Payment Order to the Bank shall be identified as an "Authorized Representative" in the Electronic Banking Services Forms. Each such individual is referred to in this Wire Transfer Schedule as an "Authorized Agent." The Electronic Banking Services Forms also establish (i) dollar limits, if any, on such Authorized Agent's authority and (ii) whether the Authorized Agent has authority to initiate Wire Transfers to a Beneficiary's account at a financial institution in a jurisdiction other than the United States.

2. The Bank is also authorized to initiate Wire Transfers based upon Payment Orders received as agreed upon in the Electronic Banking Services Forms.
3. Payment Orders received by the Bank shall be effective as Customer's instructions, whether or not authorized in fact, as long as they are initiated in accordance with the security procedures described in the Electronic Banking Services Forms. Customer shall notify the Bank immediately if the confidentiality of any security procedure is breached.

The Electronic Banking Services Forms provides security procedures to verify the authenticity of Customer's Payment Orders. These procedures shall be kept strictly confidential by Customer and shall be disclosed only to those employees and agents of Customer who are required to have them. Customer's employees and agents will be instructed and required by Customer to not disclose or provide to any unauthorized person any security procedure, including without limitation any User ID or password or other authentication token, utilized by the employee or agent to authenticate a Payment Order.

4. For each Wire Transfer, Customer agrees to pay to the Bank the amount of each Payment Order sent to the Bank pursuant to this Wire Transfer Schedule when the Bank executes a Payment Order received as agreed upon in the Electronic Banking Services Forms. In addition, Customer agrees to pay the Bank's fees for services provided under this Wire Transfer Schedule, as those fees may be published or amended from time to time by the Bank. Upon receipt by the Bank of a Payment Order as agreed upon in the Electronic Banking Services Forms, Customer authorizes the Bank to debit Customer's account(s) in the amount of the Wire Transfer, plus any fees or other charges. In addition, the Bank is authorized to charge interest or fees on any overdrafts in accordance with the terms and conditions governing the account on which the overdraft occurs; however, nothing in this Wire Transfer Schedule obligates the Bank to honor a Payment Order if it will create an overdraft.
5. Bank may charge any account Customer maintains with the Bank at any time for payment of the Wire Transfer and related fees, costs and expenses, including any overdraft created as described in Paragraph 4.
6. The Bank is also authorized to act upon such other directions and instructions relating to such Wire Transfers, including the cancellation or termination of prior requests for such Wire Transfers, as may be provided the Bank

from time to time by any Authorized Agent. The Bank's authority under paragraphs 1-5 above shall continue in full force and effect until written notice of revocation or amendment thereof has been received by the Wire Transfer Department of the Bank and after the Bank shall have had a reasonable opportunity to act.

7. Customer is notified that:
- If a Payment Order identifies a Beneficiary by both a name and an identifying or bank account number, but upon initiation of the Wire Transfer, the name and/or identifying or bank account number at the receiving institution does not match the Payment Order, then the Bank may execute the Payment Order, pay the Beneficiary, or cancel the Payment Order solely on the basis of the bank account or identifying number.
 - If a Payment Order of Customer identifies any bank by both a name and an identifying number, but upon initiation of the Wire Transfer, the name and/or identifying number at the receiving institution does not match the Payment Order, then the Bank may rely solely on the identifying number.
8. Customer, and not the Bank, shall be liable for any Wire Transfer made from any account of Customer, or for any other act performed by the Bank relating to such Wire Transfer, if such Wire Transfer or related act is either:
- actually authorized by Customer,
 - actually authorized by an Authorized Agent acting within the scope of his or her authority, or
 - verified by the Bank in accordance with the security procedures selected by Customer in the Electronic Banking Services Forms.
9. Each Payment Order or cancellation of a Payment Order may be processed by use of the funds transfer system of the Federal Reserve Banks ("Fedwire"). The rights and obligations of the Bank and Customer with respect to any Payment Order, any part of which is carried out using Fedwire, will be governed by any applicable laws, the regulations of the Board of Governors of the Federal Reserve System, and the operating circulars of the Federal Reserve banks. Each Payment Order, or cancellation of a Payment Order, carried out through a funds transfer system will be governed by all applicable funds transfer system rules, whether or not the Bank is a member of the system. Customer acknowledges that the Bank's right to reverse, adjust, stop payment or delay posting of an executed Payment Order is subject to the laws, regulations, circulars and systems rules described in this paragraph.
10. Customer agrees that either the Bank or Customer may electronically record telephone conversations relating to Payment Orders and Wire Transfers. The decision to record any telephone conversation is solely at either party's discretion, and neither party has any liability for failing to do so. The Bank and Customer agree to comply with all state laws regarding recording conversations.
11. The Bank may establish new authorization and security procedures for Payment Orders and Wire Transfers from time to time. In such event, the Bank may require Customer to update the Electronic Banking Services Forms to this Wire Transfer Schedule to conform to such procedures.

Notwithstanding the Electronic Banking Services Forms, the Bank reserves the right, at its option and in its sole discretion, to take additional actions to verify or authenticate any Payment Order or other action related to a Wire Transfer. Additional actions by the Bank may include subsequent telephone calls to Customer, or any other actions which the Bank may deem appropriate. The Bank shall not be liable for its refusal to honor a Payment Order or other action related to a Wire Transfer if the Bank in good faith is unable to satisfy itself that Customer has authorized the Payment Order or other action.

The Bank's failure to verify or authenticate any Payment Order or to establish transfer procedures or authorization codes, or to require the use of any established transfer procedure or authorization code, shall not be evidence of any failure to exercise reasonable care or good faith.

12. The Bank will send to Customer an advice of debit for each Wire Transfer, either in an electronic or fax advice or in Customer's periodic statements. Customer is deemed to approve the accuracy of an advice of debit unless the Bank receives written objection within 10 calendar days after Customer receives the advice.

Customer agrees to notify the Bank in writing of any error, unauthorized transfer or any other discrepancy ("Errors") within ten (10) calendar days from the date the Bank first notifies Customer of the Wire Transfer whether by confirmation, debit advice, periodic statements or other means. If Customer fails to notify the Bank within that period, Customer will be precluded from asserting the Error, unauthorized transfer or discrepancy against the Bank.

If the Bank is unable to determine whether Customer is complying with the security procedure, Customer is also precluded from asserting the Error. The Bank has no duty to detect Errors and Customer is obligated to pay for

the Wire Transfer despite any Error. Errors should be reported to the Bank at the notice address set forth below.

13. The Bank agrees that it will use its best efforts to see that Payment Orders are handled promptly on the Business Day of receipt but makes no representation of its ability to assure such handling and assumes no responsibility for the time of availability or payment of credit or funds to the Beneficiary. Customer agrees that the Bank is not responsible for any loss resulting from or related to delay in making the transfer. Payment Orders are accepted when they are executed.

The Bank processes Payment Orders received electronically for Wire Transfers within the continental United States ("Electronic Domestic Payment Orders") beginning at 8:30 a.m. Eastern Standard Time and ending at 6:00 p.m. Eastern Standard Time, and Payment Orders received electronically for Wire Transfers outside of the continental United States ("Electronic International Payment Orders") beginning at 8:30 a.m. Eastern Standard Time and ending at 3:30 p.m. Eastern Standard Time, each business day. At the Bank's discretion, the Bank may process Electronic Payment Orders before or after these times. The Bank may treat any Electronic Domestic Payment Order received after 6:00 p.m. Eastern Standard Time on a business day, and any Electronic International Payment Orders received after 3:30 p.m. Eastern Standard Time on a business day, as if they were received at 8:30 a.m. on the following business day.

14. If an Authorized Agent makes a request to revoke, cancel or amend a Payment Order, the request must be received by the Bank by the close of business of the Business Day prior to the day on which the Payment Order is to be executed. If any Authorized Agent revokes, cancels or amends any previously issued Payment Order, Customer agrees to indemnify the Bank for any resulting loss and the Bank shall not be obligated to refund any monies until it receives acceptable evidence that the transfer has been satisfactorily terminated or amended as to all parties, including the replacement of all funds, if deemed necessary by the Bank, which were transferred by the Bank to effect the Payment Order. Any refund shall be less all charges and expenses incurred by the Bank and the Bank's Correspondents, as that term is defined in paragraph 17 below, in connection with the Payment Order, regardless of whether such revocation, cancellation, or amendment was successful. In determining an exchange conversion rate for a refund or other purposes, the current exchange rate will be used.
15. The Bank reserves the right to refuse to make any Wire Transfer except upon receipt of cash or collected funds and may refuse to make any Wire Transfer the Bank, in good faith, believes may be improper or for an illegal purpose.
16. The Bank will comply with regulations issued by the US Treasury's Office of Foreign Assets Control (OFAC). If any Payment Order is to a person listed on OFAC's list of Specially Designated Nationals and Blocked Persons, Palestinian Legislative Council List, or Foreign Sanctions Evaders List, or any other similar list of individuals developed by a governmental entity and used by OFAC, then the Bank shall not complete the transfer and, to the extent required by law, shall "block" the funds until such time OFAC issues a written release to the Bank. The Bank will also comply with any of the special measures which may be imposed by the Department of the Treasury under Section 311 of the USA Patriot Act and the regulations established at 31 CFR 103. The Bank shall have no liability to the Customer or any intended recipient of a Wire Transfer as a result of the Bank's rejection or delay in the execution of any Payment Order or internal transfer, or any other action taken by the Bank, as a result of compliance with these or any other applicable laws or regulations.
17. Any Wire Transfer may be made by the Bank by such means and through such correspondents and other intermediaries (hereafter called "Correspondent(s)") as it may select. The Bank assumes no responsibility for the availability of the credit or the payment of the funds to the Beneficiary beyond placing the funds to be transferred at the disposal of a Correspondent under advice by such means as the Bank may select. Customer agrees to assume all risks of availability or payment.
18. The Bank or a Correspondent, at its option, may convert any amounts specified for transfer into current funds of the country where payment is to be made. Any such exchange may be made at the Bank's or Correspondent's buying rate of exchange on the day of exchange. If any transfer is not affected for any reason after funds have been exchanged for current funds of a different country, Customer will accept refund, if any is due, on the basis of the buying rate at whatever time the foreign funds are again exchanged. Exchanges, even when made at the Bank's or Correspondent's option, shall be made at Customer's sole risk.
19. This Wire Transfer Schedule may be terminated by either party upon written notice to the other party. The indemnification and liability provisions of this Wire Transfer Schedule and the Master Agreement will survive any such termination if either party fails to comply materially with the terms and conditions of this Wire Transfer Schedule, the Master Agreement, or with other agreements between the parties and the other party is in compliance with its duties thereunder.

20. The Bank is not responsible for detecting any Error by Customer or an Authorized Agent contained in any Payment Order or other instruction sent to the Bank.
21. The Bank is only liable for its own lack of good faith or failure to exercise ordinary care. Except as otherwise required by law, the Bank will not be liable for any loss or damages incurred by any person in connection with (i) any delay in accepting the Payment Order, unless resulting from a lack of good faith on the part of the Bank, (ii) any error, loss or delay in completing the Wire Transfer once Customer's Payment Order is executed by the Bank, or (iii) any cause beyond the direct control of the Bank, including but not limited to the insolvency, neglect, omission, misconduct, mistake or default of another bank or person.
22. The Bank shall be under no obligation to obtain a receipt from the Beneficiary. The Bank, on request, will use its best efforts to trace the funds transfer in the event credit or payment is not completed within the following time periods after transmittal by the Bank: (a) one week for an account located at a Beneficiary's bank within the continental United States or (b) two weeks for an account located at a Beneficiary's bank outside the continental United States.
23. Except as otherwise required by law, the Bank shall not be liable to make any refunds prior to receipt by it of confirmation of the cancellation order from the Correspondent selected by the Bank to initiate the transfer. Nor shall the Bank be liable to make any refunds in excess of the dollar amount actually recovered and received by the Bank from its Correspondent. In the event the Bank is unable to promptly recover any funds from a correspondent, bank or other person, or is unable to promptly resolve with such correspondent, bank or person any matter regarding which Customer has raised objection, the Bank may (but is not obligated to) fully discharge any liability it may have to Customer by assigning to Customer whatever actual or potential claims the Bank may have to or against any correspondent, bank, person or funds.

IN ANY EVENT AND WITHOUT RESTRICTING THE ABOVE CONDITIONS, THE BANK'S LIABILITY UNDER THIS WIRE TRANSFER SCHEDULE SHALL BE LIMITED TO (1) REFUNDING ANY CHARGES COLLECTED AND (2) UPON ACTUAL RETURN TO THE BANK OF ANY FUNDS TRANSFERRED, RETURNING THE FUNDS TO CUSTOMER. IN NO EVENT SHALL THE BANK BE LIABLE FOR ANY ACTUAL OR CONSEQUENTIAL OR INCIDENTAL DAMAGES IN EXCESS OF THESE AMOUNTS, EVEN IF THE BANK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

24. All notices to Bank under this Wire Transfer Schedule and/or Master Agreement should be sent by first class U.S. Mail, postage prepaid, to:

*Capital Bank
Attn: Wire Transfer Department
2275 Research Blvd., Suite 600
Rockville, MD 20850
Phone: 301-468-8848
Fax: 301-762-2245*

25. This Wire Transfer Schedule, along with the Master Agreement and the Electronic Banking Services Forms, contains the entire Agreement between the parties with respect to the Services provided under this Wire Transfer Schedule, superseding all prior or contemporaneous, oral or written agreements, understandings, representations or negotiations. In the event of a conflict between any such agreements, the Master Agreement shall control.

POSITIVE PAY AGREEMENT AND TERMS AND CONDITIONS

("Positive Pay Schedule")

This Positive Pay Service Agreement ("Positive Pay Schedule") is made between Capital Bank, National Association ("Bank") and Customer, acting through those persons or entities identified on Customer's Electronic Banking Services Forms as Authorized Representatives (defined below) with respect to the Authorized Accounts (defined below). For purposes of this Positive Pay Schedule, the definition of "Customer" shall include Customer as well as each such Authorized Representative with respect to each account set forth opposite her/his/its name on the Electronic Banking Services Forms. The Bank and the Customer agree that the provision by the Bank and the use by the Customer of the Positive Pay Services described below shall be subject to the terms and conditions set forth in this Positive Pay Schedule. In the event of inconsistency between a provision of this Positive Pay Schedule and the Maryland U.C.C. (as that term is defined below), the provisions of this Positive Pay Schedule shall prevail. In the event of inconsistency between a provision of this Positive Pay Schedule and the Master Agreement, the provisions of the Master Agreement shall prevail.

1. DEFINITIONS:

1.1 Statutory Definitions. Unless otherwise defined in this Positive Pay Schedule, words or phrases shall have the meanings set forth in Maryland U.C.C. Article 3 – "Negotiable Instruments" and Maryland U.C.C. Article 4 – "Bank Deposits and Collections".

1.2 Agreement Definitions:

1.2.1 "Agreement" means this Positive Pay Schedule as it may be amended from time to time.

1.2.2 "Authorized Account" means the account(s) of the Customer specified on the Electronic Banking Services Forms, maintained at the Bank, to which the Positive Pay Services rendered by the Bank apply.

1.2.3 "Authorized Representative" is any person or entity identified on the Electronic Banking Services Forms, as may be amended from time to time, who is authorized to receive email notifications from the Bank with respect to an Authorized Account, review Exception Reports via Capital Bank's Online Banking System, and/or make Pay Request or Return Request decisions on the Authorized Account.

1.2.4 "Available Funds" means funds on deposit in an Authorized Account and available for withdrawal pursuant to Federal Reserve Regulation CC; 12 CFR 229 et seq. and the Bank's applicable funds availability schedule and policies, as described in the current deposit account agreement and disclosure.

1.2.5 "Business Days" are defined as Monday through Friday, excluding Federal Holidays.

1.2.6 "Exception Item" means a Presented Check that does not match a check included in an Issued Check File and/or any Automated Clearing House (ACH) debit presented on an Authorized Account that has not been filtered in accordance with Section 2.5.1 of this Positive Pay Schedule.

1.2.7 "Exception Report" means a record describing Exception Items which is provided by the Bank to the Customer under Section 2.3.2 of this Positive Pay Schedule and accessible for review by the Customer through Capital Bank's Online Banking System pursuant to Section 2.3.4.

1.2.8 "Item Type Code" means a code defined by the Bank to identify an item type on the Issued Check File. The standard Item Type Code for issued checks will be "I". The use of any other Item Type Code must be approved by the Bank.

1.2.9 "Issued Check File" means a record describing checks drawn by the customer on an Authorized Account provided by the Customer to the Bank under section 2.2 of this Positive Pay Schedule.

1.2.10 "NACHA" means the National Automated Clearing House Association which manages the development, administration and governance of the ACH Network.

1.2.11 "Pay Default" means the Bank may finally pay and charge to the Authorized Account any Exception Item provided the Customer has not objected to such payment in a timely Return Request.

1.2.12 "Pay Request" means the instructions of the Customer to the Bank ordering the Bank to pay an Exception Item.

1.2.13 "Presented Check" means a check drawn on an Authorized Account and presented to the Bank for payment through the check collection system.

1.2.14 "Return Default" means the Bank will return and credit back the Authorized Account any Exception Item provided that the Customer has not objected to such return in a timely Pay Request.

1.2.15 "Return Request" means the instructions of the Customer to the Bank ordering the Bank not to pay an Exception Item.

1.2.16 "U.C.C." means the Uniform Commercial Code in effect in the State of Maryland.

2. POSITIVE PAY SERVICES:

2.1 Designation of Authorized Representatives. The Customer shall designate at least one Authorized Representative who has full authority over all accounts listed on the Electronic Banking Services Forms, as may be amended from time to time.

2.1.1 Customer agrees to notify the Bank immediately of any changes in the accounts, the Authorized Representatives, or the email addresses of Authorized Representatives. Such notification will be in the form of amended Electronic Banking Services Forms which are to be delivered to the Bank and signed by an authorized signer of the account.

2.1.2 Customer indemnifies and holds the Bank harmless from and against any loss, damage or liability the Bank may incur by relying on a designation pursuant to Subsection 2.1.1.

2.2 Issued Check File. The Customer shall electronically submit an Issued Check File to the Bank through the Bank's online banking application, Capital Bank's Online Banking System, using the "Submit Issued Check File" or "Add New Issued Check" features.

2.2.1 The Issued Check File shall accurately state the issued date, check number, payee name, the exact dollar amount, and an Item Type Code for each check written on each Authorized Account since Customer submitted the last Issued Check File.

2.2.2 Issued Check Files submitted via the "Issued Check File" feature of Capital Bank's Online Banking System shall comply with the File Mapping Specifications defined on Appendix A to this Positive Pay Schedule, as amended from time to time.

2.2.3 The Issued Check File will be submitted by Customer on the same day that checks are written. The Bank will be available to provide support for Issued Check File submission issues on Business Days between the hours of 9:00 am and 4:00pm EST

2.2.4 In the event of system failure, either that of the Customer's or the Bank's, and the inability of the Bank to receive and/or process the Issued Check File, the file shall be considered as not received, even if the Bank has possession of the file.

2.3 Notification of Exception Items and Payment of Presented Checks. The Bank shall compare the check number and amount of each Presented Check to the check number and amount in the Issued Check Files submitted by Customer. Thereafter, on each Business Day following the Bank's receipt of a Presented Check:

2.3.1 The Bank may pay and charge to the Authorized Account each Presented Check that matches by check number and amount of a check submitted in any Issued Check File.

2.3.2 The Bank shall provide to the Customer an email notification that Exception Items have been presented for payment that do not match an item in the Issued Check Files submitted by Customer. With respect to each Presented Check, the Bank will send this email notification on each Business Day following its receipt of such Presented Check, by 7:00am EST.

2.3.3 If Customer does not make "Pay" or "Return" decisions for each Exception Item after the first email notification, the Bank shall provide the Customer a second email notification, one hour prior to the cut-off time of 1pm EST. as a reminder that Exception Items are available for Review.

2.3.4 The Customer shall review the Exception Report by logging into Capital Bank's Online Banking System and conducting the "Exception Review" process. The Customer will indicate "Pay" or "Return" next to each item displayed in the "Quick Exception Review" module within Capital Bank's Online Banking System. Any items marked as "Return" will be considered a Return Request.

2.3.5 If the Exception Report contains Exception Items as a result of encoding errors, the Customer will indicate "Pay" next to that item during the "Exception Review" process and indicate in an email to Operations@CapitalBankMD.com the item with the encoding error. The Bank will provide a same day adjustment to correct all encoding errors identified by the Customer.

2.3.6 The Customer will complete the Exception Item review process and email any encoding errors to the Bank by **1:00pm EST** on the business day the Exception Report is generated.

2.3.7 CUSTOMER SHALL NOT INCLUDE CONFIDENTIAL INFORMATION, AS IS DEFINED IN 6.1 BELOW, IN EMAILS TO THE BANK IN CONNECTION WITH THE SERVICES UNDER THIS POSITIVE PAY SCHEDULE. THE BANK'S EMAILS TO CUSTOMER IN CONNECTION WITH THE SERVICES SHALL NOT CONTAIN CONFIDENTIAL INFORMATION.

2.4 Payment and Dishonor of Exception Items. The Bank will pay or return Exception Items for each Authorized Account as specified below:

2.4.1 Return Default If the Customer Fails to Report "Pay" or "Return" Decision Regarding Exception Items by 1:00pm EST. A Customer's failure to report to the Bank a "Pay" or "Return" decision with respect to an Exception Item by 1:00 pm EST will result in the Bank returning and crediting back the Authorized Account any Exception Item not marked as Paid. The default return reason will be "Refer to Maker"

2.4.2 Pay Default If the Customer Fails to Report "Pay" or "Return" Decision Regarding Exception Items by 1:00pm EST. A Customer's failure to report to the Bank a "Pay" or "Return" decision with respect to an Exception Item by 1:00 pm EST will result in the Bank finally paying and charging to the Authorized Account any Exception Item, provided the Customer has sufficient funds in the account to cover such items.

2.4.3 Return Request. A Return Request shall identify each Exception Item that the Customer desires not to pay, by the complete check number and amount specified in the Exception Report. Customer shall instruct the Bank, with proper return reason, to return an Exception Item identified in a Return Request.

2.4.4 The Bank shall return any Exception Item the identifies as a Return Request to the depository bank that the Customer instructs the Bank to return such Exception Item. Customer may be required to sign an Affidavit when returning an Exception Item on the basis that such item requires further investigation regarding whether it is a forgery.

2.5 ACH Filter Services. The Bank will pay or return ACH Exception Items for each Authorized Account as specified below:

2.5.1 ACH Filter. As provided in this Positive Pay Schedule, the Bank considers all ACH Debit transactions as Exception Items until ACH Filter Authorization Rules are established. In all cases, the Customer must provide the Bank with all information required by the Bank to permit the Bank to deliver the filter services for ACH transactions, as provided on the ACH Filter Authorization Rules form. Unless the Customer has provided the Bank with sufficient information to filter ACH entries, the Bank may pay such ACH entries and debit the Authorized Account for each ACH entry that is not filtered. Any ACH entries not subjected to and/or not meeting the ACH Filter Authorization Rules shall be deemed ACH Exception Items.

2.5.2 ACH Exception Reporting. The Bank shall provide the Customer an email notification of any ACH Exception Items presented for payment. ACH Exception Item email notifications will follow the same schedule as the Exception Item email notifications under Section 2.3.2.

2.5.3 Pay Request/ Return Request. The Customer shall review the ACH Exception Items by logging into Capital Bank's Online Banking System and conducting the "Exception Review" process. All ACH Exception Items require a "Pay" or "Return" decision by the Customer in the "Quick Exception Review" module. All ACH Exception Items marked for return require a signed Written Statement of Unauthorized Debit form, which may be emailed via secure email to Operations@capitalbankmd.com or sent by fax to 301-762-2245.

2.5.4 ACH Authorization Rules. The Customer may create ACH Filter Rules by selecting the "Add ACH Rule" link next to the ACH Exception Item that has been presented for payment. Customer ID and the Standard Entry Class code will automatically populate; a maximum dollar amount is optional.

2.5.5 Pay Default. If the Customer fails to send the Bank a "Pay" or "Return" decision regarding an ACH Exception Item by the **1:00pm EST** deadline, the Bank will impose a Pay Default, which will result in the Bank paying and charging to the Authorized Account any Exception Item, provided the Customer has sufficient funds in the account to cover such items.

2.5.6 Return Default. If the Customer fails to send the Bank a "Pay" or "Return" decision regarding an ACH Exception Item by the **1:00pm EST** deadline, the Bank will impose a Return Default, which will result in the Bank returning and crediting back to the Authorized Account any ACH Exception Item not marked as "Paid". The default "Return Reason" will be "Unauthorized".

2.5.7 Not Covered. This Positive Pay Schedule does not cover an ACH entry if the Bank has paid the item or is committed to honor or pay the item under applicable laws, regulations or rules governing ACH.

2.6 Stop Payments. The deadline for placing a stop payment is 4:00 p.m. (Eastern Standard Time) on a Business Day. Stop Payment requests received after 4:00 p.m. EST on a Business Day will be processed the following Business Day.

2.6.1 The Customer shall not use an Item Type of "Item Stop" or "Void" in lieu of a stop payment order for the purpose of stopping payment of any item that was validly and correctly drawn and properly payable at the time it was drawn.

2.6.2 The Customer shall not use a Return Request in lieu of a stop payment order for the purpose of stopping payment of any item that was validly and correctly drawn and properly payable at the time it was drawn.

2.6.3 Stop Payments on Checks. The Customer can place a stop payment on a check through the Capital Bank's Online Banking System service. The stop payment must be received by the Bank before the Bank pays the check. To be effective, a stop payment must be placed in a timely manner and must include the payee's name, the check number, the amount and the date reflected on the check. If the Customer is concerned that the check may be paid before a stop payment order is effective, the Customer should call the Bank at 301-468-8848.

2.6.4 Stop Payments on ACH. The Customer can request a stop payment on an ACH entry by calling the Bank at 301-468-8848, or by visiting any Bank branch office. The stop payment request must be received by the Bank before the ACH entry has been paid. To be effective, a stop payment must be placed in a timely manner and must include the ACH Originator's name, the amount and whether the stop is to be placed on one entry or all recurring entries.

3.0 BANK AND CUSTOMER COMMUNICATIONS.

3.1 The Bank is authorized to act upon any communication sent by Customer's Authorized Representative(s) as specified on the Electronic Banking Services Forms, as may be amended from time to time. The Bank is further authorized to take no action with respect to any communication which is not sent by an Authorized Representative. Customer indemnifies and holds the Bank harmless from and against any loss, damage or liability the Bank may incur by relying on this Subsection 3.1.

3.2 The Customer or the Bank, at its discretion, may each submit to the other party a revision of any communication provided for under this Positive Pay Schedule. The revised communication must (i) be sent in its entirety and not in the form of a partial amendment to the communication originally sent (ii) identify the original communication and (iii) be sent in a format and medium, by the deadline(s), and at the place(s) established by this Positive Pay Schedule for the original communication. A properly submitted revised communication serves to revoke the original communication.

3.3 The Bank is not responsible for detecting any Customer error contained in any Issued Check File.

3.4 The Bank is not responsible for detecting any encoding errors that result in Exception Items reported to Customer in the Exception Report.

3.5 The Bank shall use only Issued Check Files that comply with Section 2.2 in the preparation of the Exception Reports under this Positive Pay Schedule.

3.6 The Bank shall not be obligated to comply with any Pay Requests or Return Requests received in a format or medium, after a deadline, in violation of the NACHA Operating Rules, or received at a place not permitted under this Positive Pay Schedule, but may instead treat such a Pay Request or Return Request as though it had not been received.

4.0 LIABILITIES AND REMEDIES:

4.1 U.C.C. Liability. To the extent applicable, the liability provisions of the State of Maryland U.C.C. Articles 3 and 4 shall govern this Positive Pay Schedule, except as modified below.

4.2 Wrongful Honor. It shall constitute wrongful honor by the Bank only if the Bank pays an Exception Item listed in a timely Exception Item Report for which Customer had issued a timely Return Request. In the event there is wrongful honor:

4.2.1 The Bank shall be liable to the Customer for the lesser of the amount of the wrongfully paid Exception Item or the Customer's actual damages resulting from the Bank's payment of the Exception Item.

4.2.2 The Bank expressly waives any right it may have to assert that the Customer is liable for the amount of the wrongfully honored Exception Item on the grounds that the Exception Item was properly payable under U.C.C. Section 4-401.

4.2.3 The Bank retains the right to assert the Customer's failure to exercise reasonable care under Maryland U.C.C. Sections 3-406(a) and 4-406(c). The Bank's wrongful honor shall however constitute a failure of the Bank to have exercised ordinary care under the loss allocation provisions of U.C.C. Sections 3-406(b) and 4-406(e).

4.2.4 The Bank retains the right to assert the defense that the Customer has sustained no actual damages because the Bank's honor of the Exception Item discharged for value an indebtedness of the Customer.

4.3 Wrongful Dishonor. Except as provided below, it shall constitute wrongful dishonor by the Bank if the Bank dishonors an Exception Item listed in a timely Exception Item Report for which the Customer had not issued a timely Return Request.

4.3.1 The Bank's liability for wrongful dishonor of an Exception Item shall be limited to the damages for wrongful dishonor recoverable under U.C.C. Articles 3 and 4.

4.3.2 Notwithstanding Section 4.3, the Bank shall have no liability to the Customer for wrongful dishonor when the Bank, acting in good faith, returns an Exception Item:

4.3.2.1 That it reasonably believed was not properly payable; or

4.3.2.2 If there are insufficient Available Funds on deposit in the Authorized Account; or

4.3.2.3 If required to do so by the service of legal process on the Bank, the instructions of regulatory or government authorities or courts, or NACHA rules.

4.4 Rightful Payment and Dishonor. Except as provided in Section 4.5:

4.4.1 If the Bank honors an Exception Item in accordance with the terms of this Positive Pay Schedule, such honor shall be rightful, and the Customer waives any right it may have to assert that the Exception Item was not properly payable under U.C.C. Section 4-401.

4.4.2 The Customer agrees that the Bank exercises ordinary care whenever it rightfully pays or returns an Exception Item consistent with the provisions of the Agreement.

4.5 Faulty Information. The Bank shall be liable for any losses, other than consequential damages, proximately caused by its honor of a check that was not properly payable, or its dishonor of a check that was properly payable, if the honor or dishonor occurred because the Bank, in accordance with the provisions of Section 2 of this Positive Pay Schedule fails to include the check on an Exception Item Report, section 4.6 below applies.

4.6 Assignment. To the extent the Bank fails to include an Exception Item Report and the Customer suffers a loss under this Positive Pay Schedule, the Bank assigns to the Customer any claim that the Bank would have against a depository or collecting bank to recover the loss, including any claim of breach of warranty under U.C.C. Sections 4-207, 4-208, and 4-209.

5.0 GOVERNING LAW.

This Positive Pay Schedule shall be governed by the laws (excluding the law of conflicts) of the State of Maryland and applicable Federal law.

6.0 CONFIDENTIALITY.

The Bank's policies, procedures and controls for information security are based on the understanding that confidential information (including Customer and sensitive corporate data) requires appropriate protection. To ensure that all Positive Pay Customers recognize and distinguish confidential information, the Bank has established information classification categories. All information is categorized as Confidential or Public based on the following definitions. When determining the appropriate classification, consideration will be given to the nature of information (its source, use, and purpose) and the need for protection measures (confidentiality, integrity, and availability).

6.1 Confidential Information – Confidential information consists of non-public Customer information and/or critical Bank/corporate information (e.g., Customer identifying information on checks or statements, proprietary, trade secrets, payroll, information subject to attorney/client privileges). Compromise of confidential information could result in serious harm to you in terms of financial, legal, and reputational consequences.

6.2 Public Information – Public information is information that can be freely given to anyone without any possible damage to the Bank, its affiliates, partners, or Customers. Examples of public information include advertising material, product and service information, and other data that might be posted in print or other media (e.g., a public web site).

6.3 Confidentiality Presumed – In the event that there is any uncertainty about the appropriate classification for certain information, the Bank's policy is to treat the information as confidential. When information systems or physical storage facilities contain a combination of data from categories, the entire system or facility will be treated as confidential.

Each of the parties hereto agree to protect and maintain as confidential all information designated as confidential by the other party by treating the confidential information of the other party with the same care and protection accorded its own confidential information. However, neither party shall have an obligation of confidentiality with regard to any information that 1) is known to such party prior to disclosure; 2) is or becomes publicly available other than as a result of a breach of this Positive Pay Schedule or 3) is disclosed to such party by a third party not subject to an obligation of confidentiality. For purposes of this Agreement, the parties acknowledge that Customer's information collected from its own Customers and accounts is confidential information of Customer.

7.0 GENERAL PROVISIONS.

7.1 Fees. Fees for the services provided under this Positive Pay Schedule will be charged in accordance with the Bank's current schedule of fees for such services, which schedules may be amended from time to time.

7.2 Payment for Services. The Bank may, on a monthly basis, debit a Customer account maintained at and selected by the Bank for payment of charges due, unless the Customer arranges another payment procedure acceptable to the Bank or designates a specific Customer account maintained at the Bank.

7.3 Severability. If any court or tribunal of competent jurisdiction determines that any provision of this Agreement is illegal, invalid, or unenforceable, the remaining provisions of this Positive Pay Schedule shall remain in full force and effect.

7.4 Amendments. The provisions of this Positive Pay Schedule may be amended only by written agreement executed by both parties.

7.5 Assignment. Subject to Section 4.6, neither party may assign or transfer any of its rights or obligations under this Positive Pay Schedule, but the provisions of this Positive Pay Schedule shall be binding upon and inure to the benefit of any legal successor to the Bank or to the Customer, whether by merger, consolidation, or otherwise.

7.6 Termination. The Bank may terminate this Positive Pay Schedule immediately by notice to the Customer, or without notice if the Customer breaches any of its obligations under this Positive Pay Schedule. The Customer may terminate this Positive Pay Schedule at any time upon thirty (30) business days' prior notice to the Bank. Termination shall not affect any of the Bank's rights or the Customer's obligations under this Positive Pay Schedule prior to such termination. Upon termination, if requested by the Customer, the Bank will provide the Customer (or its representative) with an outstanding check report.

7.7 Waiver. The waiver by a party to this Positive Pay Schedule of a breach of any provision of this Positive Pay Schedule by the other party shall not operate or be construed as a waiver of any subsequent breach by the other party.

7.8 Entire Agreement. This Positive Pay Schedule and the Master Agreement are the entire agreement and understanding between the parties related to the subject matter of this Positive Pay Schedule as of the date hereof and supersedes all prior agreements and understanding between the parties relating to the subject matter of this Positive Pay Schedule. To the extent this Positive Pay Schedule is inconsistent with the Master Agreement, the Master Agreement shall prevail.

7.9 Headings. Headings to sections of this Positive Pay Schedule or any Addenda are included for ease of reference and shall not be deemed to create rights, remedies, claims or defenses arising under this Positive Pay Schedule.

7.10 Performance of Bank. The Bank shall be responsible only for performing the services it expressly agrees to perform in this Positive Pay Schedule and shall be liable only for direct damages, not to exceed the value of any checks handled, caused by its gross negligence in performing those services. The Bank shall not be responsible for any acts or omissions of the Customer, including without limitation the amount, accuracy, timeliness of delivery or Customer authorization of any item or instruction received from the Customer, or any act or omission of any other person, including without limitation any transmission or communications facility, and data processor of the Customer, and no such person shall be deemed the Bank's agent.

7.11 Indemnification. The Customer shall defend, indemnify and hold harmless the Bank, and its officers, directors, agents and employees, from and against any and all actions, costs, claims losses, damages or expenses, including attorneys' fees and expenses, resulting from or arising out of (i) any breach of any of the agreements, representations, or warranties of the Customer contained in this Positive Pay Schedule, or (ii) any act or omission of the Customer or any other party acting on the Customer's behalf, including but not limited to parties described in Section 7.10 above

8.0 Beneficiaries. This Positive Pay Schedule is for the benefit only of the parties listed on the Electronic Banking Services Forms and is not intended to and shall not be construed as granting any rights to or otherwise benefiting any other person.

Appendix A to Positive Pay Schedule

Issued File Format Requirements (Checks Only)

The following information outlines the issued file format options available in Positive Pay. Capital Bank's Positive Pay system is flexible and can handle a wide variety of different file formats. ***If a Sample File is not provided to the Bank the Default File Format will be Excel.***

Issued File- Supported File Types

1. Microsoft Excel Files
2. Delimited Text Files

Required Fields

The following fields must be supplied for each issued check:

1. Issued Date – the date the check was issued (recommended format MM/DD/YYYY)
2. Check Number – the check serial number (recommended format -no leading zeros)
3. Check Amount – the amount of the check (recommended format 999999.99 with no leading zeros)

Optional Fields

The following fields may optionally be supplied for each issued check:

1. Account Number – Bank assigned checking account number (**Recommended**)
2. Record Type – “I” for issued check, “V” for voided check, “S” for stop payment check
3. Payee Name – the name from the payee line on the check
4. Notes – miscellaneous notes related to the check

Field Formatting

Fields must be consistently formatted in each file that is submitted. *The key is consistency.*

Delimited Text Files

A delimited text file is a file that has each field separated by a field delimiter. The most common delimited file format is a comma-separated values (csv) file. Separator characters other than commas are also supported.

Microsoft Excel Files

For Microsoft Excel files (.xls & .xlsx), each field should be listed in a separate column.

LONELY TELLER MOBILE DEPOSIT AGREEMENT AND TERMS AND CONDITIONS

("Lonely Teller Mobile Deposit Schedule")

This Lonely Teller Mobile Deposit Agreement ("Lonely Teller Mobile Deposit Schedule") is made between Capital Bank, National Association ("Bank") and Customer, acting through those persons or entities identified on Customer's Electronic Banking Services Forms as Authorized Representatives with respect to the Authorized Accounts identified on said forms. For purposes of this Lonely Teller Mobile Deposit Schedule, the definition of "Customer" shall include Customer as well as each such Authorized Representative with respect to each account set forth opposite her/his/its name on the Electronic Banking Services Forms. The Bank and the Customer agree that the provision by the Bank and the use by the Customer of the Lonely Teller Mobile Deposit Services described below (the "Services") shall be subject to the terms and conditions set forth in this Lonely Teller Mobile Deposit Schedule and the Master Agreement. In the event of inconsistency between a provision of this Lonely Teller Mobile Deposit Schedule and the Master Agreement, the provisions of the Master Agreement shall prevail.

Customer and Bank hereby agree as follows:

1. **Lonely Teller Mobile Deposit Services.** The Services are designed to allow the Customer to make deposits to deposit accounts from their mobile device by scanning checks and delivering the images and associated deposit information to the Bank.
2. **Limitations of Service.** When using the Services, Customer may experience technical or other difficulties. The Bank cannot assume responsibility for any technical or other difficulties or any resulting damages that Customer may incur. Some of the Services have qualification requirements, and the Bank reserves the right to change the qualifications at any time without prior notice. The Bank reserves the right to change, suspend or discontinue the Services, in whole or in part, or Customer's use of the Services, in whole or in part, immediately and at any time without prior notice to Customer.
3. **Eligible items.** Customer agrees to scan and deposit only checks as that term is defined in Federal Reserve Regulation CC ("Reg CC"). Customer agrees that they will not use the Services to scan and deposit any of the following checks or other items:
 - a. Payable to any person or entity other than the Customer unless permitted by separate written agreement.
 - b. Drawn or otherwise issued by Customer or any other person on any of Customer's accounts or any account on which Customer is an authorized signer or joint account holder.
 - c. Containing obvious alteration to any of the fields on the front of the check or item, or which Customer knows or suspects, or should know or suspect, are fraudulent or otherwise not authorized by the owner of the account on which the check or item is drawn.
 - d. Previously converted to a substitute check, as defined in Reg CC.
 - e. Drawn on a financial institution located outside the United States.
 - f. Not payable in United States currency.
 - g. Dated more than 6 months prior to the date of deposit.
 - h. Prohibited by the Bank's current policies and procedures relating to the Services or which are otherwise not acceptable under the terms of Customer's account(s) at the Bank.
5. **Image Quality.** The image of an item transmitted to the Bank using the Services must be legible. The image quality of the items must comply with the requirements established from time to time by ANSI, the Board of Governors of the Federal Reserve Board, or any other regulatory agency, clearing house or association.

- 6. Endorsements and Procedures.** Items transmitted through the Services are virtually endorsed as “For mobile deposit only, 055003340, Capital Bank N.A., Credit to Within Named Payee”. Customer agrees to follow any and all other procedures and instructions for use of the Services as the Bank may establish from time to time. Customer agrees that after scanning any check it shall store such scanned check in a safely secured locked location to prevent reuse or theft; and on the 11th calendar day after scanning a check (or if Customer is not open for business on the 11th calendar day, then on the first calendar day on which Customer is open after such 11th calendar day), shred such check using appropriate mechanical shredding devices to avoid theft or duplication. Customer must establish a password to lock their mobile device when not in use. Customer agrees to immediately inform the Bank if their mobile device is lost or stolen in order for the Bank to take necessary precautions. The Bank is not responsible for data that is compromised on the Simply Deposit Mobile application as a result of a lost cell phone and stolen password.
- 7. Receipt of Items.** The Bank reserves the right to reject any item transmitted through the Services, at our discretion, without liability to Customer. We are not responsible for items we do not receive or for images that are dropped during transmission. An image of an item shall be deemed received when Customer receives a confirmation from the Bank that the Bank has received the image. Receipt of such confirmation does not mean that the transmission was error free or complete or that the image meets the quality requirements set forth herein.
- 8. Availability of Funds.** Funds deposited using the Services will be available after the Bank receives payment for the funds submitted. The Bank may make such funds available sooner based on such factors as credit worthiness, the length and extent of Customer’s relationship with the Bank, transaction and experience information, and such other factors as the Bank, in its sole discretion, deems relevant.
- 9. Disposal of Transmitted Items.** Upon Customer receipt of a confirmation from the Bank that we have received the image of an item, Customer agrees to prominently mark the item as “Electronically Presented” or “VOID” and to properly dispose of the item after 11th calendar day from the date of deposit to ensure that it is not represented for payment or lost. Customer agrees never to re-present an item.
- 10. Deposit Limits.** The Bank reserves the right to impose limits on the amount(s) and/or number of deposits that Customer transmits using the Services and to modify such limits from time to time.
- 11. Hardware and Software.** In order to use the Services, Customer must obtain and maintain, at their expense, compatible hardware and software as specified by the Bank from time to time. The Bank is not responsible for any third-party software Customer may need to use the Services. Any such software is accepted by Customer as is and is subject to the terms and conditions of the software agreement Customer entered into directly with the third-party software provider at time of download and installation. The Bank highly recommends that the Customer download the most up to date patches and security downloads to mitigate risks related to malware infiltration.
- 12. Errors.** Customer agrees to notify the Bank of any suspected errors regarding items deposited through the Services right away, and in no event later than 60 days after the applicable Bank account statement is sent. Unless Customer notifies the Bank within 60 days, such statement regarding all deposits made through the Services shall be deemed correct, and Customer is prohibited from bringing a claim against the Bank for such alleged error.
- 13. Presentment.** The manner in which the items are cleared, presented for payment, and collected shall be in the Bank’s sole discretion subject to the Depository Agreement and Disclosures governing Customer’s account.
- 14. Ownership & License.** Customer’s use of the Services is subject to and conditioned upon complete compliance with this Lonely Teller Mobile Deposit Schedule. Without limiting the effect of the foregoing, any breach of this Lonely Teller Mobile Deposit Schedule immediately terminates Customer’s right to use the Services. Without limiting the restriction of the foregoing, Customer may not use the Services (i) in any anti-competitive manner, (ii) for any purpose which would be contrary to the Bank’s business interest, or (iii) to the Bank’s actual or potential economic disadvantage in any aspect. Customer may not copy, reproduce, distribute or create derivative works from the content and agrees not to reverse engineer or reverse compile any of the technology used to provide the Services.
- 15. Disclaimer of Warranties.** Customer agrees use of the Services and all information and content is at Customer’s own risk and is provided on an “as is” and “as available” basis. The Bank disclaims all warranties of any kind as to the use of the Services, whether express or implied, including, but not limited to the implied warranties of merchantability, fitness for a particular purpose and non-infringement. The Bank makes no warranty that the Services (i) will be uninterrupted, timely, secure, or error-free, (ii) the results that may be obtained from the Services will be accurate or reliable, and (iii) any errors in the Services or technology will be corrected.

- 16. Limitation of Liability.** Customer agrees that the Bank will not be liable for any direct, indirect, incidental, special, consequential or exemplary damages, including but not limited to damages for loss of profits, goodwill, use, data or other losses resulting from the use or the inability to use the Services, that Customer incurs to use the Services, or to any third party arising from or related to the use of the Services, regardless of the form of action or claim (whether contract, tort, strict liability or otherwise), even if the Bank has been informed of the possibility thereof.
- 17. User warranties and indemnification.** Customer warrants to the Bank that:
- Customer will only transmit eligible items.
 - Images will meet the image quality standards.
 - Customer will not transmit duplicate items.
 - Customer will not deposit or represent the original item.
 - Customer will properly destroy deposited checks on the 11th calendar day after deposit.
 - All information Customer provides to the Bank is accurate and true.
 - Customer will comply with this Lonely Teller Mobile Deposit Schedule, the Master Agreement, and all applicable rules, laws and regulations.
 - Customer agrees to indemnify and hold harmless Bank from any loss for breach of this warranty provision.
- 18. Other terms.** Customer may not assign this Lonely Teller Mobile Deposit Schedule. This Lonely Teller Mobile Deposit Schedule is entered into in Rockville, Maryland and shall be governed by the laws of the State of Maryland and of the United States. A determination that any provision of this Lonely Teller Mobile Deposit Schedule is unenforceable or invalid shall not render any other provision of this Lonely Teller Mobile Deposit Schedule unenforceable or invalid.
- 19. Security.** The Bank highly recommends that the Customer download the most up to date patches and security downloads to mitigate risks related to malware infiltration. The Services will be updated periodically via the downloadable app to incorporate security considerations and provide further training related to reducing risk and error related to check deposit and safekeeping.
- 20. Termination.** Customer agrees that the Bank may discontinue the Services, in whole or in part, at any time without prior notification if the Bank determines that Customer has not abided by the terms of use as described herein.
- 21. Authorization:** On behalf of Customer, I/we apply for the Mobile Deposit Capture Services described above, and authorize Capital Bank to make credit history and/or trade credit inquiries about Customer, owners and guarantors, as applicable. I/we certify that the financial information submitted to Capital Bank in connection with this Lonely Teller Mobile Deposit Schedule is true and accurate. If approved, Capital Bank may verify information Customer provides to Capital Bank either before or after the Mobile Deposit Capture Services is granted. The signed Electronic Banking Services Forms authorizes a financial institution(s) with whom Customer and/or its principals have a current/existing banking relationships to provide Capital Bank with any and all information and documentation that Capital Bank may request.

LONELY TELLER REMOTE DEPOSIT AGREEMENT
AND TERMS AND CONDITIONS
("Lonely Teller Remote Deposit Schedule")

This Lonely Teller Remote Deposit Agreement ("Lonely Teller Remote Deposit Schedule") is made between Capital Bank, National Association ("Bank") and Customer, acting through those persons or entities identified on Customer's Electronic Banking Services Forms as Authorized Representatives with respect to the Authorized Accounts identified on said forms. For purposes of this Lonely Teller Remote Deposit Schedule, the definition of "Customer" shall include Customer as well as each such Authorized Representative with respect to each account set forth opposite her/his/its name on the Electronic Banking Services Forms. The Bank and the Customer agree that the provision by the Bank and the use by the Customer of the Lonely Teller Remote Deposit Services described below (the "Services") shall be subject to the terms and conditions set forth in this Lonely Teller Remote Deposit Schedule and the Master Agreement. In the event of inconsistency between a provision of this Lonely Teller Remote Deposit Schedule and the Master Agreement, the provisions of the Master Agreement shall prevail.

Customer and Bank hereby agree as follows:

1. **Lonely Teller Remote Deposit Services.** (a) Bank agrees to provide to Customer an image capture device and related software giving Customer the ability of remote deposit capture of checks for the electronic processing known as check conversion, encompassing all related transactions and activities which the Lonely Teller product and service provides (as such product or services may be changed from time to time) (occasionally referred to "the Scanner," "the Scanning device" or "the Lonely Teller" device), subject to the terms and conditions of this Lonely Teller Remote Deposit Schedule, with respect to the deposit accounts listed in the Electronic Banking Services Forms (as such account listing may be amended from time to time by Customer with the consent of Bank). (b) Bank will exercise reasonable efforts to cause the Services to meet reasonable industry standards. (c) Bank may add or change the Services in the normal course of its business subject to the notice provisions in the Master Agreement. Unless caused by requirements of a third-party service provider, no change in the Services will result in loss of basic features or functions for the electronic processing of checks. This Lonely Teller Remote Deposit Schedule supplements the deposit agreement(s) between Bank and Customer, and does not replace any other agreements that Customer has with Bank.
2. **Scanner Device.** The Scanner is provided to the Customer for the purpose of scanning checks for deposit into the Customer's designated account at the Bank. Customer agrees that it shall not, without the prior written consent of the Bank, use any other equipment, mechanism, device or software other than the Scanner provided by Bank for scanning checks for deposit to Customer's account at Bank. The Scanner is the sole property of Bank. Customer's right to use the Scanner shall end upon termination of this Lonely Teller Remote Deposit Schedule. Customer may only use the Scanner to scan "Eligible Instruments" (as defined in Section 3). Should the Scanning device be used for any purpose that is not authorized by the Bank, or in violation of this Lonely Teller Remote Deposit Schedule and the rules, regulations, policies and procedures established or adopted by Bank from time to time for the use of the Services, the Bank may immediately terminate this Lonely Teller Remote Deposit Schedule and Customer's right to use the Lonely Teller product and services, in which event, Customer shall, at its own expense, immediately return the Scanning device to the Bank. Customer understands that any violation of this Lonely Teller Remote Deposit Schedule or use of the Scanner not authorized by the Bank may result in the Bank commencing civil and/or criminal actions against the Customer, the Customer's agents, employee(s) and any person using the device in violation of this Lonely Teller Remote Deposit Schedule, whether or not authorized by the Customer. In the event that the Scanner shall become inoperable as a result of use or misuse by Customer, whether or not negligent, Customer shall be liable for the cost of repair and/or replacement of the Scanning device, except that the Customer shall not be responsible for ordinary wear and tear resulting from the proper and legal use and non-negligent storage of the Scanning device. The Bank will replace at no charge to Customer a Scanning device that is working improperly due to ordinary wear and tear, and may in its discretion, substitute at no charge to Customer, a different model device for Customer's scanning device. Bank shall also provide Customer a different model device offered by Bank upon Customer's request and payment of the then current fee for such replacement device. Customer agrees that only the persons listed on the Electronic Banking Services Forms (as they may be amended from time to time by Customer) shall be authorized to use the Scanner, to transmit checks for deposit or to communicate with the Bank regarding such deposits. Customer shall be responsible for advising Bank of any changes in authorized users. Customer agrees not to engineer, disassemble, decompile, modify, damage or alter the use of the Scanning device or software in any manner.

3. **Eligible Instruments; Image Quality:** (a) Without the prior approval of Bank, only checks, drafts, money orders, or Travelers Cheques (collectively "Checks") meeting all of the following conditions shall be eligible for deposit using the Scanner ("Eligible Instruments"):
- a Check must be drawn on a United States financial institution (excluding territories of the United States, but including the District of Columbia), bear a United States address for drawer, be made payable to Customer, and bear a MICR encoded ABA/routing number, account number and check number;
 - a Check may not be drawn on a bank or financial institution account belonging to Customer or any affiliate of Customer;
 - a Check must be dated as of a date within 180 days from the date of scanning;
 - a Check must be signed by the issuer, drawer or maker;
 - a Check must be endorsed, as noted in Section 4 – "Endorsement" by Customer, and any other necessary endorsers; (except that a Check endorsed to Customer by the payee shall not be considered an Eligible Instrument, i.e., a four party check); and
 - the numerical and written amounts on a Check must agree.

Customer shall not scan any Check that is not an Eligible Instrument unless Customer obtains the Bank's prior written approval. To obtain the Bank's prior written approval to scan a Check that is not an Eligible Instrument, Customer must contact the Bank by telephone advising Bank that Customer requires Bank approval on a Check. Customer will fax a copy of the front and back of the Check to the Bank and if acceptable, the Bank will fax back the Check with a signature approval or will otherwise instruct the Customer.

(b) The Customer shall, prior to transmitting any Check image, review the Check image and confirm that the image accurately and legibly reproduces the information included on the front and back of the Check (including but not limited to account name and numbers, routing numbers, payee name, amount, maker's signature and all endorsements). If there is a problem with the quality of the image, the Customer must notify the Bank immediately before transmitting the Check. Bank's liability for errors or omissions with respect to the data transmitted or printed by Bank in connection with this Lonely Teller Remote Deposit Schedule will be limited to correcting the errors or omissions. Correction will be limited to reprocessing, reprinting and/or re-presenting the Checks to the payor financial institution.

4. **Endorsement:** All Checks scanned through the Services are endorsed "For Remote Deposit Only, Capital Bank NA, 055003340 Credit to Within Named Payee". Bank may return a Check that is improperly endorsed or withhold the funds from Customer's account that is equivalent to the amount of the Check until the item is endorsed properly.
5. **Check Conversion.** When a Check is processed through the Services for payment, this process is legally recognized as check conversion. Customer acknowledges and agrees that it shall not deposit in Bank or any other financial institution, and shall not transfer or endorse to any third party, a Check that has been submitted for deposit at Bank through the Services. By submitting a Check for deposit through the Services, Customer represents and warrants, in addition to the representations and warranties deemed to be made under applicable law, that:
- such Check is an Eligible Instrument or Customer has obtained the Bank's written approval to submit such Check;
 - such Check (including any image thereof or substitute therefore) has not previously been deposited in any financial institution;
 - the images meet the quality standards set forth in this Lonely Teller Remote Deposit Schedule or that may from time to time be established by the Bank;
 - there are no duplicate, checks, files or items in the transmission;
 - no such check or signature or endorsement thereon, is or has been altered, forged or fraudulent, or otherwise modified from its original state;
 - all information provided by Customer to the Bank is true and correct in all respects;
 - the Bank shall not sustain any loss as a result of the deposit of the transmitted Checks; and

- the transmitted file does not contain any virus.

Not in limitation of anything in this Lonely Teller Remote Deposit Schedule, Customer agrees that if a Check is deposited or negotiated in violation of this Lonely Teller Remote Deposit Schedule, by Customer or any other person (whether or not authorized by Customer, and regardless of Customer's degree of fault, if any, and whether or not the Check was collected for payment or returned not paid), Customer shall be responsible for the amount of such Check, and shall indemnify and hold the Bank harmless from any and all losses, liabilities, judgments, amounts paid in settlement, charges, fines, penalties, investigative expenses, legal fees or other payments or amounts incurred by Bank or for which it may become liable, as a result of such violation or breach. Customer shall be responsible for verifying Bank's receipt of Customer's transmission(s) by verifying that deposits have been posted to the appropriate account(s), in addition to cooperating in any investigation and resolving any unsuccessful or lost/stolen transmission with the Bank. Customer acknowledges that any such violation or breach may subject Customer to criminal liability.

6. Treatment of Scanned Checks and Files: (a) Customer agrees that after scanning any Check it shall:

- endorse the front of the Check with a message that indicates the Check was deposited, and/or ensure that the Check is automatically franked by the scanner with the message "electronically presented";
- store scanned Check(s) in a safe, secure, locked location to prevent reuse or theft; and
- on the 11th calendar day after scanning a Check, or any number of days after the 11th calendar day determined by the Customer, shred such Check using appropriate mechanical shredding devices to avoid theft or duplication.

7. Audit of Remote Check Scanning and IT Infrastructure: The Bank reserves the right to conduct an audit on a periodic basis, of the Customer's scanning location to ensure that the remote deposit capture and IT infrastructure processes and controls listed in this Lonely Teller Remote Deposit Schedule are being followed.

- (a) The Customer acknowledges and agrees that these protective measures are Customer's minimum obligation to assure the safety/confidentiality of Customer Checks, to prevent a Check from being redeposited or further negotiated, and to avoid misuse of any Customer information. Failure to follow such procedures shall constitute a breach of this Lonely Teller Remote Deposit Schedule, but compliance with these provisions shall not relieve Customer for any liability incurred under this Lonely Teller Remote Deposit Schedule.
- (b) Customer acknowledges and agrees that Bank shall not be deemed to have received a transmitted file unless and until it has specifically acknowledged receipt of such file. Acknowledgement of receipt of a file by the Bank does not constitute Bank's acknowledgement that the file does not contain errors, that all checks submitted are Eligible Instruments or otherwise approved by the Bank for deposit, or that the deposit has been accepted. The Bank shall have no liability to Customer for any files or Checks which it does not receive, for errors in scanning or transmission by Customer, for errors due to malfunction of the Scanning device, or for any Check images which are dropped during transmission.

8. Term. The initial term of this Lonely Teller Remote Deposit Schedule shall be twelve months from the date of this Lonely Teller Remote Deposit Schedule. Bank may, in its sole discretion, terminate or, in its discretion, suspend, this Agreement and Customer's right to use the Scanner device and other Services at any time, without prior notice. Customer may terminate this Lonely Teller Remote Deposit Schedule only in accordance with Section 14. Unless terminated in accordance with Section 2 hereof, this Lonely Teller Remote Deposit Schedule shall automatically renew on each anniversary of the date hereof, and will continue in full force and effect for an additional period of twelve months until terminated by Bank or Customer.

9. Rules for Use of Lonely Teller. Customer acknowledges, and agrees to comply with, all rules, regulations, policies or procedures that may be established or adopted by the Bank from time to time relating to the operation and use of the Services.

10. Confidentiality. Capital Bank's policies, procedures, and controls for information security are based on the understanding that confidential information (including Customer and sensitive corporate data) requires appropriate protection. To ensure that all Customers recognize and distinguish confidential information, the Bank has established information classification categories. All information is categorized as Confidential or Public based on the following definitions. When determining the appropriate classification, consideration will be given to the nature of information (its source, use, and purpose) and the need for protective measures (confidentiality, integrity, and availability).

- Confidential information –consists of non-public Customer information, and/or critical Bank/corporate information (e.g., Customer identifying information on checks or statements, proprietary, trade secrets, payroll or information subject to attorney/client privileges). Compromise of confidential information could result in serious harm to you in terms of financial, legal, and reputation consequences.
- Public information - is information that can freely be given to anyone without any possible damage to the Bank, its affiliates, partners, or customers. Examples of public information include advertising material, product and service information, and other data that might be posted in print or other media (e.g., a public web site).
- In the event that there is any uncertainty about the appropriate classification for certain information, the Bank's policy is to treat the information as confidential. When information systems or physical storage facilities contain a combination of data from categories, the entire system or facility will be treated as confidential.

Each of the parties hereto agree to protect and maintain as confidential all information designated as confidential by the other party by treating the confidential information of the other party with the same care and protection accorded its own confidential information. However, neither party shall have an obligation of confidentiality with regard to any information that 1) is known to such party prior to disclosure; 2) is or becomes publicly available other than as a result of a breach of this Agreement or 3) is disclosed to such party by a third party not subject to an obligation of confidentiality. For purposes of this Lonely Teller Remote Deposit Schedule, the parties acknowledge that Customer's information collected from its own Customers and accounts is confidential information of Customer.

- 11. Account Monitoring and Funds Availability.** The Bank will review the Customer's Checks scanned using the Scanner. If the Bank does not approve of any scanned Check(s) included in a deposit, it will notify the Customer before the end of the next business day, following the day of deposit, what Checks have been excluded from the deposit transaction. Holds against Checks accepted for deposit through the Services will be made and disclosed in accordance with the Bank's Expedited Funds Availability Policy and Federal Reserve Regulation CC, each as in effect from time to time. Additionally, the Bank will use commercially reasonable efforts to make funds available within a reasonable period of time (typically the Business Day after the checks are deposited) following such receipt. It is Customer's responsibility to understand and build into its transmission schedules the appropriate deadlines necessary to meet the availability schedules of Bank as set forth in any deposit account agreements it is subject to, or as otherwise established by Bank. Customer is further responsible for understanding and building into its transmission schedule the changes in transmission windows required by time changes associated with Daylight Savings Time. The Bank may contact the payor of any Check to determine the validity of any Check scanned, to verify its purpose and/or Customer's authority to negotiate such Check(s). Before contacting any payor, the Bank may, but need not, contact the Customer to advise it of its intention.
- 12. Fees.** Customer agrees to pay Bank the fees set forth in the Commercial Deposit Services and Treasury Management Fee Schedule, as amended from time to time. Bank retains the right to change the fees applicable to the Services at any time.
- 13. Remotely Created Checks.** For purposes of this Lonely Teller Remote Deposit Schedule, a Remotely Created Check (RCC) is a Check that is drawn on a customer account at a bank, is created by a person other than the paying bank and does not bear a signature applied by or purported to be applied by the person on whose account the Check is drawn.
- 14. Limitation of Liability.** (a) In no event shall Bank, any affiliate, employee, agent or representative of Bank, or any person or entity controlling Bank be liable to Customer (whether in contract or in tort or under any other legal theory, including without limitation, strict liability and negligence) for lost profits or revenues, loss or interruption of use, lost or damaged data, reports, documentation or security, or other economic loss, or for any indirect, special, incidental, consequential, punitive or similar damages arising out of or in connection with the performance or non-performance of the Services or for any claim made against Customer by any other party with respect to such Services, even if Bank has been advised of the possibility of such claims. (b) Capital Bank does not guarantee that data submitted or held in storage on or through its systems associated with the internet will be secure from unauthorized access or will be free of errors or omissions. (c) In no event shall Bank's liability under any claim made by Customer exceed the total amount of fees paid by Customer to Bank under this Agreement within the one (1) year prior to the date the claim arose, or if less than one (1) year, since the date of commencement of the Services. (d) No action regardless of form arising out of or in connection with any agreement relative to the Services may be brought by Customer more than one (1) year after the first to occur of: 1) the termination or expiration of the Lonely Teller Remote Deposit Schedule or 2) the event giving rise to such cause of action.

15. **Termination.** The Bank may terminate this Lonely Teller Remote Deposit Schedule and Customer's authority to use the Services, including, but not limited to, the Scanning device at any time, without prior notice to Customer. Customer may terminate this Lonely Teller Remote Deposit Schedule at any time by providing 90-days' written notice to Bank. Upon receipt of notice of termination by Customer in accordance with this Section, Bank shall charge Customer, and Customer agrees to pay in a lump sum, in addition to the fees and charges payable during the period from the date of notice of termination to the effective date of the termination, the amount of the monthly service and equipment charges and fees that would have been payable from the effective date of termination until the end of the term (without reference to automatic extension at the end of the term) if Customer had not given notice of termination.
16. **Indemnification.** Not in limitation of anything contained herein or the provisions of any other agreement between Customer and Bank, Customer agrees that it shall indemnify and hold harmless the Bank and any entity controlling Bank, and their respective affiliates, officers, directors, employees and agents of each, or any of them (each an "indemnified party"), against any losses, liabilities, claims, judgments, amounts paid in settlement, charges, fines, penalties, investigative expenses, legal fees or other payments or amounts incurred by an indemnified party or for which an indemnified party may become liable, joint or several, as a result of any violation or breach of this Lonely Teller Remote Deposit Schedule by Customer, its officers, employees, directors, agents or representatives, or as a result from the use of the Services by Customer.
17. **Miscellaneous.** (a) Customer may not amend this Lonely Teller Remote Deposit Schedule except by an instrument in writing signed on behalf of the Bank which expressly states the Bank's agreement to amend this Lonely Teller Remote Deposit Schedule. (b) Any term, condition or provision of this Lonely Teller Remote Deposit Schedule may be waived in writing at any time by the party which is entitled to the benefits thereof. (c) This Lonely Teller Remote Deposit Schedule may not be assigned by either party without the prior written consent of the other party and any attempted assignment or delegation without such consent will be void, except that the Bank may assign its rights and obligations hereunder to any insured depository institution which assumes, by operation of law or otherwise, deposit liabilities related to Customer's account, and the Bank may contract for the performance of its obligations hereunder to a third party vendor. (d) This Lonely Teller Remote Deposit Schedule is binding upon and inures to the benefit of the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

ZERO BALANCE ACCOUNT AGREEMENT AND TERMS AND CONDITIONS

("ZBA Schedule")

This Zero Balance Account ("ZBA") Agreement and Terms and Conditions ("ZBA Schedule") is made between Capital Bank, National Association ("Bank") and Customer, acting through those persons or entities identified on Customer's Electronic Banking Services Forms as Authorized Representatives with respect to the Authorized Accounts identified on said forms. For purposes of this ZBA Schedule, the definition of "Customer" shall include Customer as well as each such Authorized Representative with respect to each account set forth opposite her/his/its name on the Electronic Banking Services Forms. The Bank and the Customer agree that the provision by the Bank and the use by the Customer of the ZBA Services described below (the "Services") shall be subject to the terms and conditions set forth in this ZBA Schedule and the Master Agreement. In the event of inconsistency between a provision of this ZBA Schedule and the Master Agreement, the provisions of the Master Agreement shall prevail.

Customer and Bank hereby agree as follows:

1. ZBA Procedures

The Customer agrees that accounts designated as ZBA subsidiary accounts ("ZBA Subsidiary Accounts") shall have an automated transfer feature as follows:

With regard to the ZBA Subsidiary Account(s), funds (in excess of a zero balance if designated) will be automatically transferred daily from or to the Customer's designated primary checking account ("Primary Checking Account") equal to an amount required to maintain an account balance of \$0.00) in each of the ZBA Accounts.

2. Fees

The Customer will pay the Bank a monthly fee per ZBA Subsidiary Account for services the Bank provides under the Commercial Deposit Services and Treasury Management Fee Schedule.

3. Bank's Liability

The Bank shall not be liable for errors or delays caused by systems, equipment or software. The Bank shall have no liability for nonperformance resulting from major events such as fire, casualty, breakdown in equipment, lockout, strike, unavoidable accident, acts of God, war, adverse governmental action, ruling regulation, order or decree, or emergency.

In addition, the Bank shall be excused from failing to process any transaction if processing would result in the Bank violating any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other U. S. governmental regulatory authority.

Further, the Bank shall have no liability whatsoever to Customer with respect to actions taken or omitted by any person in connection with this ZBA Schedule, except actions taken or omitted by the agent in bad faith.

4. Customer's Liability

Customer is responsible for its own acts and omissions and the acts and omissions of its agents and the damages resulting there from. Customer further agrees that Bank shall not be liable for any failure to act, or for errors or delays due to electronic, mechanical or other technical difficulties or from delays in posting entries to Customer's account(s) unless such delays are as a result of the gross negligence of the Bank, or its employees.

5. Signatures

The Customer represents and warrants that the execution and delivery of the Electronic Banking Services Forms have been authorized by all required corporate or partnership action.

If the Customer is a corporation, the Customer agrees to provide the Bank with a certified copy of a corporate resolution by the Board of Directors of the Customer authorizing the appropriate officers of the Customer to enter into this ZBA Schedule. If the Customer is a partnership, the Customer agrees to provide the Bank with a certified copy of a resolution of said partnership that indicates the names of all partners having the authority to enter into this ZBA Schedule.

6. Waiver

No delay or failure on the part of the Bank or Customer in exercising any of the Bank's rights under this Agreement shall constitute a waiver of such rights.

7. Amendment

The Bank may amend the terms of this ZBA Schedule, the Master Agreement, and the Electronic Banking Services Forms at any time in its sole discretion by giving written notice to the Customer.

8. Assignability

This ZBA Schedule is not assignable without the prior consent of the non-assigning party and any attempted assignment or delegation without such consent will be void, except that the Bank may assign its rights and obligations hereunder to any insured depository institution which assumes, by operation of law or otherwise, deposit liabilities related to Customer's account, and the Bank may contract for the performance of its obligations hereunder to a third party vendor. This ZBA Schedule is binding upon and inures to the benefit of the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

9. Termination

The Bank and Customer may terminate this ZBA Schedule at any time with thirty (30) days' written notice to the other party. In the event of termination by either Bank or Customer in accordance with this ZBA Schedule, the pre-existing rights and obligations of both the Bank and Customer arising in connection with this ZBA Schedule shall not be impaired. The Bank may terminate this ZBA Schedule immediately in the event required to do so by a Bank regulator or otherwise in accordance with applicable law.

10. Integration

This ZBA Schedule, the Electronic Banking Services Forms, and the Master Agreement constitute the entire agreement between the Bank and the Customer relating to the subject matter hereof, and supersede all proposals oral or written between the parties relating to the subject matter of this ZBA Schedule and the Master Agreement. In the event of inconsistency between a provision of this ZBA Schedule and the Master Agreement, the provisions of the Master Agreement shall prevail.

11. Notices

The Bank shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by an Authorized Representative, and any such communication is considered signed by such person. The names and signatures of Authorized Representatives may be provided only by written notice to the Bank and must be signed by the executor of the Electronic Banking Services Forms. Such notice shall be effective on the second business day following the day of the Bank's receipt thereof.

Any notice given under this ZBA Schedule shall be in writing and shall be deemed given when deposited in the United States certified or registered mail, return receipt requested, or by telegraph or telex when delivered to the appropriate officer for transmission, charges prepaid, at the address of such party set forth below.

12. Governing Law

This ZBA Schedule shall be governed by and construed according to the internal laws (and not the laws of conflicts) of the State of Maryland.

13. Severability

If any one or more of the provisions contained in this ZBA Schedule is for any reason held to be invalid, illegal or unenforceable, the remaining provisions of the ZBA Schedule shall remain in full force and effect.

ZESCROW ACCOUNT AGREEMENT AND TERMS AND CONDITIONS

("ZEscrow Schedule")

This ZEscrow Account ("ZEscrow") Agreement and Terms and Conditions ("ZEscrow Schedule") is made between Capital Bank, National Association ("Bank") and Customer, acting through those persons or entities identified on Customer's Electronic Banking Services Forms as Authorized Representatives with respect to the Authorized Accounts identified on said forms. For purposes of this ZEscrow Schedule, the definition of "Customer" shall include Customer as well as each such Authorized Representative with respect to each account set forth opposite her/his/its name on the Electronic Banking Services Forms. The Bank and the Customer agree that the provision by the Bank and the use by the Customer of the ZEscrow Services described below (the "Services") shall be subject to the terms and conditions set forth in this ZEscrow Schedule and the Master Agreement. In the event of inconsistency between a provision of this ZEscrow Schedule and the Master Agreement, the provisions of the Master Agreement shall prevail. The following definitions shall apply as to the various types of accounts discussed herein:

- **Subaccount**: A digital representation of a bank account that is opened at Capital Bank and maintained within ZEscrow. The software provides for digital Subaccount opening and ongoing operational and maintenance services, including but not limited to the recordkeeping of account balances, interest calculations, and the creation of account documentation.
- **Holding Account**: The bank account used to hold the aggregated funds for one or more Subaccount(s) opened through the ZEscrow system. The purpose of the Holding Account is to serve as a single location within the core system of Capital Bank that captures both incoming and outgoing transactional activity initiated on each individual Subaccount(s), thereby serving as a representation of the consolidated balances of said Subaccount(s). This account may be used as a standalone account or may be used in conjunction with a Master Escrow account.
- **Master Escrow**: The bank account at Capital Bank that may be used to house funds that are being deposited into Subaccounts or that have been released out of Subaccounts. When applicable, this account is used in conjunction with a Holding Account.

Customer and Bank hereby agree as follows:

1. ZEscrow Procedures

The Customer agrees that the accounts shall have a transfer feature as follows:

With regard to the ZEscrow Master and Holding Account(s), funds will be transferred daily between the ZEscrow Master Account and the ZEscrow Holding Account based upon the actions performed in the ZEscrow platform, which include but are not limited to the following: opening/funding a sub-account, transferring funds into/out of a sub-account, closing a sub-account.

2. Fees

The Customer will pay the Bank a monthly fee per master account for the Services the Bank provides under the Commercial Deposit Services and Treasury Management Fee Schedule.

3. Bank's Liability

The Bank shall not be liable for errors or delays caused by systems, equipment, or software. The Bank shall have no liability for nonperformance resulting from major events such as fire, casualty, breakdown in equipment, lockout, strike, unavoidable accident, acts of God, war, adverse governmental action, ruling regulation, order or decree, or emergency.

In addition, the Bank shall be excused from failing to process any transaction if processing would result in the Bank violating any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other U. S. governmental regulatory authority.

Further, the Bank shall have no liability whatsoever to Customer with respect to actions taken or omitted by any person in connection with the Services, except actions taken or omitted by the Bank in bad faith.

4. Customer's Liability

Customer is responsible for its own acts and omissions and the acts and omissions of its agents and the damages resulting therefrom. Customer further agrees that Bank shall not be liable for any failure to act, or for errors or delays due to electronic, mechanical, or other technical difficulties or from delays in posting entries to Customer's account(s) unless such delays are as a result of the gross negligence of the Bank, or its employees.

5. Signatures

The Customer represents and warrants that the execution and delivery of the Electronic Banking Services Forms have been authorized by all required corporate or partnership action.

If the Customer is a corporation, the Customer agrees to provide the Bank with a certified copy of a corporate resolution by the Board of Directors of the Customer authorizing the appropriate officers of the Customer to enter into this ZEscrow Schedule. If the Customer is a partnership, the Customer agrees to provide the Bank with a certified copy of a resolution of said partnership that indicates the names of all partners having the authority to enter into this ZEscrow Schedule.

6. Waiver

No delay or failure on the part of the Bank or Customer in exercising any of the Bank's rights under this ZEscrow Schedule shall constitute a waiver of such rights.

7. Amendment

The Bank may amend the terms of this ZEscrow Schedule, the Master Agreement, and the Electronic Banking Services Forms at any time in its sole discretion by giving written notice to the Customer.

8. Assignability

This ZEscrow Schedule is not assignable without the prior consent of either party.

9. Termination

The Bank and Customer may terminate this ZEscrow Schedule at any time with thirty (30) days' written notice to the other party. In the event of termination by either Bank or Customer in accordance with this ZEscrow Schedule, the pre-existing rights and obligations of both the Bank and Customer arising in connection with this ZEscrow Schedule shall not be impaired. The Bank may terminate this ZEscrow Schedule immediately in the event required to do so by a Bank regulator or otherwise in accordance with applicable law.

10. Integration

This ZEscrow Schedule, the Electronic Banking Services Forms, and the Master Agreement constitute the entire agreement between the Bank and the Customer relating to the subject matter hereof and supersedes all proposals oral or written between the parties relating to the subject matter of this ZEscrow Schedule and the Master Agreement. In the event of inconsistency between a provision of this ZEscrow Schedule and the Master Agreement, the provisions of the Master Agreement shall prevail.

11. Notices

The Bank shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by an Authorized Representative, and any such communication is considered signed by such person. The names and signatures of Authorized Representatives may be provided only by written notice to the Bank and must be signed by the executor of the Electronic Banking Services Forms. Such notice shall be effective on the second business day following the day of the Bank's receipt thereof.

Any notice given under this ZEscrow Schedule shall be in writing and shall be deemed given when deposited in the United States certified or registered mail, return receipt requested, or by telegraph or telex when delivered to the appropriate officer for transmission, charges prepaid, at the address of such party set forth below.

12. Governing Law

This ZEscrow Schedule shall be governed by and construed according to the internal laws (and not the laws of conflicts) of the State of Maryland.

13. Severability

If any one or more of the provisions contained in this ZEscrow Schedule is for any reason held to be invalid, illegal, or unenforceable, the remaining provisions of the ZEscrow Schedule shall remain in full force and effect.

ACH ORIGATION AGREEMENT

This ACH Origination Agreement ("Agreement") is made between Capital Bank, N.A. (the "*Bank*") the Customer and is hereby made a part of, and is effective upon, Customer's entry into Capital Bank's Electronic Banking Services Agreement, Treasury Management Services Agreement, and/or upon Customer's use of the Services described in this Agreement.

The Company wishes to initiate credit and/or debit entries by means of the Automated Clearing House Network ("*ACH*") through Capital Bank, N.A. (the "*Originating Depository Financial Institution*" or the "*ODFI*") pursuant to the terms of this Agreement and the rules of the National Automated Clearing House Network ("*Nacha*") (the "*Nacha Rules*"). Capital Bank is willing to act as an ODFI with respect to such entries made through the Bank to accounts maintained at the Bank and/or in other depository financial institutions.

This Agreement sets forth the terms and conditions pursuant to which the Bank will provide to Company the ACH services outlined herein ("*Services*"). In the event of inconsistency between a provision of this Agreement, the Uniform Commercial Code ("*UCC*"), the Electronic Banking Services Agreement, and/or the Depository Agreement, the provisions of this Agreement shall prevail. Terms not otherwise defined in this Agreement shall have the meaning ascribed to those terms in the Nacha Rules. The term "*Entry*" shall have the meaning provided in the Nacha Rules and shall also mean the data received from the Company hereunder from which the Bank initiates each Entry.

Therefore, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Bank and the Company, intending to be legally bound, do hereby agree as follows:

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1. Transmittal of Entries by Company.

The Company shall transmit credit and debit Entries¹ to the Bank to the location(s) and in compliance with the formatting, security procedures, and other requirements set forth in Schedule A attached hereto. The Company agrees that its ability to originate entries under this Agreement is subject to exposure limits in accordance with the Nacha Operating Rules ("Nacha Rules").

2. Nacha Rules.

The Company acknowledges that it has a copy of or has access to a copy of the Nacha Rules. The Nacha Rules may be purchased online at www.Nacha.org. Further instructions and information can be provided by:

Nacha-The National Automated Clearing House Network

11951 Freedom Drive, Suite 1001

Reston, Virginia 20190

Ph: 703-561-1100; Email: info@Nacha.org

The Company agrees to comply with and be bound by the Nacha Rules. In the event the Company violates any of the applicable Nacha Rules and Nacha imposes a fine on the Bank because of the Company's violation, the Bank may charge the fine to the Company and Company agrees to pay such fine.

3. U.S. Law.

The Company shall be responsible to ensure that the origination of ACH transactions complies with U.S. law, including but not limited to sanctions enforced by the Office of Foreign Assets Control ("OFAC") and 31 C.F.R. Part 210. It shall further be the responsibility of the Company to obtain information regarding such OFAC enforced sanctions. (This information may be obtained directly from the OFAC Compliance Hotline at (800) 540-OFAC). The Bank will charge the Company with any fines or penalties imposed by OFAC, Nacha or any organization which are incurred as a result of non-compliance by the Company and the Company agrees to fully reimburse and/or indemnify the Bank for such charges or fines. The specific duties of the Company provided in the following paragraphs of this Agreement in no way limit the foregoing undertaking or the requirement of complying with the Nacha Rules. The Bank may immediately terminate or suspend this Agreement upon written notice and identification of the Company's material breach of this Agreement or the Nacha Rules.

The Bank shall have the right to initiate an audit of the Company's procedures for compliance with this Agreement and the Nacha Rules, upon written notification to the Company. The Bank may from time to time request information from the Company in order to evaluate a continuation of the Services to be provided by the Bank hereunder and/or adjustment of

¹ The Bank and Company agree to limit the transactions initiated by the Company to specific Standard Entry Class Codes (SEC). These SEC Codes are identified as: PPD (Prearranged Payment and Deposit Entry) and CCD (Corporate Credit or Debit).

any limits set by this Agreement. The Company agrees to provide the requested financial information immediately upon request by the Bank, in the form required by the Bank. The Company authorizes the Bank to investigate or reinvestigate at any time any information provided by the Company in connection with this Agreement. The Company hereby acknowledges and agrees that the Bank shall have the right to mandate specific internal controls at the Company's location(s) and the Company shall comply with any such mandate. In addition, Company hereby agrees to allow the Bank to review available reports of independent audits performed by the Company's auditors. Company agrees that if requested by the Bank, Company will complete a self-assessment of Company's operations, management, staff, systems, internal controls, training and risk management practices that would otherwise be reviewed by the Bank in an audit of Company.

4. Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the state of Maryland, and in accordance with Uniform Commercial Code Section 4A-403(a) of Article 4A and applicable federal laws and regulations. This Agreement applies only to commercial/business (nonconsumer) accounts.

5. Security Procedures.

- (a) The Company and the Bank shall comply with the security procedure requirements described in Schedule A with respect to entries transmitted by the Company to the Bank. The Bank shall be entitled to deem any administrator, authorized user, or person having knowledge of the security procedures described on Schedule A to initiate Entries under this Agreement on the Company's behalf. The Company acknowledges that the purpose of such security procedures is for verification of authenticity and not to detect an error in the transmission or content of an Entry. No security procedures for the detection of any such error have been agreed upon between the Bank and the Company.
- (b) The Company is strictly responsible to designate at least one administrator and to establish and maintain the procedures to safeguard against unauthorized transmissions. The Company warrants that no individual will be allowed to initiate transfers in the absence of proper supervision and safeguards, and agrees to take reasonable steps to maintain the confidentiality of the security procedures and any passwords, codes, security devices and related instructions provided by the Bank as described in Schedule A. If the Company believes or suspects that any such information or instructions have been known or accessed by unauthorized persons, the Company agrees to notify the Bank immediately and then confirm such incident in writing thereafter. Unauthorized access will not affect any transfers made in good faith by the Bank prior to receipt of such notification and within a reasonable time to prevent unauthorized transfers.
- (c) The Company is solely responsible for providing for and maintaining the physical, electronic, procedural, administrative, and technical security of data and systems in the Company's possession or under the Company's control. The Bank is not responsible for any computer viruses (including, without limitation, programs commonly referred to as "malware," "keystroke loggers," and/or "spyware"), problems or malfunctions resulting from any computer viruses, or any related problems that may be associated with the use of an online system or any third party services, including ACH origination services. Any material downloaded or otherwise obtained is obtained at the Company's own discretion and risk, and the Bank is not responsible for any damage to the Company's computer or operating systems or for loss of data that results from the download of any such material, whether due to any computer virus or otherwise. The Company is solely responsible for maintaining and applying anti-virus software, security patches, firewalls, and other security measures with respect to the Company's operating systems, and for protecting, securing, and backing up any data and information stored in or on the Company's operating systems.
- (d) The Company acknowledges and agrees that it is the Company's responsibility to establish and implement risk-based processes reasonably intended to identify ACH entries initiated due to fraud and/or false pretenses. The Company agrees to protect itself and to be vigilant against e-mail fraud and other internet frauds and schemes (including, without limitation, fraud commonly referred to as "phishing" and "pharming"). The Company agrees to educate user(s), agents, and employees as to the risks of such fraud and to train such persons to avoid such risks. In the event the Company receives an e-mail or other electronic communication from the Bank that the Company believes, or has reason to believe, is fraudulent, the Company agrees that neither the Company nor its user(s), agents, and employees shall respond to the e-mail, provide any information to the e-mail sender, click on any links in the e-mail, or otherwise comply with any instructions in the e-mail. The Company agrees that the Bank is not responsible for any losses, injuries, or harm incurred by the Company as a result of any electronic, e-mail, or Internet fraud. In the event of a breach of the security procedure, the Company agrees to notify the Bank as soon as practicable and assist the Bank in determining the manner and source of the breach. The Company further agrees to provide the Bank with any analysis of such equipment, device, or software or any report of such analysis performed by the Company, law enforcement agencies, or any other third party.

6. Processing, Transmittal and Settlement by Capital Bank.

Except as provided in Section 7, On-Us Entries, And Section 8, Rejection of Entries, Capital Bank shall (i) process Entries received from the Company to conform with the file specifications set forth in the Nacha Rules, including recent amendments concerning payroll and e-commerce transactions and the use of PAYROLL and PURCHASE designations in the Company Entry Descriptions(ii) transmit such Entries as an Originating Depository Financial Institution to the ACH Operator, and (iii) settle for such Entries as provided in the Nacha Rules. or Payroll/Direct Deposit entries the Company transmits to the Bank, the Company shall transmit the ACH Batch File by the "Release Day" specified on the attached Schedule B and shall identify such Entries as PAYROLL in the Company Entry Descriptions. Entries shall be transmitted to Financial Institution no later than the time and the number of days prior to the effective Entry Date specified in Schedule B. For the purposes of this Agreement, "business day" means Monday through Friday, excluding federal holidays.

The Bank shall transmit such Entries to the ACH Operator by the deadline set forth in the attached Schedule B, one business day prior to the Effective Entry Date shown in such Entries, provided (i) such Entries are received by the Bank's related cut-off time set forth in the attached Schedule B on a business day, (ii) the Effective Entry Date is at least one day after such business day, and (iii) the ACH Operator is open for business on such business day. For purposes of this Agreement, Entries shall be deemed received by the Bank, in the case of electronic transmission, upon completion of each transmission, including compliance with any related security procedures provided on the attached Schedule A. If the Company fails to satisfy any of the requirements of this Section, the Bank shall use reasonable efforts to transmit such entries to the ACH Operator by the next deposit deadline on which the ACH Operator is open for business. The Bank may, in its discretion, accept Same-Day ACH Entries on a case-by-case basis.

7. On-Us Entries.

Subject to Section 8, Rejection of Entries, in the case of an entry received for credit or debit to an account maintained with Capital Bank (an "On-Us Entry"), the Bank shall credit or debit the Receiver's account in the amount of such Entry on the Effective Entry Date contained in such Entry, provided the requirements set forth in Section 6 are met. If the Company fails to satisfy the requirements of Section 6, the Bank shall use reasonable efforts to credit or debit the Receiver's account in the amount of such Entry no later than the next business day following such Effective Entry Date.

8. Rejection of Entries.

The Company agrees that the Bank has no obligation to accept Entries and therefore may reject any Entry issued by the Company. The Bank shall reject any Entry which does not comply with the requirements of this Agreement or the Nacha Rules. Capital Bank shall have the right to reject any Entry if the Company has failed to comply with its account balance obligations under Section 12. The Bank may reject any Entry if the Company does not adhere to security procedures described in Schedule A. The Bank shall have the right to any restrictions on the types of ACH transactions that may be originated. The Bank shall will notify the Company by telephone or U.S. mail or electronic communications of such rejection no later than the business day such Entry would otherwise have been transmitted by the Bank to the ACH Operator, or in the case of an On-Us entry, its Effective Entry Date. Notices of rejection shall be effective when given. The Bank shall have no liability to the Company by reason of the rejection of any such Entry and shall not be liable to pay interest to the Company even if the amount of the Company's payment order is fully covered by a withdrawable credit balance in an authorized account of Company or the Bank has otherwise received full payment from the Company. The Bank shall have no liability to the Company due to the fact that notice is not given at an earlier time than as provided for herein.

9. Cancellation or Amendment by Company.

The Company shall have no right to cancel or amend any Entry after its receipt by the Bank. However, if such request complies with the security procedures described in Schedule A, the Bank may, at its option, use reasonable efforts to accept a cancellation or amendment of an Entry 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. The Bank shall have no liability if such cancellation is not effected. The Company shall reimburse the Bank for any expenses, losses, or damages the Bank may incur in effecting or attempting to effect the cancellation or amendment of an Entry, including the obligation to indemnify, defend all claims and hold the Bank harmless from any loss, damages, or expenses, including but not limited to attorney's fees, incurred by the Bank as the result of its acceptance of the cancellation or amendment.

10. Notice of Returned Entries and Notifications of Change.

(a) General Procedure. Upon proper and timely request by the Company, the Bank will use reasonable efforts to effect a reversal of an Entry or File. To be "proper and timely," the Company must make its request (i) within five (5) Banking Days of the Effective Entry Date for the Entry or File to be reversed; and (ii) comply with all of the Nacha Rules. In addition, if the Company requests reversal of a Debit Entry or Debit File, it shall concurrently deposit into the Company Account an amount equal to that Entry or File. The Company shall notify the Receiver of any reversing Entry initiated to correct any Entry it has initiated in error. The notification to the Receiver must include the reason for the reversal and be made no later than the Settlement Date of the reversing Entry.

(b) The Bank shall notify the Company by telephone, U.S. mail, or electronic communications of the receipt of a returned entry from the ACH Operator no later than one business day after the business day of the Bank's receipt of such notice. Except for an Entry retransmitted by the Company in accordance with the requirements of Section 1, Transmittal of Entries by Company, the Bank shall have no obligation to retransmit a returned Entry to the ACH Operator if the Bank complied with the terms of this Agreement with respect to the original Entry.

(c) Except for an Entry retransmitted by Company in accordance with the requirements of Section 10, the Bank shall have no obligation to retransmit a returned Entry to the ACH Operator if the Bank complied with the terms of this Agreement with respect to the original Entry. The Bank shall provide the Company all information, via encrypted email or facsimile transmission, as required by the Nacha Rules, with respect to each Notification of Change ("NOC") Entry, Refused Notification of Change, or Corrected Notification of Change ("Corrected NOC") Entry received by the Bank relating to Entries transmitted by Company. The Bank will provide such information to the Company within two (2) banking days of the Settlement Date of each NOC or Corrected NOC Entry. The Company shall ensure that changes requested by the NOC or Corrected NOC are made within six (6) banking days of Company's receipt of the NOC information from the Bank or prior to initiating another Entry to the Receiver's account, whichever is later.

(d) No Liability: Reimbursement to the Bank. Under no circumstances shall the Bank be liable for interest or related losses if the requested reversal of an Entry is not effected. The Company shall reimburse the Bank for any expenses, losses or damages it incurs in effecting or attempting to effect the Company's request for reversal of an Entry.

11. Payment by Company for Entries; Payment of ODFI for Entries.

- (a) The Company shall pay the Bank the amount of each credit Entry transmitted by the Bank pursuant to this Agreement on the Receiving Date with respect to such Entry as the Bank, at its discretion, may determine, and the amount of each On-Us entry at such time on the Effective Entry Date of such entry as the Bank, in its discretion, may determine.
- (b) The Company shall promptly pay the Bank the amount of each debit entry returned by an RDFI that was transmitted by the Bank pursuant to this Agreement.
- (c) The Bank shall pay the Company the amount of each debit Entry transmitted by the Bank pursuant to this Agreement at such time on the Settlement Date with respect to such debit Entry as the Bank, in its discretion, may determine, and the amount of each On-Us Entry at such time such Entry as the Bank, in its discretion, may determine.
- (d) The Bank shall promptly pay the Company the amount of each credit Entry returned by an RDFI that was transmitted by the Bank pursuant to this Agreement.

12. The Account.

The Bank may, without prior notice or demand, obtain payment of any amount due and payable to it under the Agreement by debiting the account(s) of the Company originally debited or credited and shall credit the account for any amount received by the Bank by reason of the return of an entry transmitted by the Bank for which the Bank has previously received payment from the Company. Such credit shall be made as of the day of such receipt by the Bank. The Company shall at all times maintain a balance of available funds in the account sufficient to cover its payment obligations under this Agreement. In the event there are not sufficient available funds in the account to cover the Company's obligations under this Agreement, the Company agrees that the Bank may debit any account maintained by the Company with the Bank or any affiliate of Capital Bank or that the Bank may set off against any amount it owes to the Company, in order to obtain payment of the Company's obligations under this Agreement. Upon the Bank's request, the Company agrees to promptly provide the Bank such information pertaining to Company's financial condition as the Bank may reasonably request.

The Bank reserves the right to require the Company to pre-fund an account maintained at the Bank prior to the Settlement Date of the ACH file. The Bank shall determine whether pre-funding is required based on criteria established from time to time in its discretion. The Bank will communicate directly to the Company if pre-funding is required. If the Bank determines pre-funding is required, the Company will provide immediately available and collected funds sufficient to pay all Entries initiated by Company (a) not later than 8:00 a.m. local time no fewer than two (2) banking days before each Settlement Date, and (b) prior to initiating any Entries for which pre-funding is required.

13. Account Reconciliation.

Entries transmitted by Capital Bank or credited to a Receiver's account maintained with the Bank will be reflected on Company's periodic statement issued by the Bank with respect to the Account pursuant to the agreement between the Bank and the Company. The periodic statement issued by the Bank for the Company's account will reflect entries credited and debited to the Company's account. The Company agrees to notify the Bank promptly of any discrepancy between the Company's records and the information shown on any such periodic statement. If the Company fails to notify the Bank within 30 days of receipt of a periodic statement, the Company agrees that the Bank shall not be liable for any other losses resulting from the Company's failure to give such notice or any loss of interest or any interest equivalent with respect to an Entry shown on such periodic statement. If Company fails to notify the Bank of any such discrepancy with 30 days of receipt of such periodic statement, Company shall be precluded from asserting such discrepancy against the Bank.

14. Company Representations and Agreements; Indemnity.

With respect to each and every Entry transmitted by Company, Company represents and warrants to the Bank and agrees that (a) each person shown as the Receiver on an entry received by the Bank from the Company has authorized the initiation of such entry and the crediting of its account in the amount and on the Effective Entry Date shown on such entry, (b) such authorization is operative and required at the time of transmittal or crediting by the Bank as provided herein, (c) entries transmitted to the Bank by the Company are limited to those types of entries agreed to by the Bank, set forth in Section 1, Transmittal of Entries by Company, (d) the Company shall perform its obligations under this Agreement in accordance with all applicable laws and regulations and orders, including but not limited to, the sanctions laws, regulations, and orders administered by OFAC; laws, regulations, and orders administered by FinCEN; and any state laws, regulations, or orders applicable to the providers of ACH payment services, and (e) the Company shall be bound by and comply with the *Rules* (among other provisions of the *Rules*), including without limitation the provision thereof making payment of an entry by the Receiving Depository Financial Institution to the Receiver provisional until receipt by the Receiving Depository Financial Institution of final settlement for such entry; and specifically acknowledges that if such settlement is not received, the Receiving Depository Financial Institution shall be entitled to a refund from the Receiver of the amount credited and the Company shall not be deemed to have been paid the Receiver. The Company further agrees not to use or attempt to use the Services (a) to engage in any illegal purpose or activity or to violate any applicable law, rule or regulation, (b) to breach any contract or agreement by which the Company is bound, (c) to engage in any internet or online gambling transaction, whether or not gambling is legal in any applicable jurisdiction, (d) to engage in any activity or business that would result in the Company being or becoming a "money service business" as defined in the Bank Secrecy Act and its implementing regulations, or (e) to engage in any transaction or activity that is not specifically authorized and permitted by this Agreement. The Company acknowledges and agrees that the Bank has no obligation to monitor the Company's use of the Services for transactions and activity that is impermissible or prohibited under the terms of this Agreement; provided, however, that the Bank reserves the right to decline to execute any transaction or activity that the Bank believes violates the terms of this Agreement.

Further the Company agrees to be bound by the Nacha Operating Rule, Article Two, subsection 2.3.4, known as the Data Passing Rule. The Data Passing Rule prohibits the sharing of certain customer information by Originators, Third-Party Service Providers and Originating Depository Financial Institutions (ODFI). In accordance with subsection 2.3.4, the Company shall not disclose and must ensure that the Originator and any Third Party Service Provider acting on behalf of the Originator or ODFI do not disclose, the Receiver's account number or routing number to any third party for such third party's use, directly or indirectly, in initiating a debit Entry that is not covered by the original authorization. The Company shall indemnify the Bank against any loss liability or expense (including attorneys' fees and expenses) resulting from any breach of any of the foregoing warranties, representations, or agreements.

15. Capital Bank Responsibilities; Liability; Limitations on Liability; Indemnity.

- (a) In the performance of the services required by this Agreement, the Bank shall be entitled to rely solely on the information, representations, and warranties provided by the Company pursuant to the Agreement, and shall not be responsible for the accuracy or completeness thereof. The Bank shall be responsible only for performing the services expressly provided for in this Agreement, and shall be liable only for its negligence or willful misconduct in performing those services. The Bank shall not be responsible for the Company's acts or omissions (including without limitation the amount, accuracy, timeliness of transmittal or due authorization of any Entry received from the Company) or those of any other person, including without limitation any Federal Reserve Bank, ACH Operator or transmission or communications facility, any Receiver or RDFI (including without limitation the return of an entry by such Receiver or RDFI), and no such person shall be deemed the Bank's agent. The Company agrees to indemnify the Bank against any loss, liability or expense (including attorneys' fees and expenses) resulting from any claim of any person that the Bank is responsible for, any act of omission by the Company or any other person described in this Section 15.
- (b) The Bank's liability is limited to actual damages due to claims arising solely from the Bank's obligations to the Company with respect to Entries transmitted pursuant to this Agreement; in no event shall the Bank be liable for any consequential, special, incidental, punitive or indirect loss or damage that the Company may incur or suffer in connection with this Agreement, whether or not the likelihood of such damages was known or contemplated by the Bank and regardless of the legal or equitable theory of liability which the Company may assert, including, without limitation, loss or damage from subsequent wrongful dishonor resulting from the Bank's acts or omissions pursuant to this Agreement.
- (c) Without limiting the generality of the foregoing provisions, the Bank shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission, or communication facilities, equipment failure, war, emergency conditions or other circumstances beyond the Bank's control. In addition, the Bank shall be excused from failing to transmit or delay in transmitting an Entry if such transmittal would result in the Bank's having exceeded any limitation upon its intra-day net funds position established pursuant to Federal Reserve guidelines or in the Bank's reasonable judgment otherwise would violate any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other U.S. governmental regulatory authority.
- (d) Subject to the foregoing limitations, the Bank's liability for loss of interest resulting from its error or delay shall be calculated by using a rate equal to the average Federal Funds Rate at the Federal Reserve Bank of Richmond for the period involved. (At the Bank's option, payment of such interest may be made by crediting the Account.)

16. Compliance with the Security Procedures.

- (a) The Company must designate at least one administrator responsible for designating users who the Company authorizes to issue Entries on its behalf. For the purposes of this Agreement, the Administrator shall be deemed a user. The Bank shall be entitled to rely on the designations made by the Company's administrator(s) and shall not be responsible for matching the names of users designated by the administrator(s) to names or titles listed in the Company's records with the Bank. The Company agrees that any online Entries shall comply with the Bank's data security procedures, which are subject to change without notice to the Company. Although the Bank is only required to act upon the instructions of the administrator(s) or user(s), the Bank may, in its sole discretion, execute debit or credit Entries initiated by any individuals authorized by the Company to sign checks on Company accounts. The signature cards establishing the authorized signatories for the Company deposit accounts are hereby incorporated by reference and made a part hereof. To the extent the Company utilizes a Secure File Transfer Protocol ("SFTP") and or Application Programming Interface ("API") to issue Entries, the Company agrees to abide by the terms of the applicable SFTP and/or API Addenda.
- (b) If an Entry (or a request for cancellation or amendment of an entry) received by the Bank purports to have been transmitted or authorized by the Company, it will be deemed effective as the Company's Entry and the Company shall be obligated to pay the Bank the amount of such Entry even though the Entry (or request) was not authorized by the Company, provided Capital Bank accepted the Entry in good faith and acted in compliance with the security procedure referenced in Schedule A with respect to such Entry. The Company agrees that the initiation of a transaction using applicable security procedures constitutes sufficient authorization for the Bank to execute such transaction notwithstanding any particular signature requirements identified on any signature card or other documents relating to the Company's deposit account maintained with the Bank, and the Company agrees and intends that the submission of transaction orders and instructions using the security procedures shall be considered the same as the Company's written signature in authorizing the Bank to execute such transaction. The Company acknowledges and agrees that the Company shall be bound by any and all Entries initiated through the use of such security procedures, whether authorized or unauthorized, and by any and all transactions and activity otherwise initiated by user(s), to the fullest extent allowed by law. The Company further acknowledges and agrees (i) that the security procedures are not designed to detect error in the transmission or content of communications or Entries initiated by Company; (ii) that no security

practice or procedure for the detection of any such error has been agreed upon between the Bank and the Company; and (iii) that the Company bears the sole responsibility for detecting and preventing such error.

- (c) If an Entry (or request for the cancellation or amendment of an Entry) received by the Bank was transmitted or authorized by the Company, the Company shall be obligated to pay the amount of the Entry, whether or not the Bank complied with the security procedure referred to in Schedule A with respect to that Entry and whether or not that Entry was erroneous in any respect or that error would have been detected if the Bank had complied with such procedure.

17. Inconsistency of Name and Account Number.

The Company acknowledges and agrees that, if an entry describes the Receiver inconsistently by name and account number, payment of the entry transmitted to the RDFI might be made by the RDFI (or by the Bank in the case of an On-Us Entry) on the basis of the account number supplied by the Company, even if it identifies a person different from the named Receiver, and that the Company's obligation to pay the amount of the entry to the Bank is not excused in such circumstances. The Company is liable for and must settle with the Bank for any Entry initiated by the Company that identifies the Receiver by account or identifying number or by name and account or identifying number.

18. Payment for Services.

The Company shall pay the Bank the charges for the services provided for herein as set forth in the Bank's then current Fee Schedule. Such charges do not include, and the Company shall be responsible for payment of, any sales, use, excise, value-added, utility or other similar taxes relating to the services provided for herein, and any fees or charges provided for in the agreement between the Bank and the Company with respect to the account.

19. Amendments.

The Bank may amend any of the terms and conditions contained in this Agreement, including without limitation, any cut-off time, any business day, and any part of the Schedules attached hereto. Such amendments shall become effective upon the Company's receipt of notice or such later date as may be stated in the Bank's notice to the Company. In the event that performance of services under this Agreement would result in a violation of any present or future statute, regulation or governmental policy to which the Bank is subject, then this Agreement shall be amended to the extent necessary to comply with such statute, regulation or policy. Alternatively, the Bank may terminate this Agreement if it deems such action necessary or appropriate under the circumstances. The Bank shall have no liability to the Company as a result of any such violation, amendment or termination. Any practices or course of dealings between the Bank and the Company, or any procedures or operational alterations used by them, shall not constitute a modification of this Agreement or the Nacha Rules, nor shall they be construed as an amendment to this Agreement or the Nacha Rules.

20. Notices, Instructions, Etc.

- (a) Except as otherwise expressly provided herein, the Bank shall not be required to act upon any notice or instruction received from the Company or any other person, or to provide any notice or advice to the Company or any other person with respect to any matter.
- (b) The Bank shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by an authorized representative of Company, and any such communication shall be deemed to have been signed by such person. Such notice shall be effective on the second Business Day following the day received by the Bank. .
- (c) Except as otherwise expressly provided herein, any written notice or other written communication required or permitted to be given under this Agreement shall be delivered, or sent by US mail or by express carrier, and, if to Capital Bank, addressed to:

Capital Bank, N.A.
2275 Research Blvd. Suite 600
Rockville, MD 20850
Attention: Operations Manager

And, if to the Company, will be sent to the address on file.

Unless another address is substituted by notice delivered or sent as provide herein except as otherwise expressly provided herein, any such notice shall be deemed given when received.

21. Data and Document Retention.

Company shall obtain an authorization as required by the Nacha Rules from the person or entity whose account will be debited or credited as the result of a debit or credit Entry initiated by Company and Company shall retain such agreement in original form while it is in effect and the original or a copy of each authorization for two (2) years after termination or revocation of such authorization as stated in the Nacha Rules. Company shall furnish the person or entity executing the agreement with a copy of the same. Upon request, Company shall furnish the original or a copy of the authorization to any affected DFI, as defined in the Rules. The Company shall retain data on file adequate to permit remaking of Entries for 90 days following the date of their transmittal by the Bank as provided herein and shall provide such data to the Bank upon its request. Without limiting the generality of the foregoing provisions, the Company specifically agrees to be bound by and comply with all applicable provisions of the Nacha Rules regarding the retention of documents or any record, including, without limitation, the Company's responsibilities to retain all items, source documents, and records of authorization. All magnetic tapes, Entries, security procedures and related records used by the Bank for transactions contemplated by this Agreement shall be and remain the Bank's property. The Bank may, at its sole discretion, make available such information upon the Company's request. Any expenses incurred by the Bank in making such information available to the Company shall be paid by the Company.

22. Evidence of Authorization.

Company shall obtain all consents and authorizations required under the Nacha Rules and shall retain such consents and authorizations for two years after they expire.

23. Cooperation in Loss Recovery Efforts.

In the event of any damages for which the Bank or the Company may be liable to each other or to a third party pursuant to the services provided under this Agreement, the Bank and the Company will undertake reasonable efforts to cooperate with each other, as permitted by applicable law, in performing loss recovery efforts and in connection with any actions that the relevant party may be obligated to defend or elects to pursue against a third party.

24. Reversing Entries.

(a) Upon the Company's proper and timely request, the Bank will use reasonable efforts to effect a reversal of an Entry or file. To be "proper and timely," the request must (i) be made within five (5) Banking Days of the Effective Entry Date for the Entry or File to be reversed; and (ii) comply with all of the Nacha Rules. In addition, if the Company requests reversal of a Debit Entry or Debit File, it shall concurrently deposit into the Company's Account an amount equal to that Entry or File. The Company shall notify the Receiver of any reversing Entry initiated to correct any Entry it has initiated in error. The notification to the Receiver must include the reason for the reversal and be made no later than the Settlement Date of the reversing Entry.

(b) No Liability: Reimbursement to the Bank. Under no circumstances shall the Bank be liable for interest or related losses if the requested reversal of an Entry is not effected. The Company shall reimburse the Bank for any expenses, losses or damages it incurs in effecting or attempting to effect the Company's request for reversal of an Entry.

25. Termination.

The Company may terminate this Agreement at any time. Such termination shall be effective on the second business day following the day of the Bank's receipt of written notice of such termination or such later date as is specified in that notice. The Bank reserves the right to terminate this Agreement immediately upon providing written notice of such termination to the Company. Any termination of this Agreement shall not affect any of the Bank's rights and the Company's obligations with respect to Entries initiated by the Company prior to such termination, or the payment obligations of the Company with

respect to services performed by the Bank prior to termination, or any other obligations that survive termination of this Agreement.

26. Entire Agreement.

This Agreement (including the attached Schedules), together with the Electronic Banking Services Agreement is the complete and exclusive statement of the agreement between the Bank and the Company with respect to the subject matter hereof and supersedes any prior agreement(s) between the Bank and the Company with respect to such subject matter. In the event of any inconsistency between the terms of this Agreement and the Electronic Banking Services Agreement, the terms of this Agreement shall govern. In the event performance of the services provided herein in accordance with the terms of this Agreement would result in a violation of any present or future statute, regulation or government policy to which the Bank is subject, and which governs or affects the transactions contemplated by this Agreement, then this Agreement shall be deemed amended to the extent necessary to comply with such statute, regulation or a policy, and the Bank shall incur no liability to the Company as a result of such violation or amendment. No course of dealing between the Bank and the Company will constitute a modification of this Agreement, the Nacha Rules, or the security procedures or constitute an agreement between the Bank and the Company, regardless of whatever practices and procedures the Bank and the Company may use. The Bank has the right of the ODFI to audit the Originator's compliance with the agreement and these rules.

27. Non-Assignment.

The Company may not assign this Agreement or any of the rights or duties hereunder to any person without the Bank's prior written consent.

28. Waiver.

The Bank may waive enforcement of any provision of this Agreement. Any such waiver shall not affect Capital Bank's rights with respect to any other transaction to modify the terms of this Agreement.

29. Binding Agreement; Benefit.

Upon Company's execution of the Electronic Banking Services Agreement, and/or upon Customer's use of the Services described herein, this agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns. This Agreement is not for the benefit of any other person, and no other person shall have any right against the Bank or Company hereunder.

30. Severability.

In the event that any provision of this Agreement shall be determined to be invalid, illegal or unenforceable to any extent, the remainder of this Agreement shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

SCHEDULE A TO ACH ORIGATION AGREEMENT

ACH Transmittal/Security Procedures

All files will be formatted in accordance with Nacha Rules and other pre-approved format; transmission specifications will be established by Capital Bank.

Restrictions on Data Passing

Article Two, subsection 2.3.4, known as the Data Passing Rule, the Data Passing Rule prohibits the sharing of certain customer information by Originators, Third-Party Service Providers and Originating Depository Financial Institutions. (ODFI) In accordance with subsection 2.3.4, the Company shall not disclose and must ensure that the Originator and any Third Party Service Provider acting on behalf of the Originator or ODFI do not disclose, the Receiver's account number or routing number to any third party for such third party's use, directly or indirectly, in initiating a debit Entry that is not covered by the original authorization.

Personal Computer File Transmission

The Company's Authorized Representative(s) will have access to the ACH system by utilizing the pre-arranged logon procedures.

The Company is responsible for ensuring that Capital Bank receives the transmission on each processing date indicated in the processing schedule. The Company's Authorized Representative will notify Capital Bank if a transmission will not take place on the prearranged scheduled processing date.

Capital Bank will verify that the file totals agree with the Company information. In the event of a discrepancy in the totals, Capital Bank will call the specified Company Authorized Representative designated by an authorized signatory of the Company. If an Authorized Representative is not available for notification, the file will not be processed until the Company's Authorized Representative can be contacted on the next business day.

The Company is solely responsible for the accurate creation, modification, and deletion of the account information maintained on the Company's personal computer and used for ACH money transfer. The Company agrees to comply with written procedures provided by Capital Bank for the creation, maintenance, and initiation of ACH money transfers.

Security Procedures

The Company and the Bank agree to the Security Procedures set forth below. The Bank shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by an Authorized Representative, and any such communication shall be deemed to have been signed by such person.

The following sets forth the Security Procedure with which the Company agrees to comply when transmitting or delivering Entries to the Bank:

A. *Company utilizes an Electronic method via an Internet banking application to send ACH files to the Bank:*

- 1. *Entries transmitted by Company to the Bank shall be encrypted with commercially reasonable encryption or its equivalent;***
- 2. *Company shall utilize a multi-factor authentication method as prescribed by the Bank.***

a. *Company and the Bank have a Secure Email process established to exchange ACH files and information:*

- I. *Exchange of encryption keys and passwords or other secure email setup process.***
- II. *Call back from Financial Institution in the event of suspected fraud.***

b. *Company and Financial Institution use a Secure File Transfer Protocol (SFTP) with Pretty Good Protection (PGP) to exchange ACH files and information:*

- I. *Exchange of encryption keys, ID's, passwords, etc. or other setup process.***
- II. *Call back from the Financial Institution in the event of suspected fraud.***

c. Company uses the Bank's HTTPS (Secure) Website to deliver or drop off ACH files:

- I. Setup information obtained, Login ID & password created, URL website link provided to customer.***
- II. Call back from the Financial Institution in the event of suspected fraud.***

- B. The Company agrees that the Security Procedure set forth above in Section A is commercially reasonable.**
- C. If the Company uses any method other than the Security Procedure set forth above in Section A to communicate, deliver, or transmit an Entry to the Bank, by doing so the Company rejects the Security Procedure set forth in Section A, chooses an alternative security procedure, agrees that such alternative security procedure may not be found to be commercially reasonable, and agrees to be bound by any Entry, whether or not authorized, that was issued in the Company's name and accepted by the Bank using the alternative security procedure selected by the Company.**

Schedule B to ACH Origination Agreement

Processing Schedule

ODFI Processing Schedule

Debit Transactions:

Delivery Method	Deadline	Lead Days*
Transmission via Capital Bank Online Banking	5:00pm (EST)	One (1) Business Day Prior to Effective Entry Date*

* Number of business days a transfer must be loaded and approved within Capital Bank's Online Banking system prior to the scheduled transfer date.

Credit Transactions:

Delivery Method	Deadline	Lead Days*
Transmission via Capital Bank Online Banking	5:00pm (EST)	One (1) Business Day Prior to Effective Entry Date*

* Number of business days a transfer must be loaded and approved within Capital Bank's Online Banking system prior to the scheduled transfer date.

ACH Payroll Calendar

ACH Payroll Files must be designated as "PAYROLL" in the Company Entry Description field and be received no later than 5pm EST one day prior to the effective date/payroll date. Originators of payroll files must ensure to account for Federal Holidays and weekends.

Standard Federal Reserve Bank Holidays:

New Year's Day*	<i>January 1st</i>
Martin Luther King Jr. Day	<i>Third Monday in January</i>
President's Day	<i>Third Monday in February</i>
Memorial Day	<i>Last Monday in May</i>
Juneteenth Natl Independence Day*	<i>June 19th</i>
Independence Day*	<i>July 4th</i>
Labor Day	<i>First Monday in September</i>
Columbus Day	<i>Second Monday in October</i>
Veterans Day*	<i>November 11th</i>
Thanksgiving Day	<i>Fourth Thursday in November</i>
Christmas Day*	<i>December 25th</i>

*For Holiday's falling on a Sunday the Bank will be closed the following Monday

ACH TRANSFER TYPES and APPROVED LIMITS

Nacha requires that when a transaction is submitted to the Federal Reserve or other ACH Operator for processing, the transaction must include something called a Standard Entry Class (SEC) Code to communicate exactly how the receiver gave authorization to debit or credit their bank account.

Authorized Transaction Types:

Corporate Credit or Debit Entry (CCD): The code that identifies an Entry initiated by an Organization to transfer funds *to or from* an account of that Organization or another **Organization**.

Prearranged Payment and Deposit Entry (PPD): The code that identifies an Entry initiated by an Organization based on a Standing or a Single Entry authorization from a Receiver to transfer funds *to or from* a **Consumer** account of the Receiver. Effective March 20, 2026, all PPD credits for wages, salaries, and related compensation must explicitly state "PAYROLL" in the Company Entry Description field. Unless expressly approved in writing by the Bank, the Company may originate only CCD and PPD transactions. To the extent the Bank permits consumer ecommerce WEB debit transactions, the Company shall utilize the "PURCHASE" code as required by Nacha Rules.

The Bank reserves the right to review ACH files and batches prior to submission to the ACH Operator to ensure compliance with the Bank's ACH agreement and all applicable ACH rules and regulations. Capital Bank may reject a file if the Company originates an ACH type that the Company is not authorized to make, to include aggregated or co-mingled ACH transaction types (PPD & CCD) in the same file.

By signing the Electronic Banking Services Agreement and utilizing the Services, the Company agrees to use, and correctly indicate the appropriate SEC code for all ACH transactions and agrees to maintain records of all authorizations, for a minimum of two years after they expire. Additionally, the Company agrees to provide Capital Bank the original, copy or other accurate record of the receiver's authorization within five (5) banking days of the request.

SECURE FILE TRANSFER PROTOCOL SERVICES ADDENDUM

This Secure File Transfer Protocol (“SFTP”) Services Addendum (“SFTP Addendum”) governs Customer’s use of the SFTP Services made available by Capital Bank (the “Bank”). Customer and Bank have previously entered into the Bank’s Electronic Banking Services Agreement, Treasury Management Services Agreement, and/or ACH Origination Agreement, and Customer has executed the Electronic Banking Services User Setup and Maintenance Form. Customer wishes to use the Secure File Transfer Protocol Services pursuant to the terms of this SFTP Addendum. Unless otherwise defined herein, all capitalized terms shall have the meanings set forth in the Treasury Management Services Agreement.

The SFTP Service enables secure file transfer capabilities between networked hosts. SFTP Service also provides remote file system management functionality, allowing applications to resume interrupted file transfers, list the contents of remote directories, and delete remote files.

SFTP Services provide a secure transmission channel. Depending on the applicable service, files transmitted through SFTP Services may be generated, delivered, or processed by Bank, a third-party service provider, or Customer, as further described in this SFTP Addendum.

1. Security. A Site ID and Password may be delivered to provide access to a secure site through the SFTP process. Customer, through its designated Administrator, is solely responsible for the use, maintenance, and confidentiality of such Site ID and Password, and such access to the data on the applicable SFTP server through use of the Site ID and Password. Bank or, as applicable, its third-party service provider may suspend or revoke the access granted to the Site at any time at its sole discretion.
2. Data Security. Enterprise grade encryption is used for data security with all transmissions. The IP address must meet authorized requirements for approved transmission options.
3. Third Party Agents of Customer. Customer may be using special equipment, services or software provided by a third party to assist it in processing files hereunder (“Third Party”). Customer (i) agrees that any Third Party is acting as Customer’s agent in the delivery of files to Bank or its third-party service provider, and (ii) agrees to assume full responsibility and liability for any failure of that Third Party to comply with the Applicable Laws or this Agreement. Bank or its third-party service provider 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 is solely responsible for maintaining compliance with the requirements of any Third Party, including obtaining any software updates. Bank or its third-party service provider shall not have any responsibility for any file handled by a Third Party until that point in time that Bank or its third-party service provider accepts and approves a file from such Third Party for processing.
4. Bank Third-Party Service Providers. Notwithstanding anything to the contrary in this SFTP Addendum, following Customer’s election, certain SFTP reporting services may be provided through automated file generation and transmission by one or more third-party service providers engaged by Bank to support such automated reporting. Bank does not initiate, transmit, receive, or process such automated reporting files and does not exercise operational control over their generation or delivery. Such automated reporting services are limited to recurring, informational reporting only and do not permit or support the initiation, modification, or authorization of transactions of any kind. This Section 4 applies solely to the secure transmission of automated, informational reporting files generated and delivered by Bank’s third-party service provider, and does not expand Bank’s role or responsibilities other than those expressly set forth in this SFTP Addendum.