

This Service Description is part of the Treasury Services Master Agreement, Global Treasury Management Services Master Agreement, or other master agreement for treasury and payment services (the “*Master Agreement*”) currently in effect between you and BMO Bank N.A. (“*Bank*”), and is subject to all of the terms and conditions contained in the Master Agreement. Any capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Master Agreement or, if not defined therein, in the applicable Account Agreement.

1. Services.

This Service Description describes our Positive Pay services (the “*Services*”), sometimes also called “*Positive Pay*.” With the Positive Pay Service, we make the determination to pay each check (a “*Check*”) drawn on an Account enrolled in the Service (the “*Designated Account*”) based solely upon a computer comparison of the Presentment Data to the corresponding Check Issue Data you provide to us (each as defined below).

The Service is intended to be used to identify and return unauthorized or fraudulent Checks and is not intended to be used as a substitute for stop payment orders on Checks that are not suspected by you in good faith to be unauthorized or fraudulent. We may require you to provide evidence that Checks we return pursuant to your Instructions or your return default option, as applicable, were in fact unauthorized or fraudulent.

2. Check Issue Data.

You will transmit to us an electronic record of the Checks you have issued on the Designated Account, including any outstanding (unpaid) Checks issued prior to the commencement of Services. As used in this Service Description, “*Check Issue File*” means each electronic record or file of Presentment Data transmitted to us, and “*Check Issue Data*” means the cumulative record of all such Check Issue Files received and maintained by us. You remain responsible for maintaining your own records of Check Issue Files and Check Issue Data for your accounting, record keeping, and internal control purposes. “*Presentment Data*” means the following information for each Check drawn on the Designated Account: (i) Check number, (ii) dollar amount, and (iii) certain other information but only if selected by you in accordance with the Service Documentation (e.g., the payee on a Check if you have subscribed for Payee Positive Pay Service).

We will send you a confirmation report shortly after our successful receipt of each Check Issue File, typically within one hour. The confirmation report will include the total number of records and total dollar value of the file received. You are responsible for validating that Check Issue Files were properly received by us. We will not contact you in the event of a file delivery failure.

3. The Service.

We use a computer program to compare the Presentment Data on the Checks presented to us for payment on the Designated Account each business day (i.e., Monday through Friday, excluding Federal holidays) (each a “*Business Day*”) against the Check Issue Data.

Matching Checks. You authorize and direct us to honor, pay, and charge to the Designated Account any Check presented to us where the Presentment Data matches the corresponding Check Issue Data for the Check, without manual or other examination for signature verification or for any other purpose (“*Matching Checks*”). You authorize us to pay Matching Checks without regard to our customary verification procedures and account limitations, and agree that Matching Checks are considered for all purposes to be properly payable. You and we agree that verifying only the Presentment Data prior to the payment of a Check presented against the Designated Account for payment through regular banking channels is commercially reasonable.

Perfect Presentment. If you subscribe for Controlled Disbursement services and have opted in to Perfect Presentment services in lieu of standard Positive Pay services, we shall conduct matching of Checks prior to the posting of those Checks, rather than after posting, as is the case in standard Positive Pay services.

Exception Checks. On the Business Day the comparison is performed as set forth above, we will generate a report of Checks presented: (i) where the Presentment Data on such Checks does not exactly match the Check Issue Data, or (ii) for which we do not have Check Issue Data (such presented Checks are hereinafter referred to as “*Exception Checks*”). We will provide you with a list of Exception Checks via the Online Banking for Business Recon Management Service on the next Business Day following the Business Day of presentment. We are not obligated to examine Exception Checks manually for signature verification or to determine the authenticity of any Exception Check.

Instructions. For each Exception Check we report to you, you must instruct us via the Online Banking for Business Recon Management Service to either honor and pay the Exception Check or return (dishonor) the Exception Check (the “Instructions”). Your Instructions must be communicated to us prior to 2:00 p.m. CST (or such other cutoff time as we may establish from time to time) on the same Business Day as we notify you of the Exception Check(s). If you fail to provide Instructions with respect to any Exception Check prior to the cutoff time, then you authorize and direct us to act in accordance with your written instructions for the disposition of Exception Checks as specified by your default option in the Service Documentation. Unless you provide an Instruction to us otherwise in writing, we will indicate as the reason for any return “payment stopped,” “refer to maker,” or other reason we deem appropriate.

Effect. If you timely provide an Instruction to us to return an Exception Check, or you fail to timely provide an Instruction to us and you have selected the “Return” default option in the Service Documentation, we will dishonor and return the Exception Check, and in that case you agree that our failure to pay an Exception Check is not wrongful dishonor. If you timely provide an Instruction to us to pay an Exception Check, or you fail to timely provide an Instruct to us and you have selected the “Pay” default option in the Service Documentation, we will finally honor, pay, and charge to the Designated Account the amount of the Exception Check, and you agree that the Check will be considered properly payable for all purposes.

Teller Positive Pay. If a Check is presented for payment at one of our branch locations, our tellers will compare the Presentment Data on the Check against the Check Issue Data to determine whether the Check is a Matching Check or an Exception Check. If the Check is an Exception Check, unless you provide special instructions that are accepted and agreed to by us, we will act in the following manner: (a) if the payee presenting the Exception Check has a deposit account with us, we will, at the payee’s request, either (i) deposit the Check and include it in the report of Exception Checks delivered to you in accordance with the section titled “Exception Checks” above, or (ii) return the Check to the payee; or (b) if the payee presenting the Exception Check does not have a deposit account with us, we will refuse to negotiate the Exception Check until we receive contrary instructions from you. Check Issue Files received and processed successfully by us in proper format no later than 9:00 p.m. CST will generally be made available for matching of Checks presented for payment at branch locations on the same Business Day during branch operating hours.

4. Service Enhancements.

Our Recon Management Service allows you to retrieve Presentment Data Reports and Check Images and to communicate Exception Instructions to us.

Our Payee Positive Pay Service provides additional fraud protection by allowing you to also include the payee on a Check as part of the Check Issue Data that will be compared against Presentment Data to determine whether a Check is a Matching Check or an Exception Check.

If you wish to use our Recon Management Service or our Payee Positive Pay Service, please contact your relationship manager for information about signing up for this service.

5. Account Limitations.

Our obligation to honor and pay any Check is subject to: (a) you having a balance of available funds in the Designated Account which is sufficient to cover the Checks drawn on the Designated Account; (b) any reasonable determination by us that a Check is not properly payable; and (c) any restrictions imposed upon us by law or legal process.

6. Designated Contacts.

An Authorized Individual must specify the person or persons ("Designated Contacts") with the authority to issue Service setup and Service change instructions to us, to receive all Service usage instructions and information from us, to be contacted by our personnel to resolve Service issues, and to:

- send Check Issue Files to us (including any amendments or cancellations);
- be notified by us regarding Exception Checks;
- provide Instructions to us regarding Exception Checks; and
- be notified by us for Service-related problem resolution.

Such authorizations must be submitted in writing to us on the set-up form for the Service or other form acceptable to us. Only the Designated Contacts will be authorized to issue new Service instructions to us, or change existing Service instructions. You may appoint up to four Designated Contacts for this Service. You will notify us immediately if a Designated Contact ceases to be associated with your organization or is no longer authorized to access the Service on your behalf, or if for any other reason you would like to modify or remove a Designated Contact's access to the Service. Any such notice must specifically mention the individual's status as a Designated Contact with respect to the Service.

We will set up the Service acting upon instructions received from one of the Designated Contacts. We will deliver to one of the Designated Contacts the identification codes, instructions, reports, and any other information related to the Service for distribution to your personnel involved in using the Service. We remind you of your duty to maintain the confidentiality and security of this information. In particular, the identification code for the submission of Check Issue Files must be restricted to persons authorized to use the Service. For Service testing, the oral test results and written test reports will be communicated to a Designated Contact for analysis and verification.

7. Check Issue File and Data.

You are responsible for the proper formatting, accuracy, completeness, and timely delivery of each Check Issue File in accordance with the Service options selected by you. Any Check Issue File received by us after our established cutoff time may be treated by us as received on the following Business Day. We are not required to accept, and we will not be liable for any Claims incurred by you as a result of our refusal to act upon, any Check Issue File or Instruction that is not transmitted in compliance with the format requirements.

Each Check Issue File or Instruction is effective as your instruction, whether or not in fact authorized by you and regardless of the actual identity of the sender of the Check Issue File or Instructions, if the Check Issue File or Instruction is received by us through an approved Communication Channel or we otherwise in good faith believe the Check Issue File or Instruction came from someone authorized to deliver it and we accept the Check Issue File or Instruction in good faith. We are entitled to rely on the information contained in each Check Issue File and in the Check Issue Data as being correct, authorized, complete, and up-to-date.

You may amend or cancel a Check Issue File by contacting us to delete the incorrect file and transmitting a corrected file or entry, provided that any such amendment or cancellation shall be effective only after we have had a reasonable opportunity to act on it. Your cancellation or amendment of any Check Issue Data previously transmitted to us for any Check will not be effective after (i) that Check has been presented to us, and (ii) we have either paid, certified, or settled for the Check. In no case are we obligated to revoke the settlement for any such Check.

8. Limitation of Liability; Indemnification.

We shall have no liability for paying a Matching Check or other Check pursuant to your Instructions or your "Pay" default option, as applicable, even if its serial number or amount is altered, or it is counterfeit, bears a forged or unauthorized signature, or was otherwise not validly issued, or for returning an Exception Check pursuant to your Instructions or your "Return" default option, as applicable, and you further agree that any such dishonor shall not be considered a wrongful dishonor. In addition to your indemnity obligations set forth in the Master Agreement, you agree to indemnify us and hold us harmless from any Claim as a result of our failure to pay an Exception Check pursuant to your Instructions or your "Return" default option, as applicable.

You acknowledge and agree that, notwithstanding any terms in the Master Agreement to the contrary, we shall not be liable in any case: (i) for any failure to provide or any delay in providing any notice, (ii) if any notice is intercepted or received by an unauthorized person or entity, (iii) if any of the notices are inaccurate or incorrect in any way, and (iv) if any notices are provided by e-mail. You acknowledge and agree that e-mail is an unsecure form of communication which is susceptible to interception or unauthorized disclosure and access. You further acknowledge and agree that the notices are provided as a convenience service in addition to and exclusive of the terms of the Master Agreement and this Service Description or any other agreement and as such (a) you may not rely on the receipt or expected receipt of a notice, or the contents (or lack thereof) of any notice, to relieve you of any obligations or duties under the terms of the Master Agreement, this Service Description, the Service Documentation or otherwise, and (b) you must continue to use the Service in compliance with the terms of the Master Agreement, this Service Description, and the Service Documentation.

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