Alloya's Automated Clearing House Originator Product Operating Agreement

Authorization. The Master Membership Agreement ("MMA") and Master Membership Contract ("MMC") between Member and Alloya are incorporated herein by reference and represent additional terms that are part of this Product Operating Agreement ("POA").

I. **Scope of Service**. Alloya provides Automated Clearing House ("ACH") Origination Services ("Services") to Member as described herein in accordance with the rules of the National Automated Clearing House Association (NACHA Rules) and the rules of the ACH Operator (the Federal Reserve Bank (FRB)) as selected by Alloya.

   1. **ACH Origination**. Member elects to originate credit, debit and/or zero dollar ACH Entries to and from accounts maintained at other participating depository financial institutions using Alloya's ACH System.

      (A) Member is the Originator and Alloya is the Originating Depository Financial Institution (ODFI) with respect to all Entries.

   2. **ACH System**. Member must use Alloya's ACH System ~~for the purpose of~~for originating ACH Entries as described in the Services listed above.

      (A) Alloya's ACH System consists of a web-based transaction processing system and a secure file transfer application. Members may use either or both systems.

      (B) Alloya will be responsible for maintaining the ACH System and for providing manuals that define the requirements for processing Entries.

      (C) Alloya will make the system available at a minimum on all business days, Monday through Friday, excluding Federal Holidays. Alloya will process Entries according to the cutoff times published in Premier View.

      (D) Member will be responsible for establishing and maintaining an Internet connection to the ACH System.

      (E) Member will comply with the formatting and other data entry requirements as defined in the NACHA Rules and as defined in ACH System documentation made available to Member.

II. **Compliance with NACHA Rules**. Member acknowledges it has a copy of or has access to the current version of the NACHA Rules. Member agrees to comply with and be subject to NACHA Rules in existence at the date of the ACH Originator Agreement, and any amendments to the NACHA Rules made from time to time. The duties of Member set forth in the following paragraphs of the ACH Originator Agreement in no way limit the requirement of complying with the NACHA Rules or any of the rules contained within the MMA. In the event of inconsistency between a provision of the ACH Originator Agreement and the MMA, the provisions of this ACH Originator Agreement shall prevail.

III. **Network Fees**. Alloya will charge Member with any fines or penalties imposed by the Office of Foreign Assets Control ("OFAC"), NACHA or any organizations which are incurred as a result of non-compliance by Member and Member agrees to fully reimburse and/or indemnify Alloya for such charges or fines.

IV. **ACH Origination Processing**. The following defines the responsibilities of each party for ACH Origination Processing.

   1. **Responsibilities of Alloya**. Alloya shall transmit ACH Entries to the ACH Operator on behalf of Member.

      (A) Alloya shall receive ACH origination Entries from Member and forward to the ACH Operator during Alloya's processing hours as published in Premier View. Alloya shall have no obligation to transmit

Entries received after the cutoff time.

(B) Alloya will process all Entries based on the Effective Entry Date provided by Member. If Member provides a stale date for the Effective Entry Date, Alloya will automatically advance the Entry to the earliest next available Effective Entry Date based on when Alloya receives the item and Alloya's cutoff time.

(C) Alloya is not responsible for the timeliness, authorization, or validity of any Entry. The transmission of Entries by Alloya to the ACH Operator on behalf of the Member will occur only when Member has complied with all formatting and other requirements specified in the ACH Originator Agreement.

2. **Responsibilities of Member.** Member may submit ACH origination Entries to Alloya by use of Alloya's ACH System.

(A) Member is responsible for ensuring that the origination of ACH Entries complies with U.S. laws, including but not limited to sanctions enforced by OFAC.

(B) Member will establish, implement, and update, as appropriate, policies, procedures, and systems with respect to the initiation, processing, and storage of Entries that are designed to:

(1) (1) Protect the confidentiality and integrity of Protected Information until its destruction:

(2) (2) Protect against anticipated threats or hazards to the security or integrity of Protected Information until its destruction; and

(3) (3) Protect against unauthorized use of Protected Information that could result in substantial harm to a natural person.

(B)(C) Member warrants that:

(1) All Entries are properly authorized and conform to NACHA Rules;

(2) Each person or entity shown as the Receiver on an Entry received by Alloya from Member has authorized the initiation of such Entry and the crediting or debiting of its account in the amount and on the Effective Entry Date shown on such Entry;

(3) Such authorization is operative at the time of transmittal;

(4) At the time the Entry is transmitted to the ACH Operator by Alloya, Member does not have actual knowledge of the revocation or termination of the authorization by the Receiver;

(5) The Receiver's authorization is neither inoperative nor ineffective by operation of law, nor has it been terminated by operation of law;

(6) Entries transmitted to Alloya by Member are limited to those types of Entries and NACHA Standard Entry Class Codes agreed upon by Alloya and Member;

(7) Member has provided all written disclosures required by NACHA Rules and all applicable laws and regulations to all consumers on whose behalf Alloya performs any Services.

(C)(D) Member acknowledges and agrees that, if an Entry describes the Receiver inconsistently by name

and account number, payment of the Entry transmitted by Alloya to the RDFI may be made by the RDFI on the basis of the account number supplied by Member, even if it identifies a person different from the named Receiver, and that the Member's obligation to pay the amount of the Entry to Alloya is not excused in such circumstances. Member is liable for and must settle with Alloya for any Entry initiated by Member that identifies the Receiver by account or identifying number or by name and account or identifying number.

(D)(E)   Member shall be bound by and comply with the provision of ~~the NACHA~~UCC4A ~~Rules~~ making payment of an Entry by the RDFI to the Receiver provisional until receipt by the RDFI of final settlement for such Entry. Member specifically acknowledges that it has received notice of the rule regarding provisional payment and of the fact that, if such settlement is not received, the RDFI shall be entitled to a refund from the Receiver of the amount credited and Member shall not be deemed to have paid the Receiver the amount of the Entry.

(E)(F)   Member may transmit Entries to Alloya through a ~~third party~~third-party service provider ("TPSP"). Member agrees it has full responsibility and liability for all actions performed by TPSP and that TPSP shall comply with all applicable provisions of the MMA and the ACH Originator Agreement with respect to its transmission of such Entries. Member agrees to indemnify Alloya against and hold it harmless from any loss incurred by any person or entity as a result of any of TPSP's actions or failures to act, specifically including all costs and attorney fees which may be incurred by Alloya.

(F)(G)   Member is liable for all Entries transmitted by Alloya on its behalf to the ACH Operator.

(G)(H)   Member may elect to originate Same Day ACH Entries. Same Day Entries will be identified by using a date that is no later than the current day's date in the Effective Entry Date field of the Company/Batch Header record. Member will also pay each RDFI for each Same Day Entry that is originated.

(H)(I)   Member must transmit Entries prior to the cutoff time as defined in Alloya documentation made available to Member. Entries received after the cutoff time shall be deemed to be received on the next business day.

(I)(J) Member will monitor all debit Entry returns that RDFI's return to ensure that the return rate thresholds are not exceeded according to the NACHA Rules:

    (1)   Member will pay each RDFI for all unauthorized debit Entry returns that RDFI's return to Member. These fees will be charged to Alloya from the ACH Operator and Alloya will in turn assess the fees to Member.

    (2)   If Member consistently exceeds these thresholds, then Alloya may terminate Member's ACH Origination Services.

(J)(K)   Specific to the origination of Telephone Initiated Entries ("TEL Entries"), Member warrants that:

    (1)   Entries representing the authorization of TEL Entries must be identified via Member's use of NACHA's "TEL" Standard Entry Class Code as defined in the Rules.

    (2)   Member will utilize commercially reasonable methods to establish the identity of the Receiver and that each such Receiver has authorized Member to submit ACH Entries to its account(s) for settlement of transactions to which Receiver has agreed.

    (3)   Member will ~~maintain records including but not limited to telephone voice recordings as proof of each Receiver's authorization~~retain the original or a copy of the written notice or the

original or a duplicate audio recording of the oral authorization for two years from the date of the authorization of a Single Entry TEL Entry. For recurring TEL Entries, Member must retain for two years from the termination or revocation of the authorization the original or a duplicate audio recording of the oral authorization, and evidence that a copy of the authorization was provided to the Receiver in compliance with Regulation E.

    (4)   Member will use commercially reasonable procedures to verify that routing numbers are valid for Entries originated using the TEL Standard Entry Class Code.

    (5)   Member will provide the Receiver with the disclosures and information required by NACHA Rules.

(K)(L)   Specific to the origination of Internet Initiated Entries ("WEB Entries"), Member warrants that:

    (1)   Entries representing the authorization of WEB Entries must be identified via Member's use of NACHA's "WEB" Standard Entry Class Code as defined in the Rules.

    (2)   Member will utilize commercially reasonable methods to establish the identity of the Receiver, and that each such Receiver has authorized Member to submit ACH Entries to its account(s) for settlement of transactions to which Receiver has agreed.

    (3)   Member will maintain records such as logs from an internet ordering system as proof of each Receiver's authorization.

    (4)   Member will use commercially reasonable procedures to verify that routing numbers are valid for Entries originated using the WEB Standard Entry Class Code.

    (5)   Member will employ a commercially reasonable fraudulent transaction detection system to screen each Entry.

    (6)   Member will conduct an annual audit to ensure that the financial information it obtains from Receiver is protected by security practices and procedures that include adequate levels of, (i) physical security to protect against theft, (ii) personnel and access controls, and (iii) network security.

(L)(M)   Specific to the origination of International ACH Entries ("IAT Entries"), Member warrants that:

    (1)   Member bears all risk associated with the identification of the currency in which (i) a foreign receiver's account is denominated or (ii) a non-bank participant in a foreign clearing system disburses payments.

    (2)   IAT Entries are transmitted by Alloya in U.S. dollars and converted to the local currency for receipt in the foreign country at the exchange rate determined by the Gateway Operator on the date determined by the Gateway Operator. All risk of fluctuation in the applicable exchange rate is borne by Member.

    (3)   In the event of a returned IAT Entry, consumer payments will be credited to Member at the originated U.S. dollar amount; corporate payments will be credited to Member at the exchange rate determined by the Gateway Operator at the time of return.

(4) Member shall originate all International ACH Transactions, as that term is defined in the NACHA Rules, with an IAT SEC Code and Member hereby agrees to abide by all of the NACHA Rules related to IAT Entries.

(5) Member is in compliance with U.S. Legal Requirements with respect to the IAT Entry, including its obligations under programs administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) and the Financial Crimes Enforcement Network (FinCEN).

(6) If the laws or payment system rules of the receiving country require authorization with respect to an IAT Entry, the ODFI warrants that the authorization of the IAT Entry complies with the laws and payment system rules of the receiving country.

(7) Member acknowledges that it has reviewed and understands Subsection 2.5.8.6 of the NACHA Rules entitled "Exceptions for Outbound IAT Entries" and Member understands and agrees that laws, regulations, and rules of the country in which the Receiver is located shall govern the matters listed within that subsection. Member further acknowledges that Member understands how such laws, regulations and rules differ from the NACHA Rules.

(M)(N) Specific to the origination of Accounts Receivable Entries ("ARC Entries"), Member warrants that:

(1) Member must in advance of receiving the Receiver's check, provide the Receiver with notice that clearly and conspicuously states that receipt of the Receiver's check will authorize an ACH debit Entry to the Receiver's account.

(2) Member must obtain the check from the Receiver via US mail or a drop box location. The check will serve as Customer's source document to obtain the check serial number, account number, routing number, and dollar amount.

(3) The source document must contain a pre-printed serial number, not contain an Auxiliary On-Us Field in the MICR line, be in an amount of $25,000 or less, and be completed and signed by the Receiver.

(4) The amount of the Entry, the routing number, the account number, and the check serial number are in accordance with the source document.

(5) Member must retain a reproducible, legible image of the source document for two (2) years from the Settlement Date and will provide a copy of the front of the Receiver's source document within ten (10) banking days of a request of a copy by the RDFI. The copy must indicate that it is a copy on its face.

(6) Member has employed commercially reasonable methods to securely store all source documents until destruction and all banking information relating to ARC entries.

(7) Member will not key enter the routing number, account number, or check serial number from the Receiver's source document unless it is being done to correct errors relating to MICR misreads, mis-encoding, or processing rejects.

(8) The source document to which the ARC Entry relates will not be presented or returned such that any person will be required to make payment based on the source document unless the ARC Entry is returned by the RDFI.

(N)(O) Specific to the origination of Back Office Entries ("BOC Entries"), Member warrants that:

(1) Member may only use a check or share draft that (i) contains a pre-printed serial number, (ii) does not contain an Auxiliary On-Us Field in the MICR line, (iii) is in an amount of $25,000 or less, (iv) is completed and signed by the Receiver as a source document, and (v) otherwise meets the requirements of BOC entries.

(2) During the initial processing of a BOC Entry, Member must use a reading device to capture the Receiver's routing number, account number, and check serial number.

(3) Member must use commercially reasonable procedures to verify the identity of the Receiver.

(4) Member has established and maintains a working telephone number, which is answered during normal business hours for Receiver inquiries regarding transactions, and the telephone number is included in the notice required for BOC entries.

(5) Member warrants that the amount of the Entry, the routing number, the account number, and the check serial number are in accordance with the source document.

(6) Member shall retain a reproducible, and legible, image, microfilm, or copy of the front of the Receiver's source document for each BOC Entry for two (2) years from the Settlement Date of the BOC Entry.

(7) Member will provide RDFI with a copy of the front of the Receiver's source document within ten (10) banking days of RDFI's request, provided that the request is within two (2) years of the settlement date of the BOC Entry. The copy must indicate that it is a copy on its face.

(8) The source document to which the BOC Entry relates will not be presented or returned such that any person will be required to make payment based on the source document unless the BOC Entry is returned by the RDFI.

(9) Member has employed commercially reasonable methods to securely store (i) all source documents until destruction, and (ii) all banking information relating to BOC entries for a period of not less than thirty (30) days ("Retention Period") and shall use a commercially reasonable method to destroy the source document upon the expiration of the Retention Period.

(10) Member has provided the notices to the Receiver required by the Rules and Regulation E, including but not limited to the notice that the check may be converted to an ACH debit Entry.

(O)(P) Specific to the origination of Point of Purchase Entries ("POP Entries"), Member warrants that:

(1) Prior to receipt of each source document that is used as the basis for the origination of a POP Entry, Member will provide the Receiver with the disclosure required by the Rules.

(2) Member will only obtain the source document from the Receiver at the POP or manned bill payment location.

(3) The source document contains a pre-printed serial number, does not contain an Auxiliary On-Us Field in the MICR line, is in an amount of $25,000 or less, and has not been previously voided and used by the Receiver for a prior POP Entry.

(4) Member will use a reading device to capture the Receiver's routing number, account number, or check serial number from the source document.

(5) Member will void the source document and return it to the Receiver.

(6) The eligible source document used to initiate the POP Entry has not been provided by the Receiver for use in initiating any prior POP Entry.

(7) Member will provide to the Receiver a receipt required by the Rules containing transactional information about the Entry being made to the Receiver's account.

(P)(Q) Specific to the origination of Re-Presented Check Entries ("RCK Entries"), Member warrants that:

(1) Member must provide the Receiver with notice that clearly and conspicuously states the terms of the Re-Presented Check Entry policy in advance of receiving the item.

(2) Member must retain a copy of the front and back of the item to which the RCK Entry relates for seven (7) years from the Settlement Date of the RCK Entry.

(3) Each Entry must be in an amount less than $2,500, contain a pre-printed serial number, indicate on the face of the document that the item was returned due to "Not Sufficient Funds" or comparable language, and the original check date must be less than one hundred eighty (180) days from the date the Entry is transmitted to the RDFI.

(4) Each Entry must be drawn on a consumer account and has previously been presented no more than two (2) items through the check collection system if the Entry is an initial RCK Entry or, no more than one (1) time through the check collection system and no more than one (1) time as an RCK Entry, if the Entry is a reinitiated RCK Entry.

(5) Member has good title or is entitled to enforce the item to which the RCK Entry relates or is authorized to obtain payment or acceptance on behalf of one who has good title or is entitled to enforce the item.

(6) All signatures on the item to which the RCK Entry relates are authentic and authorized.

(7) The item to which the RCK Entry relates has not been altered, is not subject to a defense or claim in recoupment of any party that can be asserted against Member, is drawn on, payable through, or payable at the RDFI, and the amount of the item, the item number, and the account number contained on the item have been accurately reflected in the RCK Entry.

(8) Member has no knowledge of any insolvency proceeding commenced with respect to the maker or acceptor, or, in the case of an unaccepted draft, the drawer of the item to which the RCK Entry relates.

(9) The item to which the RCK Entry relates or a copy of such item will not be presented to the RDFI unless the related RCK Entry has been returned by the RDFI.

(10) The information encoded after the issue in magnetic ink on the item is correct.

(11) Any restrictive endorsement made by Member or its agent on the item to which the RCK relates is void or ineffective upon initiation of the RCK Entry.

(12) Member will provide RDFI with a copy of the front and back of the item within ten (10) banking days of a request by RDFI, provided the request is made within seven (7) years of the settlement date of the RCK Entry.

(Q)(R) Specific to the origination of Destroyed Check Entries ("XCK Entries"), Member warrants that:

(1) Member has good title or is entitled to enforce the item to which the XCK Entry relates or is authorized to obtain payment or acceptance on behalf of one who has good title or is entitled to enforce the item.

(2) All signatures on the item to which the XCK Entry relates are authentic and authorized.

(3) The item to which the XCK Entry relates has not been altered, is not subject to a defense or claim in recoupment of any party that can be asserted against Member, is drawn on, payable through, or payable at the RDFI, and the amount of the item, the item number, and the account number contained on the item have been accurately reflected in the XCK Entry.

(4) Member has no knowledge of any insolvency proceeding commenced with respect to the maker or acceptor, or, in the case of an unaccepted draft, the drawer of the item to which the XCK Entry relates.

(5) The item to which the XCK Entry relates or a copy of such item will not be presented to the RDFI unless the related XCK Entry has been returned by the RDFI.

(6) Member will provide RDFI with a copy of the item of which the XCK Entry relates within thirty (30) banking days of a request by RDFI, provided the request is made within six (6) years of the settlement date of the XCK Entry.

V. **Acknowledgement.** Alloya may provide an acknowledgement to Member that it has received ACH files containing ACH origination, return, and/or NOC Entries by electronic transmission from Member and has performed limited processing of the files. An acknowledgment does not mean that Alloya has accepted, and will not reject, the Entries contained in the files. Member is responsible for verifying the information in the acknowledgment and notifying Alloya immediately of any discrepancy or non-receipt of an acknowledgment.

VI. **Returned Entries.** Alloya shall notify Member by e-mail or other means of the receipt of a returned Entry from the ACH Operator. Alloya shall provide Member all information with respect to each NOC Entry received by Alloya relating to Entries transmitted by Member. Alloya will provide such information to Member within two (2) banking days of the Settlement Date of each NOC Entry. Member shall ensure that changes requested by the NOC are made within six (6) banking days of Member's receipt of the NOC information from Alloya or prior to initiating another Entry to the Receiver's account, whichever is later.

VII. **Record Retention.** Alloya will maintain copies of all Entries and make the data available to Member for a period of up to six (6) years. Member is responsible for retaining all data, including Entries and authorizations, based on NACHA Rules and other industry data retention regulations and guidelines. Data will be available online for up to one (1) year. Historical data beyond one year will be available upon request. Alloya will make every effort to provide historical data in a timely manner.

VIII. **Settlement.** Member must include in each ACH Entry an offset Entry so that the total debits equal the total credits. Member may batch Entries and create a single offset Entry for the total sum of all the Entries in each batch or the entire file. If Alloya is defined as the receiving depository financial institution and Member's account at Alloya is defined as the depository financial institution account number for the offset Entry, then Member must maintain a settlement account with Alloya for the purpose of settling ACH Entries.

IX. **Line of Credit.** Member may establish and maintain a LOC with Alloya. Alloya may suspend processing or reject Entries if Member does not have sufficient funds or an available LOC to cover the total value of all origination

Entries on each processing date. If any Entries are rejected, Alloya will provide timely notification to Member of such rejection.

X.   **Exposure Limit.** Alloya may assign a limit representing the maximum aggregate dollar amount of Entries that may be initiated by Member each day (ACH Exposure Limit). Member acknowledges that the ACH Exposure Limit is solely for the protection of Alloya and its assets and Member and its assets. Alloya may suspend processing or reject Entries if the ACH Exposure Limit is exceeded on each processing date. If any Entries are rejected, Alloya will provide timely notification to Member of such rejection.

XI.   **Audit.** Alloya has the right to audit Member's compliance with the ACH Originator Agreement and the NACHA Rules with prior reasonable notice. In addition, Alloya may from time to time request financial, business, and operating information from Member reasonably necessary to grant access to Services or to evaluate a continuation of Services and/or to adjust any limits set by the ACH Originator Agreement. Member agrees to provide the requested information in a timely manner.

XII.   **Termination.** Alloya will have the right to immediately terminate or suspend Services to Member should Member or Member's TPSP breach the ACH Originator Agreement.