
Check Deposit Services 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. **General.** Unless otherwise clearly indicated in this POA, all terms used in this POA will have the same meaning as in the MMA, or as in the rules, regulations, bulletins, circulars and operating letters of the Federal Reserve System and the Federal Reserve Banks, or as in the rules of the Electronic Check Clearing House Organization, or as in the rules of any other funds transfer system, image exchange system or clearinghouse that is used to carry out a transaction to which this POA is applicable. Such rules, regulations, bulletins, circulars and operating letters, and such other rules, are collectively referred to in this Agreement as the "Third-Party Rules," together with any and all rules that are included within such term by Paragraph IX (Responsibilities of Alloya) herein, or by the Operating Manual provided to Member by Alloya and applicable to the Services to be performed pursuant to this POA.

“Alloya” includes third party processors engaged to provide services covered under this POA.

II. **Definitions.**

1. **“Check”** means both an original check, an electronic image, or a Substitute Check (as hereinafter defined).
2. **“Check 21”** means the Check 21 Act, 12 U.S.C. Section 5001 et seq., and any and all regulations issued thereunder, as such statute and regulations may be amended from time to time.
3. **“Foreign Item Deposits”** – Foreign items that meet the criteria as defined by Alloya to be processed as cash letter items.
4. **“Foreign Collection Items”** – Foreign items that meet the standards as defined by Alloya to be processed for payment on a collection basis. Items that require payment in a foreign currency different than the bank the item is drawn on will automatically qualify as collection items. Credit unions may request that an item be processed as a collection item if the item is over a certain dollar threshold as defined by Alloya. Funds availability for collection items is typically a longer timeframe than deposit items and may range to as long as four (4) to six (6) weeks.
5. **“Item”** means a share draft, a Check, a paper item, or an electronic item (i.e., an electronic image of an item together with information describing that item).
6. **“Member’s Items”** means any and all Items that Member transmits to Alloya (or to any other financial institution) for presentment into the interbank collection process, including (as examples, but without limitation) all of the following: (a) Items that Member captures at its home office, or at any of Member’s branch offices or other business locations, or at any of Member’s teller stations (whether or not the teller station is located at Member’s home office, or at a branch office, or at another business location), or at any automated teller machine (“ATM”) (whether the ATM is or is not owned by Member, and whether the ATM is or is not located on business premises that are owned or controlled by Member); (b) Items that are sent to Member by a merchant or other business client of Member; (c) Items that are sent to Member by an individual consumer or member of Member; (d) Remotely-Created Checks (as defined and referenced in Section XII of this Schedule) that are sent to Member; (e) checks dropped off or mailed to an Alloya office and manually processed on behalf of the member and (f) any other Item (regardless of the source from which Member obtains the Item, and regardless of the

location from which the Item is sent to Member) that Member transmits to Alloya (or to any other financial institution) for presentment into the interbank collection process.

7. **“Substitute Check”** has the same meaning as in Check 21 and Federal Reserve Board Regulation CC, 12 C.F.R. Part 229. A Substitute Check is sometimes referenced as an “Image Replacement Document” or “IRD.”

- III. **Check Deposit Services/ImageClear.** Member will capture deposit Items at its home office and at its branch offices and other business locations, teller stations, and ATM locations, and will receive from its members or other clients business/merchant Items, consumer Items, Remotely-Created Checks, and other imaged Items (collectively, “Member’s Items,” as defined in Paragraph 1 [General] of this POA). Member may use Remote Deposit Capture software purchased through Alloya to capture these items or may utilize software purchased through another third party. In either case, Member will transmit images of Member’s Items to Alloya (pursuant to the standards set forth in the Operating Manual or in the applicable Third-Party Rules), for presentment of the images into the interbank collection process. For each Member Item that is transmitted by Member to Alloya, Alloya will determine whether or not the drawee of the Item accepts presentment of Items in image format. If the drawee accepts electronic presentment of Items, Alloya will present the image into the interbank collection process; if the drawee does not accept electronic presentment, Alloya (or a financial institution designated by Alloya) will act as the “Reconverting Bank,” create a Substitute Check for the Item, and present the Substitute Check into the interbank collection process.

Each transmission file that Alloya receives by the applicable deadline (as set forth in the Operating Manual, or in the applicable Third-Party Rules) either from Alloya’s Check Deposit software or another third-party software solution and that successfully passes Alloya’s file validation process, will be processed by Alloya on a same-day basis, and the availability of the funds represented by the file will be determined accordingly. If Alloya receives a transmission file by the applicable deadline, and the file successfully passes Alloya’s file validation process but Alloya fails to process the file on a same-day basis, Alloya will provide Member with immediate availability for all funds represented by the file, and will also pay interest to Member at Member’s daily Cash Management Account rate (or at another rate set forth or referenced in the Operating Manual), to compensate Member for any delayed availability of the funds represented by the file.

Member acknowledges that it is responsible for determining whether its receipt and handling of any of its Items (including, as examples but without limitation, any Items that are sent to Member from an ATM, or from a merchant or business location, or from an individual member or consumer, or from an entity that converts Internet-based instructions into Remotely-Created Checks) are subject to any applicable branch banking laws.

If Member purchases Software through Alloya, please reference separate software license agreement.

- IV. **TranzCapture Business.** For members or clients of Member who will use Member’s business/merchant capture services, Member will ensure that the scanner and other hardware and software used by the business satisfy the standards set forth from time to time in the Operating Manual (or in the applicable Third-Party Rules). Member acknowledges that Member is responsible for each such business’ secure storage and timely destruction of the paper checks that are captured by the business and sent to Member. Member further acknowledges that, as set forth in Paragraph XIII (Liabilities) herein, Member’s transmission to Alloya of Items from Member’s business/merchant clients constitutes the making by Member of the representations and warranties that are set forth or referenced in such Paragraph XII.
- V. **TranzCapture Mobile.** For members or clients of Member who will use Member’s mobile-capture services, Member will ensure that the smartphone, tablet, or other mobile device used by such member or client is a platform that Alloya has identified to Member as one on which Alloya’s mobile-banking services can be provided to the member or client. Member acknowledges the following: (a) that Member (and not Alloya) is

responsible for the issuance, maintenance, amendment and termination of each such member's or client's password and other mobile-banking credentials; (b) that Member is responsible for each such member's or client's secure storage and timely destruction of the paper checks that are captured by the member or client and sent to Member; and (c) that, as set forth in Paragraph XIII (Liabilities) herein, Member's transmission to Alloya of Items from Member's mobile-capture clients constitutes the making by Member of the representations and warranties that are set forth or referenced in such Paragraph XII.

VI. Integrated Teller Capture. For Members who will use integrated teller capture services, Member will ensure the platform used it is one that Alloya has identified to Member as one on which Alloya's integrated teller capture services can be provided. Member acknowledges that it (and not Alloya) is responsible for the issuance, maintenance, amendment, and termination of the contract associated with the integrated Core Processor.

VII. Item Storage and Retrieval. Alloya agrees to do the following for deposit items that Alloya has processed under this POA:

1. Temporary storage of Member's physical deposit items. If Alloya has stored an image of a physical deposit item, Alloya will have the right to destroy the physical deposit item without notice to Member.
2. Storage of images of deposit items (both front and reverse sides) until the date that is the earlier of: (a) seven (7) years after Alloya processed the deposit item; or (b) the date this POA is no longer in effect.
3. When this service is terminated for any reason, Alloya will, pursuant to Member's instructions, either: (a) provide Member with continued on-line access to the images; or (b) provide Member with digital copies of all of Member's deposit items then stored by Alloya; or (c) continue to store such deposit items for the then-remaining portion of the agreed-upon storage period. Member will be responsible for paying Alloya's then-applicable fees for provision of such post-termination services.

During the period when the physical deposit item is stored, and during the agreed-upon storage period applicable to the image, Alloya will respond to inquiries and requests for copies of deposit items in accordance with the procedures set forth in the Operations Manual (including, as an example but without limitation, making images of Items available to Member through the use of electronic media). After the expiration of the agreed-upon storage period, Alloya will have the right to destroy all images of a deposit item without notice to Member.

Alloya agrees to and hereby does indemnify and hold harmless Member and its officers, directors, employees, agents and representatives (each, an "Indemnitee"), from and against any and all litigation, causes of action, losses, damages, claims by Member's members or other third parties, and liabilities of any and every kind (including, as an example but without limitation, reasonable attorneys' fees) to which Member or any other Indemnitee, jointly or severally, may be subjected, arising out of or attributed, directly or indirectly, to Alloya's failure to produce promptly either a deposit item, an image thereof, or other proof of payment (or otherwise to resolve the matter), if such deposit item or image is needed by Member during the period when Alloya has agreed to store such deposit item or image under this POA. Alloya's indemnity: (a) will apply only to the Indemnitee's actual direct damages (and not to any indirect, consequential, punitive, exemplary or special damages); and (b) will be limited to two (2) times the amount of the deposit item of which Alloya has failed to produce a copy or an image. Upon any termination of this POA, this indemnity will survive and remain in full force and effect as to transactions conducted prior to the termination of this POA until the expiration of applicable statutes of limitations.

VIII. Member Image Access to Check Deposit Images. If Member provides its members with access to check deposit images, the provisions of this Paragraph are applicable. In addition to the responsibilities set forth in the MMA and elsewhere in this POA, Member agrees to:

1. Maintain the confidentiality of Alloya's image delivery script and of Alloya's other confidential

information, and not use such script for any purpose other than receipt of the Services referenced by this POA.

2. Obligate its home banking vendor and/or its e-statement vendor: (a) to comply with Alloya's interface specifications (as they may be amended from time to time by third party processor); (b) to maintain the confidentiality of Alloya's image delivery script; (c) not to use such script for any purpose other than assistance to Alloya in its receipt of the Services referenced by this POA; and (d) to comply with the restrictions of the Gramm-Leach-Bliley Act as to the use of nonpublic personal information for transaction processing only.
3. Ensure that all information utilized by its home banking vendor and/or its e-statement vendor to identify an image of an Item which Member's member requests will match Alloya's information about the requested item. As an example of the foregoing (but without limitation of the generality thereof), Member will ensure that the "processed date, dollar amount, and the member's account number" utilized by its home banking vendor and/or its e-statement vendor to identify an Item will match either the date, dollar amount, and account number on which the Item was actually processed by Alloya or the Business Day immediately preceding Alloya's processed date.
4. If Member pays an Item that is presented for payment over the counter and wishes for an image of such Item to be available to Member's member, Member will forward the paid Item to Alloya in the manner and with the accompanying information that is set forth or referenced in the Operations Manual.
5. If Member offers access to check images through Member's web site, Member will ensure that all information entered into Member's member database is accurate and is updated from time to time when deemed necessary by Member.
6. Make images of cleared deposited Items available upon receipt of requests transmitted from or through Member's home banking vendor, or through its e-statement vendor, or through Member's website. Only images where the depositor's account number has been entered into the deposited Item's metadata will be available for viewing.
7. Assist Member's home banking vendor and/or its e-statement vendor in compliance with Alloya's interface specifications. Alloya will provide Member with at least thirty (30) days' prior notice of any changes in such specifications (unless Alloya deems that a more rapid change is necessary for security purposes).

Notwithstanding any other provision of this POA or of the MMA, any release of check images in response to a request transmitted from or through Member's home banking vendor, or through its e-statement vendor, or through Member's website, will be conclusively deemed to be a proper purpose under this POA, and under no circumstances will Alloya have any liability under the Gramm-Leach-Bliley Act, or under 12 C.F.R. Part 716 (Privacy of Consumer Financial Information), or under 12 C.F.R. Part 748 (Security Program, etc.) or under the Appendices to Part 748, or under any other applicable law, for any such release of check images in response to such a request, if Alloya has complied with its own interface specifications and with applicable law.

IX. Foreign Item Deposit and Collection Processing. Member may submit Foreign Item Deposits or Foreign Item Collections to Alloya for processing and settlement. Alloya and Member responsibilities are listed below with respect to foreign items it receives from its members:

1. Member Responsibilities.

- (A) Upon receipt of foreign items, scan items and send to Alloya or its designee for collection based on procedures outlined in Operations Manual.

(B) Credit Member's member accounts for settlement of foreign item based upon provisional credit provided by Alloya (Foreign Item Deposit) or net settlement amount based on funds collected (for Foreign Item Collection).

(C) Debit Member's member accounts for any foreign items that have been returned.

2. Alloya's responsibilities.

(A) Make a good faith effort to provide settlement for all deposits as follows:

- (1) Foreign Item Deposits – provisional credit provided within 24 hours of date of receipt at Alloya's processor
- (2) Foreign Item Collection– credit provided when funds have been collected from originating institution

(B) Returns on Foreign Item Deposits – returns will be charged back to Member accounts based on currency conversion rate on date of return and such rate may reflect any payor bank or other fees assessed with respect to return item.

X. Responsibilities of Member. Member agrees to do the following:

1. Enter into any contracts or agreements required by any Federal Reserve Bank, or by any funds transfer system, image exchange system or clearinghouse, for Alloya to provide to Member the Services to be performed pursuant to this POA.
2. Promptly review reports, data files, statements, advices and other notifications sent by Alloya to Member, and promptly report to Alloya any discrepancies between any such notification or report and Member's records. The time limits for error notification by Member under this POA will be the time limits that are set forth in this document, or in the Operating Manual, or in the applicable Third-Party Rules.
3. Provide the additional hardware (if any) that is deemed necessary by Alloya for Member's utilization of Alloya's Check Deposit services and maintain such hardware in good operating condition.
4. Acquire from Alloya the additional software (if any) that is deemed necessary by Alloya for Member's utilization of Alloya's Check Deposit services and pay any annual or monthly maintenance fees imposed by Alloya for maintenance of such software.
5. Provide to its members, as and when required by Check 21, the consumer awareness disclosure about Substitute Checks that is required by Check 21.
6. Provide the expedited recredit that Check 21 requires for consumers, if a proper claim is made by one of Member's consumer members or account-holders.
7. Respond promptly, as and when required by Check 21, to any claim made against Member under Check 21 for expedited recredit.

XI. Responsibilities of Alloya. Alloya agrees to do the following:

1. Maintain accounts at Federal Reserve Banks and other depository financial institutions, arrange with depository financial institutions for collection and settlement services, and promptly perform all

adjustment and settlement functions required to account for all funds charged or credited to such accounts.

2. Balance control documents, create adjustment forms for any out-of-balance conditions, and process Member's Items.
3. Present Member's Items into the interbank collection process. Each such presentation, or cancellation or amendment herein, that is carried out through an image exchange system or clearinghouse will be governed by all applicable rules of that image exchange system or clearinghouse (and such rules will be included within the Third-Party Rules that are referenced in Paragraph I [General] of this Schedule), whether or not either Alloya or Member is a member of that image exchange system or clearinghouse.
4. Notify Member as to the availability of funds represented by Items transmitted to Alloya by Member. Such information as to funds availability will be accessible to Member on Alloya's on-line data access system, or by telephone to Alloya's Member Services area, or on Member's periodic statements, or by another means selected by Alloya for the communication to Member of information as to funds availability.
5. Returns. After Alloya presents Member's Items into the interbank collection process, some of Member's Items may be returned to Alloya from time to time for various reasons, including (as examples, but without limitation) the following: (a) warranty-breach returns (including poor image quality, ineligibility of the Item, and MICR line matching errors); and (b) misrouted returns (returns that are sent in error to Alloya). Upon receipt of a returned Item or a notice of a returned Item (whether in tangible or image format, or as a Substitute Check), Alloya will either (i) present the returned Item into the interbank collection process; or (ii) debit Member's Account with Alloya for the amount of the returned Item and forward the returned Item or an image of the returned Item (accompanied by appropriate information about the returned Item) to Member for further processing by Member.

- XII. Remotely-Created Checks.** In this POA, the term "Remotely-Created Check" refers to an Internet-based or other electronic payment order that has been converted into an electronic Item that purports to be an image of a paper check. Member acknowledges that such Remotely-Created Checks are not cleared through the automated clearinghouse ("ACH") network. Member further acknowledges that the Federal Reserve Banks have warned all depository institutions that Remotely-Created Checks represent a significantly higher risk of fraud or other illegal activity than other Items that are cleared through the interbank collection process. Member further acknowledges that if it elects to receive and handle any Remotely-Created Checks, Alloya and the Federal Reserve Banks will deem Member to be the endorser of such Remotely-Created Checks and will require Member to provide warranties and assume liability for the legitimacy of the Remotely-Created Checks that Member transmits to Alloya.

Specifically, as to each Remotely-Created Check that is included within Member's Items, Member represents and warrants to Alloya (and to each Federal Reserve Bank that handles the Remotely-Created Check) that it constitutes data that was captured from a paper check. Additionally, Member indemnifies and holds harmless Alloya (and each Federal Reserve Bank that handles the Remotely-Created Check) from and against any and all litigation, causes of action, losses, damages, claims by Member's members or other third parties, and liabilities of any and every kind to which Alloya or any such Federal Reserve Bank, jointly or severally, may be subjected, arising out of or attributed, directly or indirectly, to the failure of the Remotely-Created Check to constitute data that was captured from a paper check.

Member understands and agrees that if Member uses Alloya's Deposit Return Services (as referenced in Paragraph XIV herein), the representations, warranties and indemnity set forth in this Paragraph XV will apply to any and all of Member's Remotely-Created Checks that are returned to Alloya for any reason, whether or not

the Remotely-Created Check that is being returned was previously transmitted to Alloya for presentment into the interbank collection process.

- XIII. Liabilities.** Member represents and warrants (and Member acknowledges that Alloya will rely upon such representations and warranties), as to each Member Item that Alloya presents into the interbank collection process on Member's behalf, that: (a) Member is entitled to enforce the Item; (b) all signatures on the Item are authentic and authorized; (c) the Item has not been altered; (d) if the Item is a remotely-created Item, the person on whose account the Item is drawn has authorized the issuance of the Item in the amount for which the Item is drawn; (e) the Item bears all endorsements applied by parties that previously handled the Item; and (f) each electronic Item (i) accurately represents all of the information on the front and back of the original Item as of the time the original Item was scanned or truncated, and (ii) replicates the MICR line of the original Item, and (iii) meets all applicable technical requirements (whether set forth in the POA, or in Federal Reserve Board operating circulars, or in other applicable Third-Party Rules) for presenting electronic Items into the interbank collection process.

Member hereby acknowledges and agrees that the representations and warranties that it makes in the immediately preceding paragraph apply to the following:

1. Member's Items regardless of whether the Items were captured by Member at its home office or at one of its branch offices or other business locations, teller stations, or ATM locations;
2. Member's Items that were captured by a merchant or other business client of Member;
3. Member's Items that were captured by an individual consumer or member of Member;
4. any Item that was deposited at Member by use of a mobile banking device or mobile-capture device;
5. any and all Remotely-Created Checks that are transmitted by Member to Alloya;
6. any electronic payment order that Member transmits to Alloya for presentment into the interbank collection process; and
7. any other Item (regardless of the source from which Member obtained the Item, and regardless of the location from which the Item was sent to Member) that Member transmits to Alloya for presentment into the interbank collection process;
8. Checks mailed or dropped off at an office of Alloya and processed manually on behalf of the member, and
9. if Member elects to use Alloya's Deposit Return Services (as referenced in Paragraph XII herein), then Member's representations and warranties apply to each of Member's return Items even if (i) Member's return Item identifies Alloya as the bank of first deposit for the Item, and even if (ii) Alloya receives the Item as a return Item but the Item was never previously transmitted to Alloya for presentment into the interbank collection process.

Member further acknowledges that when it transmits an image of a Member Item to Alloya for presentment into the interbank collection process, Member is responsible for the truncation and destruction of the original Item (after whatever period of time that Member determines to be reasonable for the retention or archiving of such original Items by Member or by a member or client of Member).

Member further acknowledges that whenever Alloya presents a Substitute Check (as referenced in Paragraph I [General] herein) on behalf of Member for any reason (and regardless of what type of Member Item is the

source from which the Substitute Check is created as the equivalent), one effect of the presentment is that Member makes the two "Substitute Check warranties" required by Check 21 (and Member acknowledges that Alloya will rely upon such warranties): (a) that the Substitute Check meets the requirements for it to be the legal equivalent of the original check for all persons and all purposes; and (b) that the Substitute Check is not and will never be duplicative, meaning that no person will ever be asked to make a payment based on any check that such person has already paid. Member further acknowledges that whenever Alloya presents a Substitute Check on behalf of Member for any reason, Member also gives the "Substitute Check Indemnity" required by Check 21; that Member will indemnify not only Alloya (as the Reconverting Bank) but also all subsequent transferees, collecting banks, payees and other persons, to the extent of any loss incurred by any recipient of the Substitute Check that is presented or submitted, if that loss occurred due to the receipt of a Substitute Check instead of the original check. Notwithstanding the foregoing sentence, Member's Substitute Check Indemnity will not cover any portion of a loss that is demonstrably caused by an indemnified person's negligence or failure to act in good faith.

Member hereby acknowledges and agrees that the warranties and indemnity that it makes in the immediately preceding paragraph herein apply to all of the following Items: (a) Member's Items regardless of whether the Items were captured by Member at its home office or at one of its branch offices or other business locations, teller stations, or ATM locations; (b) Member's Items that were captured by a merchant or other business client of Member; (c) Member's Items that were captured by an individual consumer or member of Member; and (d) any and all Remotely-Created Checks (as defined and referenced in Paragraph XII herein) that are transmitted by Member to Alloya.

Notwithstanding the provisions of the two immediately preceding paragraphs of this Paragraph, Alloya hereby agrees that if (a) Alloya is the party that makes the decision to present a Substitute Check on Member's behalf; and (b) Member is finally required to make any payment to any person pursuant to either of the two Substitute Check Warranties required by Check 21 or pursuant to the Substitute Check Indemnity required by Check 21, as referenced in the two immediately preceding paragraphs herein; then (c) Alloya will reimburse Member for Member's actual direct damages represented by such payment (such reimbursement to be in an amount up to the face amount of the Item that was presented in Substitute-Check format); provided, however, that (d) Alloya will not make any such reimbursement to Member if any action or non-action by Member (including, as examples but without limitation, any duplicate presentment or any presentment of any image that is of poor quality) contributed to the breach of either of such two Substitute Check Warranties or caused the application of such Substitute Check Indemnity.

- XIV. Deposit Return Services.** If Member elects to use Alloya's Deposit Return Services, Alloya will act as the designated presentment point and the designated return point for Member's Items. If any of Member's Items are returned for any reason, whether by the drawee or by another entity, the returned Items will be sent to Alloya rather than to Member (whether or not the Item that is being returned was first transmitted to Alloya for presentment into the interbank collection process). Alloya will process Member's returned Items, including (as an example, but without limitation) the provision of appropriate notifications and reports to Member), pursuant to criteria selected by Member and pursuant to the procedures set forth in the Operating Manual.

Because Alloya will act as Member's designated presentment point, the image of each of Member's Items that Alloya presents into the interbank collection process may identify Alloya as the bank of first deposit for the Item, even though Member was the actual bank of first deposit for the Item, and even if a paper copy of the Item was stamped or otherwise endorsed by Member. Member acknowledges that despite such designation of Alloya as the bank of first deposit, Member nevertheless makes, and continues to make, to Alloya, to each subsequent collecting bank or other transferee, and to the drawee bank, all the representations and warranties about Member's Items that are set forth in the first subparagraph of Paragraph XIII (Liabilities) herein.

If any of Member's Items is the subject of a large-dollar return notification, and the paying bank or other entity that is returning the Item sends the notice of nonpayment to Alloya rather than to Member, Alloya will promptly provide information to Member as to the notice of nonpayment regarding Member's large-dollar Item.

If any of Member's Items is returned to Alloya in the format of a Substitute Check or IRD, Alloya will reconvert the Substitute Check or IRD into electronic image format and will process the reconverted return Item pursuant to criteria selected by Member and pursuant to the procedures set forth in the Operating Manual.

XV. Indemnity. Member's indemnity will apply to (as examples, but without limitation of the generality of the indemnity) the following: (a) Alloya's presentation of Member's Items into the interbank collection process; (b) Member's failure to perform any of its obligations under this POA; (c) Member's failure to comply with the applicable Third-Party Rules; (d) poor image quality of any of Member's Items; (e) the failure of any Remotely- Created Check to constitute data that was captured from a paper check (as referenced in Paragraph XII [Remotely- Created Checks] of this Agreement); (f) any duplicate presentment of an Item in violation of Member's Substitute Check Warranties (as referenced in Paragraph XIII [Liabilities] of this Agreement); (g) Alloya's processing of any of Member's Items that Alloya receives for any reason as return Items (whether or not the Item that is being returned was first transmitted to Alloya for presentment into the interbank collection process); and (h) the identification of Alloya as the bank of first deposit for an Item even though (as referenced in Paragraph XIV [Image Deposit Return Services] herein) Member was the actual bank of first deposit for the Item.

XVI. Deposit Fraud Protection. If Member elects to use Alloya's Deposit Fraud Protection (the "Deposit Fraud Protection"), the provisions of this Paragraph XVI will be applicable to such Deposit Fraud Protection.

1. At the end of Paragraph X (Responsibilities of Member) herein, the following is added:

- (A) Execute a "Participant Application and Agreement" and/or other agreements, contracts or documents that may be required by Alloya or by any vendor (any "AFS Vendor") that provides services to Alloya that are related to the Deposit Fraud Protection.
- (B) Cooperate with Alloya in the preparation of annual reports and/or other information that may be requested by any Deposit Fraud Protection Vendor.
- (C) Comply with any and all instructions that may be provided to Member by Alloya or by any Deposit Fraud Protection Vendor as to the proper use of the service marks, trade names and other intellectual property owned or licensed by the Deposit Fraud Protection Vendor.

2. At the end of Paragraph XI (Responsibilities of Alloya) herein, the following is added:

- (A) Format, to standards set by Alloya's Deposit Fraud Protection Vendor, MICR transit data that is captured during deposit processing.
- (B) Transmit data to Alloya's Deposit Fraud Protection Vendor in an encrypted file.
- (C) Receive informational and hit data from Alloya's Deposit Fraud Protection Vendor and make such data available to Member on the morning of each Business Day.
- (D) From time to time, review the suppression levels that Alloya has selected for specific categories of hits and adjust such levels if Alloya in its reasonable discretion believes adjustment is appropriate.

XVII. Early Warning Services, LLC. Alloya's Deposit Fraud Protection vendor is currently Early Warning Services ("EWS") (formerly known as Primary Payment Systems, Inc.). Alloya has the right to terminate the provision of

the Deposit Fraud Protection to Member, without regard to any then-remaining time in the term of this POA should: (a) the “Remarketing Agreement” or other agreement or contract, by which EWS provides services to Alloya that are related to the Deposit Fraud Protection, is terminated for any reason; or (b) the “Participant Application and Agreement” or other agreement or contract by and between Member and EWS is terminated by EWS for any reason.

XVIII. EWS Operating Rules. During the term of this Agreement, Alloya will attempt (but will not be obligated) to make available to Member up-to-date copies of the Operating Rules issued from time to time by EWS, either (a) through the use of Alloya’s “TranZact” computer-to-computer communication system; or (b) by use of links to a web site that is accessible to Member; or (c) by another means selected by Alloya. Notwithstanding Alloya’s efforts to make such information available to Member, Member acknowledges that it is Member’s responsibility: (a) to be sure, by direct communication with EWS, that Member has up-to-date copies of EWS’s Operating Rules; and (b) to be sure that Member complies with all such Operating Rules that are applicable to the Services provided to Member under this POA.

XIX Termination Fees. Member shall pay Alloya termination fees as described on Alloya’s Pricing Schedule if Member terminates service. Termination fees are limited to amounts Alloya’s vendor(s) charge Alloya for termination of the service, plus reasonable internal processing costs, plus any other expenses Alloya incurred on the Member’s behalf to acquire or offer the service that Alloya cannot recover. Termination fees do not include future Alloya revenue or its opportunity costs.