Third Party Service Provider ACH Origination Agreement

This agreement is made between ConnectOne Bank ("Bank"),_____("Client"), and _____ ("Service Provider") as of the last date of execution set forth below ("Agreement").

Client wishes Service Provider to initiate as Client's agent electronic credit and debit Entries through Bank by means of the Automated Clearing House Network ("ACH") pursuant to the terms of this Agreement, the National Automated Clearing House Association ("NACHA") rules now in effect and as may by amended from time to time ("NACHA Rules"), and Financial Institution's rules and procedures, as may be amended from time to time (together, the "Rules"). Bank is willing to act as an Originating Depository Financial Institution ("ODFI") pursuant to this Agreement that sets forth the terms and conditions pursuant to which Bank will provide to Client the specified ACH services ("Services"). Client and Service Provider agree that Client is the Originator and that Service Provider is a Third Party Service Provider as defined in the Rules.

To receive Services, Client must execute the Business eBanking and Services Agreement ("BEB and BMB Agreement") and the Cash Management Agreement, both of which are hereby incorporated by reference. In the event of a conflict between this Agreement, the Uniform Commercial Code ("UCC"), and any agreement incorporated herein, this Agreement shall govern. Capitalized terms not defined in this Agreement shall have the meaning given in the Rules.

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

AGREEMENT

1.   COMPLIANCE WITH RULES AND LAWS. Client and Service Provider acknowledge that each has a copy or has access to a copy of the Rules and agree to be bound thereby. Client and Service Provider shall ensure that they use the Services in compliance with all applicable laws, including but not limited to any laws, rules, regulations, guidelines, or orders administered or issued by the Office of Foreign Assets Control ("OFAC"), the United States Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN"), the Board of Governors of the Federal Reserve, and the Federal Financial Institutions Examination Council ("FFIEC"). Client and Service Provider will reimburse and/or indemnify Bank for any fines or penalties imposed by any organization which are incurred by Bank as a result of Client's and/or Service Provider's non-compliance with this Section. Bank may in its sole discretion decline from the performance of Services to the extent that the performance is inconsistent with any applicable law, the Rules, or provisions herein.

2.   CREDIT APPROVAL. Bank may require Client to undergo a credit review for use of the Services. Client agrees to provide Bank any and all financial, business and operating information as Bank may reasonably request in connection with the credit review.

3.   SECURITY INTEREST. To secure the payment and performance of Client's obligations set forth herein, Client grants to Bank a security interest in and pledges and assigns to Bank all of Client's right, title, and interest in any savings, checking, money market, escrow or reserve and any other accounts of Client that are in Bank's custody or control.

4.   AUTHORIZED ACCOUNTS.   Client and Service Provider shall transmit ACH transactions through the account(s) ("Authorized Account(s)") designated in **Schedule E,** and the signature cards establishing the authorized signatories are hereby incorporated by reference and made a part hereof.

5.   TRANSMISSION OF ENTRIES BY CLIENT. Client and/or Service Provider shall initiate the credit and/or debit Entries selected by Client in **Schedule A.** Client and/or Service Provider shall transmit Entries to Bank in computer readable form in compliance with the requirements set forth in the Rules. Entries shall be transmitted to Bank

according to the Processing Schedule attached as **Schedule B**. "Business Day" means Monday through Friday, excluding federal holidays and the "Settlement Date" for any Entry shall be the Business Day when the Entry is debited or credited pursuant to the Rules. Entries received after the cut off time shall be deemed to have been received on the next Business Day. The total dollar amount of Entries transmitted by Client or Service Provider on any one Business Day shall not exceed the lesser of the amount of (i) total funds in the Authorized Account(s) or (ii) the ACH Processing Limit set forth in **Schedule D**. Client may not reinitiate Entries except as prescribed by the Rules.

6.   THIRD PARTY SERVICE PROVIDER. Client (i) agrees that Service Provider is acting as Client's agent to transmit Entries and files to Bank, and (ii) agrees to assume full responsibility and liability for Service Provider's failure to comply with the applicable laws, the Rules and this Agreement. Bank will not be liable for any losses or additional costs Client incurs because of Service Provider's error or a malfunction of Service Provider's equipment. Client is solely responsible for maintaining its compliance with Service Provider's requirements. Bank's sole responsibility shall be to enter approved transactions into the ACH Operator, and Bank shall not have any responsibility for any Entry or file handled by Service Provider until Bank accepts and approves an Entry or file from Service Provider. The terms and conditions governing the relationship between Client and Service Provider shall be governed by a separate agreement between Client and Service Provider ("Service Provider Agreement"). Client and Service Provider represent and warrant that they have executed a binding Service Provider Agreement. All of Client's obligations and responsibilities under this Agreement apply to Service Provider, and Service Provider Agreement must so provide. At Bank's request, Client will provide to Bank a true and exact copy of Service Provider Agreement. Client authorizes Bank to accept any Entry or file submitted by Service Provider. Client shall indemnify and holds Bank harmless for any losses, damages, fines, assessments, costs and expenses incurred or suffered by Bank or any third party arising from Client's use of Service Provider, including but not limited to and attorneys' fees and costs.

7.   SECURITY PROCEDURES.

(a)   Client and Service Provider shall comply with the "Security Procedures" described in **Schedule C** and Client and Service Provider agree that the Security Procedures, including without limitation any password, token, or method of authentication or identification used in connection with a Security Procedure ("Security Devices") are commercially reasonable security procedures under applicable law. Client authorizes Bank to follow any and all instructions and transactions initiated using the Security Procedures until Client and/or Service Provider has notified Bank that the Security Procedures or any Security Device has been stolen or compromised. Client agrees that Bank may require a reasonable opportunity to act upon such notice. Client and Service Provider agree that a transaction initiated using Security Procedures is sufficient to authorize Bank to execute the transaction notwithstanding any particular signature identified on any signature card or other requirements relating to the Authorized Account(s), and that using the Security Procedures shall be the same as Client's written signature for the transaction. Client and Service Provider shall be bound by all Entries initiated through the Security Procedures, whether authorized or unauthorized, and by any activity otherwise initiated by Client and/or Service Provider, to the fullest extent allowed by law. Client and Service Provider further agree that the Security Procedures are not designed to detect error in the transmission or content of communications or Entries initiated by Client and Service Provider and that Client and Service Provider bear the sole responsibility for detecting and preventing such error.

(b)   Client and Service Provider agree to keep all Security Procedures and Security Devices protected, secure, and strictly confidential, to make them available only to authorized personnel of Client and Service Provider, and to instruct each authorized person with access to the Security Procedures or Security Devices not to disclose or provide any Security Procedures or Security Devices to any third party or unauthorized person. Client and Service Provider agree to notify Bank immediately if Client or Service Provider believe that any Security Procedures or Security Device has been stolen or compromised or if any ACH activity is unauthorized. In the event of any actual or threatened breach of security, Bank may issue Client and Service Provider a new Security Device or establish new Security Procedures as soon as reasonably practicable, but Bank shall not be liable to Client or any third party for any delay in taking such actions.

(c)   Client and Service Provider shall recover and return to Bank any Security Devices in the possession of any person whose authority to have the Security Device has been revoked.

(d)   Bank reserves the right to modify, amend, supplement, or cancel any or all Security Procedures, and/or to cancel or replace any Security Device, at any time in Bank's sole discretion. Bank may make any change in Security Procedures without advance notice to Client and Service Provider if Bank, in its discretion, believes such change to be necessary or desirable to protect its systems and assets; provided, however, Bank shall notify Client and Service Provider of any changes in Security Procedures in a commercially reasonable timeframe. Client's and Service Provider's initiation

of Entries under this

Agreement after Bank institutes any change in Security Procedures shall constitute Client's and Service Provider's affirmation that the Security Procedures, as changed, are commercially reasonable and adequate for the purposes intended.

8.   **PHYSICAL AND ELECTRONIC SECURITY**.

(a)   Client and Service Provider are solely responsible for providing for and maintaining the security of data and systems in Client's or Service Provider's possession or control. Client and Service Provider agree to comply with the provisions of Section 1.6 of the NACHA Rules regarding Protected Information. Bank is not responsible for any computer viruses or any related problems associated with the use of the Services. Any material downloaded or obtained is obtained at Client's or Service Provider's own discretion and risk, and Bank is not responsible for any damage to Client's or Service Provider'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. Client and Service Provider are solely responsible for protecting, securing, and backing up any data and information stored on Client's and Service Provider's operating systems. Bank is not responsible for any errors or failures resulting from defects in or malfunctions of any software installed on Client's or Service Provider's operating systems or accessed through an Internet connection.

(b)   Client and Service Provider acknowledge and agree that it is their responsibility to protect themselves and to be vigilant against e-mail fraud and other internet frauds and schemes. Client and Service Provider acknowledge that Bank will never contact Client or Service Provider by e-mail in order to ask for or to verify Account numbers, Security Devices, or any sensitive or confidential information. In the event Client or Service Provider receives an e-mail or other electronic communication that Client or Service Provider believes, or has reason to believe, is fraudulent, Client and Service Provider agree that neither Client nor Service Provider 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. Client agrees that Bank is not responsible for any losses, injuries, or harm incurred by Client as a result of any electronic, e-mail, or Internet fraud.

(c)   In the event of a breach of the Security Procedures, Client and Service Provider agree to assist Bank in investigating the breach. At a minimum, Client and/or Service Provider shall provide Bank any analysis performed by Client and/or Service Provider or on Client's and/or Service Provider's behalf. Failure of Client and/or Service Provider to assist Bank shall be an admission by Client and/or Service Provider that the breach was not caused by a source controlled by Bank.

9.   **CREDIT AND DEBIT ENTRIES; RECORDS RETENTION.**   Client and/or Service Provider shall obtain an authorization ("Authorization") as required by the Rules from the person or entity whose account will be debited or credited. Client and/or Service Provider shall retain the Authorization in original form while it is in effect and the original or a copy of each Authorization for 2 years after termination or revocation of such Authorization as stated in the Rules. A Sample Authorization is attached as **Schedule F**.

The following table shows the proper SEC Codes to use depending on how Client and/or Service Provider obtained the Authorization to debit/credit an individual or company's account:

SEC Code	Debit / Credit	Authorization Method
PPD	Debit or Credit	Document signed by individual or similarly authenticated
CCD	Debit or Credit	Document signed or similarly authenticated by Client*
WEB	Debit or Credit	Via the Internet for Debit
TEL	Debit Only	Verbal authorization via the telephone. (phone line must be recorded line or notice sent)

∗   *All transactions from a business account must be CCD or CTX. Please see the CCD and CTX definition in Schedule A or refer to the NACHA Rules for a detailed explanation.*

10.   RECORDING AND USE OF COMMUNICATIONS. Client, Service Provider and Bank agree that all telephone conversations or data transmissions between them or their agents made in connection with this Agreement may be electronically recorded and retained by either party by use of any reasonable means. Bank shall not be obligated to make such recordings.

11.   PROCESSING, TRANSMITTAL, AND SETTLEMENT BY BANK. Except as otherwise provided for in this Agreement and if Bank elects to accept Entries, Bank shall:

(a)   (i) use commercially reasonable efforts to comply with the instructions of Client and Service Provider, (ii) process Entries received from Client and Service Provider to conform with the file specifications set forth in the Rules, (iii) transmit such Entries as an ODFI to the ACH Operator selected by Bank, (iv) settle for such Entries as provided in the Rules, and (v) in the case of a credit Entry received for credit to an account with Bank ("On-Us Entry"), Bank shall credit the Receiver's account in the amount of such credit Entry on the Effective Entry Date contained in such credit Entry, provided such credit Entry is received by Bank at the time and in the form prescribed by Bank in Section 5.

(b)   transmit such Entries to the ACH Operator by the deposit deadline of the ACH Operator, provided: (i) such Entries are completely received by Bank's cut-off time; (ii) the Effective Entry Date satisfies the criteria provided by Bank to Client and Service Provider; and (iii) the ACH Operator is open for business on such Business Day. Client and Service Provider agrees that the ACH Operator selected by Bank shall be deemed as selected by Client and Service Provider. Client will receive immediately available funds for any electronic debit entry initiated by it on the Settlement Date applicable thereto in accordance with the Rules.

12.   PAYMENT FOR CREDIT ENTRIES AND RETURNED DEBIT ENTRIES. Client and Service Provider agree to pay for all credit Entries issued by Client or Service Provider or made effective against Client. Client or Service Provider shall make payment to Bank on the date as determined by Bank in its sole discretion ("Payment Date"). Client or Service Provider shall pay Bank for the amount of each debit Entry returned by a Receiving Depository Bank ("RDFI") or debit Entry dishonored by Bank. Payment shall be made in any manner specified by Bank. Bank is authorized to charge the Authorized Account(s), as payment for all payments due Bank under this Agreement. Client shall maintain sufficient funds in the Authorized Account(s) to pay for all payments due Bank under this Agreement on the Payment Date. In the event the Authorized Account(s) or any other Client bank account do not have collected funds sufficient on the Payment Date to cover the total amount of all Entries to be paid on such Payment Date, Bank, in its sole discretion, may take any of the following actions:

(a)   refuse to process all Entries, in which event Bank shall return the data relating to such credit Entries to Client and Service Provider, whereupon Bank shall have no liability to Client or to any third party as a result thereof; or

(b)   process that portion of the credit Entries as Client has sufficient available funds in the Authorized Account to cover, in whatever order Bank shall elect to process, in which event Bank shall return the data relating to such credit Entries as are not processed to Client and Service Provider, whereupon Bank shall have no liability to Client, Service Provider or any third party as a result thereof; or

(c)   process all credit Entries. In the event Bank elects to process credit Entries initiated by Client or Service Provider and Client has not maintained sufficient available funds in the Authorized Account, the total amount of the insufficiency advanced by Bank on behalf of Client shall be immediately due and payable by Client and Service Provider to Bank without any further demand from Bank. If Bank elects to pay Client's account in the overdraft, it shall not be considered a waiver of Bank's rights to refuse to do so at any other time nor shall it be an agreement by Bank to pay other items in the overdraft.

13.   PRE-FUNDING. Bank may require Client and/or Service Provider to pre-fund an Account maintained at Bank prior to the Settlement Date of an Entry If pre-funding is required, Client or Service Provider will provide immediately available and collected funds sufficient to pay all Entries initiated by Client (a) not later than 8:00 a.m. local time **2 Business Days** before each Settlement Date, and (b) prior to initiating any Entries for which pre-funding is required.

14.   ON-US ENTRIES. Except as provided in Section 17, Rejection of Entries, or in the case of an Entry received for credit to an account maintained with Bank (an "On-Us Entry"), Bank shall credit the Receiver's account in the amount of such Entry on the Effective Entry Date of such Entry, provided the requirements set forth in Section 11

(b) are met. If any of those requirements are not met, Bank shall use reasonable efforts to credit the Receiver's account in the amount of such Entry no later than the next Business Day following such Effective Entry Date.

15.   SAME DAY ENTRIES. Bank will accept Same Day Entries at its sole discretion. A Credit or Debit Entry with an Effective Entry Date of the date of, or a date prior to, the date of the transmission of the Entry or File, and received by Bank prior to the applicable cut-off time set forth in Schedule B, shall be considered to be a Same Day Entry. In addition to any other fees that Client is obligated to pay Bank, Client and Service Provider agree to pay Bank the Same Day Entry fee established by Bank.

16.   RESERVES. Upon an evaluation of Client's and Service Provider's transaction activity, Bank in its sole discretion may require Client to establish reserves with Bank to cover Client's or Service Provider's obligations arising from Client's and Service Provider's ACH activities. Client shall establish required reserves within 5 Business Days upon Bank's request to establish such a reserve. Bank may suspend ACH processing activity for Client and Service Provider if Client fails to timely establish the required amount of reserves.

17.   REJECTION OF ENTRIES. Client and Service Provider agree that Bank has no obligation to accept Entries and therefore may reject any Entry issued by Client or Service Provider. Bank has no obligation to notify Client or Service Provider of the rejection of an Entry. Bank shall have no liability to Client or Service Provider for rejection of an Entry and shall not be liable to pay interest to Client or Service Provider even if the amount of Client's payment order is fully covered by a withdrawable credit balance in an Authorized Account or Bank has otherwise received full payment from Client.

18.   CANCELLATION OR AMENDMENT BY CLIENT OR SERVICE PROVIDER. Client or Service Provider shall have no right to cancel or amend any Entry after its receipt by Bank. Bank may, at its sole option, accept a cancellation or amendment by Client or Service Provider. If such a request is received by Bank before the affected Entry has been transmitted to the ACH Operator (or, in the case of an On-Us Entry, before the Receiver's account has been credited or debited), Bank may use reasonable efforts to cancel or amend the Entry as requested, but Bank shall have no liability if the cancellation or amendment is not effected. If Bank accepts a cancellation or amendment of an Entry, Client and Service Provider agree to indemnify, defend all claims and hold Bank harmless from any loss, damages, or expenses, including but not limited to attorney's fees, incurred by Bank as the result of its acceptance of the cancellation or amendment.

19.   REVERSALS OF ENTRIES.

(a)   General Procedure. Upon proper and timely request by Client or Service Provider, 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 5 Business Days of the Effective Entry Date for the Entry or file to be reversed; (ii) be made immediately, not to exceed 10 hours, upon discovery of the error; (iii) be accompanied by a Reversal/Cancellation Request form; and (iv) comply with all of the Rules. In addition, if Client or Service Provider requests reversal of a Debit Entry or Debit File, it shall concurrently deposit into Client's account an amount equal to that Entry or file. Client or Service Provider shall notify the Receiver of any reversing Entry initiated. 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)   Error and Duplicate Entries. Bank has no obligation to discover and shall not be liable to Client or Service Provider for errors made by Client. Bank shall have no duty to discover and shall not be liable for duplicate Entries issued by Client or Service Provider. Notwithstanding the foregoing, if Client or Service Provider discovers that any Entry it has initiated was in error, it shall notify Bank of such error. If such notice is received no later than 4 hours prior to the ACH receiving deadline, Bank will use reasonable efforts to initiate an adjusting Entry or stop payment of any credit On-Us Entry within the time limits provided by the Rules.

(c)   No Liability: Reimbursement and Indemnity. Under no circumstances shall Bank be liable for interest or related losses if the requested reversal of an Entry is not effected. Client and Service Provider shall reimburse Bank for any expenses, losses or damages it incurs in effecting or attempting to effect Client's or Service Provider's request for reversal of an Entry. Client and Service Provider shall indemnify, defend all claims, and hold Bank harmless from any loss, damages, or expenses, including but not limited to attorney's fees, incurred by Bank as result of the error or issuance of duplicate Entries.

20.   PROHIBITED TRANSACTIONS. Client and Service Provider agree 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 Client 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 Client being or becoming a "money service business" as defined in 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. Client and Service Provider agree that Bank has no obligation to monitor Client's and Service Provider's use of the Services for impermissible transactions and activity; provided, however, that Bank reserves the right to decline to execute any transaction or activity for any reason, including that Bank believes violates the terms of this Agreement.

21.   PRENOTIFICATION. Client, at its option, may send prenotification that it intends to initiate an Entry or Entries within the time limits prescribed in the Rules. Client or Service Provider shall provide notice as set forth in the Rules. If Client or Service Provider receive notice that a RDFI has rejected prenotification within the prescribed period, or that a RDFI will not receive Entries without first receiving a copy of the applicable Authorization, Client or Service Provider will not initiate any corresponding Entries to such accounts until the cause for rejection has been corrected or until Client or Service Provider has provided the RDFI with the applicable Authorization.

22.   NOTICE OF RETURNED ENTRIES AND NOTIFICATIONS OF CHANGE. Bank shall notify Client and/or Service Provider regarding a returned Entry from the ACH Operator. Except for an Entry retransmitted by Client or Service Provider pursuant to the requirements of Section 5, Bank shall have no obligation to retransmit a returned Entry to the ACH Operator if Bank complied with this Agreement regarding the original Entry. Client or Service Provider shall notify the Receiver by phone or electronic transmission of receipt of each returned Entry no later than 1 Business Day after the Business Day of receiving such notification from Bank. Bank shall provide Client or Service Provider all information required by the Rules regarding each Notification of Change ("NOC") Entry or Corrected Notification of Change ("Corrected NOC") Entry received by Bank. Bank must provide such information to Client or Service Provider within 2 Business Days of the Settlement Date of each NOC or Corrected NOC Entry. Client and/or Service Provider shall ensure that changes requested by the NOC or Corrected NOC are made within, the later of, 6 Business Days of Client or Service Provider's receipt of the NOC information from Bank or prior to initiating another Entry to the Receiver's account.

23.   ACCOUNT RECONCILIATION. Client agrees to notify Bank promptly of any discrepancy between Client's records and the information shown on any periodic statement. If Client fails to notify Bank within 10 calendar days of receipt of a periodic statement containing such information; Client agrees that Bank shall not be liable for any other losses resulting from Client's failure to give such notice or any loss of interest or any interest equivalent with respect to any Entry shown on such periodic statement. Further, if Client fails to timely notify Bank regarding any discrepancy on any periodic statement, Client shall be precluded from asserting any claim against Bank for any loss incurred by Client.

24.   CLIENT AND SERVICE PROVIDER REPRESENTATIONS AND WARRANTIES; INDEMNITY. With respect to each Entry transmitted by Client or Service Provider, Client and Service Provider represent and warrant that (a) each person or entity shown as the Receiver on an Entry received by Bank from Client or Service Provider 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, (b) such authorization is operative at the time of transmittal or crediting or debiting by Bank as provided herein, (c) Entries transmitted to Bank by Client or Service Provider are limited to those types of credit and debit Entries set forth in **Schedule A**, (d) Client and Service Provider shall perform their obligations under this Agreement in accordance with all applicable laws, regulations, and orders, and Rules, (e) Client and Service Provider shall be bound by and comply with the provision of the Rules making payment of an Entry by the RDFI to the Receiver provisional until receipt by the RDFI of final settlement for such Entry, and (f) Client and Service Provider shall ensure that any and all non-public personal information provided by Client or Service Provider, including but not limited to Nonpublic Personal Information as defined by the Gramm–Leach–Bliley Act of 1999 at 15 U.S.C. § 6809(4), shall be secure and will not be disclosed to any unauthorized person. Client and Service Provider specifically acknowledges that they are aware of the NACHA 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 Client shall not be deemed to have paid the Receiver the amount of the Entry. Client shall defend, indemnify, and hold harmless Bank, and its officers, directors, agents, and employees, from and against any and all actions, costs, claims, losses, damages, or expenses, including attorney's fees and expenses, resulting from or arising out of (i) any breach of any of the agreements, representations or warranties of Client and Service Provider contained in this Agreement; or (ii) any act or omission of Client or any other person acting on Client's behalf.

25.   ADDITIONAL CLIENT SERVICE PROVIDER WARRANTIES FOR SELECTED STANDARD ENTRY CLASSES. NACHA has determined that certain single-use or limited-use consumer authorizations have the potential to increase risk in the ACH system and compromise system effectiveness by increasing the incidence of returned Entries. Therefore, to qualify as an Originator of such Entries, Client and Service Provider hereby warrant to Bank that for each such Entry submitted for processing, Client and Service Provider have obtained all authorizations from the Receiver as required by the Rules, by Regulation E or other applicable law, and this Agreement. Client and Service Provider also make the additional warranties to Bank that Bank makes to each RDFI and ACH Operator under the Rules for the respective SEC codes for Entries originated by or on behalf of Client. Client and Service Provider hereby indemnify and holds Bank harmless from any liability arising out of Client's or Service Provider's breach of these warranties.

26.   FINANCIAL INFORMATION AND AUDIT. Bank may request information from Client or Service Provider in order to evaluate the Services provided by Bank hereunder and/or adjustment of any limits set by this Agreement. Client and Service Provider agree to provide the requested financial information immediately and in the form required by Bank.   Client and Service Provider authorize Bank to investigate or reinvestigate at any time any information provided by Client and Service Provider. Upon request by Bank, Client and Service Provider authorize Bank to enter Client and Service Provider's business premises for the purpose of ensuring that Client and Service Provider are in compliance with this Agreement and Client and Service Provider specifically authorize Bank to perform an audit of Client and Service Provider's operational controls, risk management practices, staffing and the need for training and ongoing support, and information technology infrastructure. Client and Service Provider agree that Bank shall have the right to mandate specific internal controls at Client and Service Provider's location(s) and Client and Service Provider shall comply with any such mandate. In addition, and subject to any confidentiality obligations, Client and Service Provider agree to allow Bank to review available reports of independent audits performed at Client or Service Provider's location related to information technology, the Service and any associated operational processes. Bank's audit may require Client or Service Provider to complete a self-assessment of Client and Service Provider's operations, management, staff, systems, internal controls, training and risk management practices.   If Client or Service Provider refuse to provide the requested information, if Bank concludes, in its sole discretion, that the risk of Client or Service Provider is unacceptable, if Client or Service Provider violate this Agreement or the Rules, or if Client or Service Provider refuse to give Bank access to Client or Service Provider's premises, Bank may terminate the Services and this Agreement.

27.   LIMITATION OF LIABILITY.

(a)   IN THE PERFORMANCE OF THE SERVICES REQUIRED BY THIS AGREEMENT, BANK SHALL BE ENTITLED TO RELY SOLELY ON THE INFORMATION, REPRESENTATIONS, AND WARRANTIES PROVIDED BY CLIENT AND/OR SERVICE PROVIDER PURSUANT TO THIS AGREEMENT, AND SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS THEREOF.   BANK SHALL BE RESPONSIBLE ONLY FOR PERFORMING THE SERVICES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, AND SHALL BE LIABLE ONLY FOR ITS GROSS NEGLIGENCE OR WILLFUL MISCONDUCT IN PERFORMING THOSE SERVICES. BANK SHALL NOT BE RESPONSIBLE FOR CLIENT'S OR SERVICE PROVIDER'S ACTS OR OMISSIONS (INCLUDING, WITHOUT LIMITATION, THE AMOUNT, ACCURACY, TIMELINESS OF TRANSMITTAL OR AUTHORIZATION OF ANY ENTRY RECEIVED FROM CLIENT) 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 ANY ENTRY BY SUCH RECEIVER OR RDFI), AND NO SUCH PERSON SHALL BE DEEMED BANK'S AGENT. CLIENT AND SERVICE PROVIDER AGREE TO INDEMNIFY BANK AGAINST ANY LOSS, LIABILITY OR EXPENSE (INCLUDING ATTORNEYS' FEES AND COSTS) RESULTING FROM OR ARISING OUT OF CLIENT'S OR SERVICE PROVIDER'S OR ANY THIRD PARTY'S ACTS OR OMISSIONS.

(b)   IN NO EVENT SHALL BANK BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, PUNITIVE OR INDIRECT LOSS OR DAMAGE WHICH CLIENT OR SERVICE PROVIDER MAY INCUR OR SUFFER IN CONNECTION WITH THIS AGREEMENT, WHETHER OR NOT THE LIKELIHOOD OF SUCH DAMAGES WAS KNOWN OR CONTEMPLATED BY BANK AND REGARDLESS OF THE LEGAL OR EQUITABLE THEORY OF LIABILITY WHICH CLIENT MAY ASSERT.

(c)   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, PANDEMIC, EMERGENCY CONDITIONS OR OTHER CIRCUMSTANCES BEYOND BANK'S CONTROL. IN ADDITION, BANK SHALL BE EXCUSED FROM FAILING TO TRANSMIT OR DELAY IN TRANSMITTING AN ENTRY IF SUCH TRANSMITTAL WOULD RESULT IN BANK'S HAVING EXCEEDED ANY LIMITATION UPON ITS INTRA-DAY NET FUNDS POSITION ESTABLISHED PURSUANT TO PRESENT OR FUTURE FEDERAL RESERVE GUIDELINES OR IN 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. SUBJECT TO THE FOREGOING LIMITATIONS, 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 NEW YORK FOR THE PERIOD INVOLVED. AT BANK'S OPTION, PAYMENT OF SUCH INTEREST MAY BE MADE BY CREDITING THE AUTHORIZED ACCOUNT(S).

28.   INCONSISTENCY OF NAME AND ACCOUNT NUMBER. Client and Service Provider acknowledge and agree that, if an Entry describes the Receiver inconsistently by name and account number, payment of the Entry transmitted by Bank to the RDFI may be made by the RDFI (or by Bank in the case of an On-Us Entry) on the basis of the account number supplied by Client or Service Provider, even if it identifies a person different from the named Receiver, and that Client's obligation to pay the amount of the Entry to Bank is not excused in such circumstances.

29.   PAYMENT FOR SERVICES. Client or Service Provider shall pay Bank the charges for the Services, as set forth in Bank's Schedule of Fees. All fees are subject to change upon 30 days' prior written notice from Bank. Such charges do not include, and Client or Service Provider shall be responsible for payment of, any sales, use, excise, value added, utility or other similar taxes relating to such Services, and any fees or charges provided for in the Depository Agreement between Bank and Client with respect to the Authorized Account(s).

30.   NOTICES, INSTRUCTIONS, ETC.

 (a)   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 or sent by an authorized representative of Client, or Service Provider 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 Bank.

(b)   Except as stated herein, any written notice or other written communication under this Agreement shall be delivered or sent by certified or registered mail, return receipt requested or nationally recognized courier with tracking, if to Client or Service Provider, at the address of Client or Service Provider on the books of Bank and if to Bank, at the following address:

> ConnectOne Bank
> Attn: ACH Department
> 2455 Morris Ave
> Union, NJ 07083

31.   DATA RETENTION. Client and Service Provider shall retain data on file adequate to permit the remaking of Entries for 5 Business Days following the date of their transmittal by Bank as provided herein, and shall provide such data to Bank upon its request.

32.   DATA MEDIA AND RECORDS. All data media, Entries, Security Procedures and related records used by Bank for transactions contemplated by this Agreement shall be and remain Bank's property. Any expenses incurred by Bank in making such information available to Client or Service Provider shall be paid by Client.

33.   COOPERATION IN LOSS RECOVERY EFFORTS. In the event of any damages for which Bank or Client or Service Provider may be liable to each other or to a third party under this Agreement, Bank, Client, and Service Provider 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.

34.   TERMINATION. Bank may terminate or suspend this Agreement immediately if Client or Service Provider is in violation of this Agreement, the Rules or applicable laws or if Client or Service Provider initiates any bankruptcy proceeding or is otherwise declared insolvent. Bank may also terminate or suspend this Agreement without written or oral notice if Client or Service Provider has not utilized the Services for more than six (6) months. Any termination of this Agreement shall not affect Bank's rights or Client's or Service Provider's obligations with respect to any Entries initiated by Client or Service Provider prior to such termination, or the payment obligations of Client or Service Provider with respect to Services performed by Bank prior to termination, or any other obligations that survive termination of this Agreement.

35. ENTIRE AGREEMENT. This Agreement (including the Schedules attached and any amendments thereto) together with the applicable BEB and BMB Agreement, Cash Management Agreement, and Depository Agreement, is the complete and exclusive statement of the agreement between Bank and Client with respect to the subject matter hereof and supersedes any prior agreement(s) between the parties with respect to such subject matter.

36. NON-ASSIGNMENT. Client or Service Provider may not assign this Agreement or any of the rights or duties hereunder to any person without Bank's prior written consent.

37. AMENDMENT; SEVERABILITY; WAIVER. Bank may amend this agreement upon written notice to Client and Service Provider. Any practices or course of dealings between Bank and Client or Service Provider, or any procedures or operational alterations used by them, shall <u>not</u> constitute a modification of this Agreement or the Rules. 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. Bank may waive enforcement of any provision of this Agreement. Any such waiver shall not affect Bank's rights with respect to any other transaction or modify the terms of this Agreement.

38. BINDING AGREEMENT; BENEFIT. 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 Bank or Client or Service Provider hereunder.

39. HEADINGS. Headings are used for reference purposes only and shall not be deemed part of this Agreement.

40. GOVERNING LAW. This Agreement shall be construed in accordance with and governed by the laws of the State of New Jersey, without reference to its conflict of laws provisions, and applicable federal law.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their duly authorized officers.

ConnectOne Bank   **Client**

By: _____   By: _____

Name: Name:

Title: Title:

Date: Date:

Service Provider

By: _____

Name:

Title:

Date:

Schedule A

CLIENT SELECTED STANDARD
ENTRY CLASS CODE

As used in the Agreement, the following* are ACH Standard Entry Class Codes (SEC) approved for use by Client (check all that apply), subject to any specific restrictions on the types of ACH transactions that may be originated, which are identified by Bank below:

- ☐ *CCD – Corporate Credit or Debit –* Either a credit or debit where funds are either distributed or consolidated between corporate entities. May have one addenda record attached (CCD+).
- ☐ *CTX - Corporate Trade Exchange –* The transfer of funds (debit or credit) within a trading partner relationship in which payments related information is placed in multiple addenda records. (up to 9,999 addenda records).
- ☐ *PPD - Prearranged Payment and Deposit*
    - o **Direct Deposit** - The transfer of funds into a consumer's account. Funds being deposited can represent a variety of products, such as payroll, interest, pension, dividends, etc.
    - o **Direct Payment** - Preauthorized payment is a debit application. This includes recurring bills that do not vary in amount -- insurance premiums, mortgage payments, charitable contributions, and installment loan payments or standing authorizations where the amount does vary, such as utility payments.
- ☐ *TEL - Telephone-Initiated Entry –* This is used for the origination of a debit transaction to a consumer's account pursuant to an oral authorization obtained from the consumer via the telephone (Single or Recurring Entry).
- ☐ *WEB - Internet-Initiated Entry* - Consumer debits authorized via the Internet or mobile device; or a person-to-person (P2P) credit regardless of initiation method (Single or Recurring Entry).
- ☐ **Other**

 *The above SEC Codes are the most commonly used and not an all-inclusive list.

Bank has identified the following ACH transaction restrictions:

- ☐ *IAT – International ACH Transaction – A* debit or credit Entry that is part of a payment transaction involving a financial agency's office that is not located in the territorial jurisdiction of the United States. (Refer to NACHA Rules for further definitional details).
- ☐ *XCK – Destroyed Check*

Schedule B

Processing Schedule

Delivery of ACH Files:

- Internet transmissions
  Client or Service Provider shall electronically transmit ACH files to Bank through a designated File Transfer Protocol ("FTP") site.

- Format and content of Entries
  All files must be submitted in NACHA format. Client or Service Provider should refer to Appendix Two in the NACHA Rulebook for specific formatting details.

- Timing of delivery
  Processing Deadline for:

  Credit Entries
  Transmission of a File –   until **4:30** p.m. **EST** Time (Standard or Daylight) 2 Business Days prior to Effective Entry Date[1]

  Debit Entries
  Transmission of a File –   until **4:30** p.m. **EST** Time (Standard or Daylight) 1 Business Day prior to Effective Entry Date[1]

- Same Day ACH Credit Entries Only

  Transmission of a File -   until **9:30** a.m. **EST** on Effective Entry Date.

  Transmission of a File-   until **12:** p.m. **EST** on Effective Entry Date.

- Same Day ACH Debit Entries

  Transmission of a File -   until **9:30** a.m. **EST** on Effective Entry Date.

  Transmission of a File-   until **12:** p.m. **EST** on Effective Entry Date

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[1]"Effective Entry Date" must be a Business Day or the file will be processed on the first Business Day following the effective date.

Schedule C Security
Procedures

In order to initiate ACH transactions, Client or Service Provider must adhere to all the security protocols in this Agreement.

It is Client and Service Provider's responsibility to establish and maintain procedures to safeguard against unauthorized transactions, which includes the responsibility of maintaining the confidentiality of all credentials and security devices.

ACH files may be transmitted by way of a File Transfer Protocol Site ("FTP").

ACH files transmitted by FTP require a user ID and password. FTP connectivity is configured between Bank's vendor Fidelity National Information Services (FIS) and Client and/or Service Provider. A host name, numeric IP address, and connection port is required to enable secure transmission using Secure Shell (SSL). A Transmission Questionnaire and Move It Credential Request forms are required.

Client and Service Provider agree that Bank is authorized to act on any instruction received under any FTP credentials (user ID and password), whether used alone or with any other credential or authorization processes. This includes Client's authorization that Bank honors any ACH transaction and provide account information to anyone who provides the proper credential(s).

BANK WILL NOT BE LIABLE TO CLIENT, SERVICE PROVIDER, OR TO THIRD PARTIES FOR ANY LOSS WHATSOEVER ARISING FROM CLIENT'S OR SERVICE PROVIDER'S TRANSMITTAL OF ACH FILES THROUGH A FTP SITE.

If Client or Service Provider believes or suspects credentials have been stolen, compromised or discovers an ACH transaction is unauthorized or in error, Client or Service Provider shall notify immediately Bank by calling 1-844-266-2548.

CLIENT SHALL NOT PROVIDE THIRD PARTY SERVICE PROVIDER ACCESS TO BUSINESS EBANKING ("BEB"). CLIENT'S USE OF A THIRD PARTY SERVICE PROVIDER TO TRANSMIT ACH FILES THROUGH BEB IS EXPRESSLY PROHIBITED. CLIENT AGREES TO INDEMNITY AND HOLD HARMLESS THE BANK FROM ANY LOSS OR CLAIM WHATSOEVER RELATING TO OR ARISING FROM ANY BEB ACTIVITY IF CLIENT GRANTS ACCESS TO BEB TO A THIRD PARTY SERVICE PROVIDER.

ACH Processing Limits

Transaction Limit

      Maximum Amount of Any ACH Transaction $_____

Per File Limits

      Per File Limit for ACH Debit Transactions $_____

      Per File Limit for ACH Credit Transactions $_____

      Transactional dollar Limits $_____

      Transactions per Batch $_____

Total Aggregate Exposure Limits

      Total Entry Settlement Limit for ACH Debit Entries $_____

      Total Entry Settlement Limit for ACH Credit Entries $_____

"*Entry Settlement Limit*" means the maximum aggregate amount of In-Process Entries permitted to be outstanding at any time.

"*In-Process Entries*" means, for credit Entries, the aggregate dollar amount of all credit Entries initiated by Client or Service Provider and in process on any date for which settlement has not occurred, or, for debit Entries, the applicable period for which the return of items has not expired.

"*Overlimit Entry*" means an Entry which would cause the aggregate amount of In-Process Entries to exceed the Entry Settlement Limit. If Client or Service Provider wishes to initiate an Entry that would cause the amount of In-Process Entries to exceed the Entry Settlement Limit, Client or Service Provider should submit a request to Bank to allow for the Overlimit Entry at least 2 Business days prior to the date on which Client or Service Provider wishes to initiate such Entry. Bank may grant or deny Client's or Service Provider's request at its sole discretion. Client and Service Provider agree that Bank will not be required to process an Overlimit Entry. Bank may suspend any Overlimit Entry submitted by Client or Service Provider and may, following its receipt of an Overlimit Entry, suspend all In-Process Entries. Client and Service Provider acknowledge that any Overlimit Entry or other In-Process Entries suspended by Bank will not settle on their scheduled Settlement Date.

Schedule E

ACH
Originating Client Information

Client: _____

Street Address: _____

City, State Zip: _____

Tax ID #: _____

Client Phone Number: _____

Client Fax Number: _____

Primary Contact: _____

Phone Number: _____

Secondary Contact: _____

Phone Number: _____

Authorized Account: _____

Authorized Account: _____

Authorized Account: _____

Authorized Account: _____

Schedule F

Sample ACH Authorization Agreements

AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Company Name_____   Company ID Number_____

I (we) hereby authorize _____**, hereinafter called COMPANY, to initiate debit entries to my (our) ☐ Checking Account/ ☐ Savings Account (select one) indicated below at the depository Bank named below, hereinafter called DEPOSITORY, and to debit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.**

Depository
Name_____   Branch_____

City_____   State_____Zip_____

Routing
Number_____   Account
                                       Number_____

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Name(s)_____   ID Number_____

Date_____   Signature _____

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS <u>MUST</u> PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

AUTHORIZATION AGREEMENT FOR DIRECT DEPOSITS (ACH CREDITS)
Company Name   Company ID Number

I (we) hereby authorize _____ **, hereinafter called COMPANY, to initiate credit entries to my (our) ☐ Checking Account/ ☐ Savings Account (select one) indicated below at the depository Bank named below, hereinafter called DEPOSITORY, and to credit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.**

Depository
Name_____   Branch_____

City_____   State_____Zip_____

Routing   Account
Number_____   Number_____

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Name(s)_____   ID Number_____

Date_____   Signature _____

NOTE: ALL WRITTEN CREDIT AUTHORIZATIONS <u>MUST</u> PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.