BANC OF CALIFORNIA

Addendum to the ACH Service Description

This Addendum to the Banc of California Automated Clearing House ("ACH") Service Description is entered by and between

_____

and Banc of California ("Banc") as of the effective date provided below. Defined terms herein shall have the meaning provided in the Automated Clearing House (ACH) Service Description ("Service Description), unless otherwise provided herein.

WHEREAS, Customer and Banc have entered that certain Service Description which forms part of the Master Treasury Management Services Disclosure ("Disclosure") agreed to by Customer;

WHEREAS, Customer has requested that Banc permit Customer to initiate certain Standard Entry Class ("SEC") Codes in addition to those already permitted under the Service Description; and

WHEREAS, Banc has agreed to permit Customer to transmit the additional SEC Entries, subject to the terms and conditions of the Service Description, as supplemented and amended by this Addendum;

NOW, THEREFORE, Customer and Banc agree as follows:

Supplemental SEC Entries: In addition to the SEC Code types approved pursuant to the Automated Clearing House (ACH) Service Description, Customer is authorized to initiate Entries using the SEC Code(s) reflected below, as approved by Banc. In addition to Customer's general obligation to comply with the ACH Service Description and the Rules, Customer will comply with applicable provisions of this Addendum in connection with the Entry SEC Code(s) selected below and will provide evidence of compliance satisfactory to Banc upon request by Banc.

Customer may transmit Entries to Banc using the following SEC Code(s), subject to Banc's ongoing approval:
☐ Internet-initiated Entries (WEB)

Supplemental SEC Rules Provisions.

1. **Internet Initiated (WEB) Entries.** If Customer is approved by Banc to initiate WEB Entries, the following apply in addition to applicable provisions of the Rules.

    a.   Customer will not submit individual or total monthly WEB Entries in excess of the amounts that the Banc designates from time to time. Customer will not divide a transaction (other than for regular recurring payments) into more than one WEB Entry in order to avoid these limitations. The Banc may adjust these limitations from time to time by providing notice to Customer. Processing WEB Entries in an amount greater than the established limit(s) shall not be deemed a waiver of this provision; the Banc may cease processing WEB Entries in a greater amount at any time without prior notice.

    b.   Authorization for WEB Entries must conform to the requirements of the Rules and must provide evidence of the Receiver's identity and assent to the authorization. Without limiting the foregoing, each authorization must: (i) be in a writing that is signed or similarly authenticated by the Receiver via the Internet or Wireless Network, (ii) be readily identifiable as an ACH debit authorization, (iii) clearly and conspicuously state its terms, and (iv) provide the Receiver with a method to revoke his or her payment authorization by notifying Customer in the manner prescribed. Customer must be able to provide the Receiver with a hard copy of the authorization if requested to do so. Only a consumer may authorize a WEB Entry, and not a Third Party Service Provider on behalf of the consumer.

    c.   Customer shall establish a secure Internet session with each Receiver using commercially reasonable encryption technology. The secure session must be in place from the time the Receiver enters his or her banking information through the time of transmission to the Banc. This requirement also applies to any transmission to an agent or service provider. Customer will conduct an annual or more frequent security audit to ensure that the financial information obtained from Receivers is protected by security practices and procedures that include, at a minimum, adequate levels of: (i) physical security to protect against theft, tampering, or damage; (ii) administrative, technical, and physical access controls to protect against unauthorized access and use; and (iii) network security to ensure secure capture, transmission, distribution and storage until destruction of financial information. Customer's audit will at a minimum include and cover those items identified in the Operating Guidelines of NACHA as the minimum components that must be addressed in the audit report. Customer must provide the Banc with a copy of each audit within thirty (30) days from Customer's receipt of the audit.

    d.   In addition to any other warranties given by Customer under the Master Agreement, the Automated Clearing House (ACH) Service Description and the Rules, Customer warrants the following to the Banc with respect to each WEB Entry: (i) Customer employed a commercially reasonable fraudulent transaction detection system to screen the Entry; (ii) Customer

used a commercially reasonable method to establish the identity of the Receiver; (iii) Customer took commercially reasonable steps to verify that the routing number is valid; (iv) Customer established a secure Internet session prior to and during the key Entry by the Receiver of any banking information; (v) there has been no change in Customer's operations or other circumstance that would have a negative effect on the security practices identified or examined during Customer's last security audit; and (vi) in addition to the indemnifications provided by Customer under the Service Description and Disclosure, with respect to a credit WEB Entry Customer also indemnifies and holds harmless Banc from any loss or liability resulting from inaccurately providing details prescribed in the Rules, including the contents of the Payment Related Information field. Customer's indemnification obligations under this Addendum shall survive termination of the Service Description.

e.   If Banc receives an inquiry from NACHA about Customer or Customer's WEB Entries, Customer shall provide to Banc all information necessary to respond to any such inquiries within five (5) business days of Banc's request.

f.   Banc may decline to process any one or more WEB Entries submitted by Customer at any time and without notice to Customer in the event that Banc, in its sole discretion, including but not limited to if determines that: (i) Customer has failed to satisfy any requirement of this Addendum applicable to WEB Entries, (ii) the rate of WEB entries returned to Customer is deemed by Banc as excessive, or (iii) Customer's activities place Banc at risk.

Customer Acceptance

By signing below, Customer agrees to the terms and conditions set forth in this Addendum to the Banc of California Automated Clearing House (ACH) Service Description.

Customer's Name: _____

X[ACCEPTANCE ON FILE] _____
Signature

Full Name

_____   _____
Title   **Date**

BANC OF CALIFORNIA
X[ACCEPTANCE ON FILE] _____
Signature

Full Name

_____   _____
Title   **Date**