BANC OF CALIFORNIA

Check & ACH Positive Pay Service Description

1. **Check & ACH Positive Pay Service**. Banc of California ("Banc") hereby offers its Customer and Customer hereby accepts the Check & ACH Positive Pay Service (the "Service"). Subject to Banc's approval, Customer may enroll in the Check Positive Pay Service which includes Standard Positive Pay (with or without "Payee Positive Pay") and Reverse Positive Pay options, as well as ACH Positive Pay, or both. References to the Service in this Service Description will collectively refer to both Check Positive Pay as well as ACH Positive Pay, unless expressly provided otherwise.

2. **Treasury Management Services Disclosure; Supporting Documents**. This Service Description forms part of the Treasury Management Services Disclosure ("Disclosure") agreed to by Customer. In the event of conflicts between the terms of this Service Description and the terms of the Disclosure, the terms of this Service Description shall control. Defined terms in this Service Description shall have the meaning provided in the Disclosure, unless otherwise defined in this Service Description.

3. **Supporting Documents; Related Service Description**. Each applicable Service is effective as of a start date which will be communicated separately by Banc to Customer. If the Customer chooses not to request enrollment in one of the Services, or if Banc in its sole discretion chooses not to approve Customer for a requested Service, the terms of the applicable Service will not apply and the Service will not be performed by Banc. Banc systems used in the delivery of Services (the "System") may include, but are not limited to, a browser based online application which permits Customer personnel to add, modify, and delete information and to review and take action on information processed by the System. Customer's use of each of the Services must be facilitated through Banc's Business Online Service and Customer's use of the Services will also be subject to the separate Business Online Service Description.

4. **Account Designation**. Throughout the term of this Service Description, Customer will maintain the deposit account (the "Account") with Banc designated in the Supporting Documents, or otherwise in writing, to which the Services will be made available. Customer acknowledges that this Service Description covers the Check Positive Pay and/or ACH Positive Pay Services to be provided by Banc and, except as specifically provided in this Service Description, does not cover the handling of the Account or the processing of checks or electronic funds transfers against the Account. As a result, the Account will be subject to, and Banc's operation of the Account will be in accordance with, the terms and provisions of Banc's Deposit Account Agreement and Disclosure.

5. **Exception Decisions**. All exceptions must be reviewed and decided by Customer by the applicable deadline or the System will apply the pay/return default, as applicable, to the entire file. If Customer's exception decision is to return a check or ACH transaction, Customer must select an applicable reason code. Returns made absent a specific reason code applied by Customer may be returned with any reason code determined in Banc's discretion. Customer agrees to promptly provide Banc upon request with Customer's affidavit in support of returns for reason unauthorized.

6. **Check Positive Pay Service.**

   A. The Check Positive Pay Service provides certain account services through an automated check matching system. Customer's lists of checks reflected in the Customer's Check Issue File (defined below) will be compared against presented items. Except to the extent Customer is enrolled in "Payee Positive Pay," Customer agrees that Banc will only be obligated to match the check number and dollar amount from the Check Issue File and that Banc may in its sole discretion, but is not obligated to, match additional data provided in the Check Issue File ("Additional Data"). Regardless of whether Banc decides to match against Additional Data, and notwithstanding the fact that Additional Data may be included in the Check Issue File, Customer further agrees that Banc will not be liable to Customer and Customer agrees to hold Banc harmless from loss or liability resulting from Banc's action or inaction with respect to Additional Data. Banc's determination to match Additional Data in any case will not obligate Banc to continue to do so in other instances. Notwithstanding the foregoing, Banc and Customer may agree to Banc's review of Additional Data, subject to additional terms, fees and conditions.

   B. "Payee Positive Pay" refers to the optional Check Positive Pay feature whereby Banc agrees to attempt to compare the payee name as provided in Customer's Check Issue File against presented items. Customer must be specifically enrolled in Payee Positive Pay for this feature to apply, otherwise, payee information will be deemed Additional Data, as described above. Customer expressly agrees that Banc will only make a reasonable attempt to compare the payee name and that in any event, Banc will not be liable to Customer and Customer agrees to hold Banc harmless from loss or liability resulting from Banc's action or inaction with respect to the Payee Positive Pay feature. Customer further agrees that Banc's ability to more accurately attempt to compare payee names will be dependent on Customer's compliance with Banc's requirements and strong recommendations enumerated in Supporting Documents and the Payee Positive Pay Check Specifications, including but not limited to, typing payee names in all uppercase, spacing between each font pitch, and ensuring background images or watermarks do not hinder capturing check images. Furthermore, Customer acknowledges that payee names listed on checks must match exactly the name listed in the Check Issue File (for example, payee on check "JOHN DOE" cannot be listed on the Check Issue File as "DOE, JOHN").

C. Unless Customer has enrolled in "Reverse Positive Pay," Customer must submit a file ("Check Issue File") to Banc prior to the cut-off time provided in the Supporting Documents, on the day of issuance of any checks against accounts that are subject to the Check Positive Pay Service. The Check Issue File must be in the format and contain the information specified by Banc in the Supporting Documents.

D. The term "presented item(s)" shall mean checks that are presented for payment against Customer's Account through the normal check collection system. Presented items that do not match an item included in a Check Issue File, pursuant to this Service Description, will be identified as "error" ("Exception Item") and will appear on a record describing the Exception Items ("Exception File") which Banc will provide to Customer under this Service Description. Customer must submit a "pay", or "return request" decision for each item to Banc on the same business day by the deadline specified in the Supporting Documents.

E. If Customer elects to enroll in "Reverse Positive Pay" all presented items will be deemed Exception Items and Customer must submit a "pay", or "return request" decision for each item to Banc on the same business day by the deadline specified in the Supporting Documents.

F. Customer may research suspect items in the System by viewing the check image.

G. Banc will not be required to otherwise examine checks, or seek to confirm that they are properly signed, completed or encoded, or otherwise unmodified. Customer agrees that Banc may rely on such a process and that the process will be deemed an acceptable standard of care for this Service and Customer's Account. Customer understands that the Service may not identify altered, counterfeit or duplicate checks or checks with forged or unauthorized signatures. As such, Customer agrees to review promptly all statements, returned checks, reports and other check and transaction information Banc makes available to Customer.

H. Customer grants Banc full authority to honor all checks that match the check numbers and amounts corresponding to Customer's Check Issue File.

I. Unless the parties agree to other default provisions, Banc shall default to a "return" decision for any Exception Item for which Customer has not submitted a decision on the same business day by the deadline specified in the Supporting Documents.

J. Customer agrees not to reuse check numbers that have previously been issued or negotiated from the Account. If Customer orders or prints checks from any check-printing vendor other than a Banc selected vendor, Customer agrees to meet the Banc's MICR encoding specifications.

K. The Service applies to checks that are presented for payment to Banc through normal interbank automated clearings. Customer acknowledges that the Services may not cover checks which are (collectively "ineligible checks"): (i) presented over-the-counter, (ii) presented by mail for collection, (iii) misencoded or duplicate items, (iv) items which Banc has already cashed, negotiated or paid or which Banc is already committed to honor or pay under applicable laws, regulations or the ACH rules; or (v) materially damaged, lost or destroyed. Banc may, in its sole discretion, attempt to compare Check Issue File data, as otherwise provided in this Service Description, against ineligible checks, but Banc will not be liable for its failure or refusal to do so.

7. **ACH Positive Pay Service.**

A. Customer may use the ACH Positive Pay Service (which includes a filtering/blocking option) to review and confirm incoming ACH debit and credit transactions that post to the specified Customer accounts listed on the Supporting Documents.

B. If Customer elects to "filter" ACH transactions, Customer shall establish (and update from time to time) through the System its ACH policies which govern permissible transactions by: Originating Company Name; Originating Company ID; Standard Entry Class transaction code (SEC); Transaction Type Debit/; Dollar Range; Minimum or Maximum Dollar; Effective Date or Expiration Date; and/or Transaction Code, as specified further in the Supporting Documents. Alternatively, if Customer does not apply a "filter" based on Customer established ACH policies, all incoming ACH transactions (debit or credit) will be "blocked" and treated as exceptions and available for the Customer's review.

C. Customer agrees to access, review and decision exceptions as they are made available from Bank online and/or through through the System. In addition, Customer may have the option to set up email and/or text alerts regarding the availability of exception reports.

D. Customer shall make its exceptions decisions online through the System on each business day by the deadline specified in the Supporting Documents.

E.   Customer acknowledges that the Services do not cover ACH debit or credit items which Banc has already paid or finalized or which Banc is already committed to pay or honor under applicable laws, regulations or the ACH Operating Rules.

F.   Banc shall compare incoming ACH debit and credit transactions against Customer's established ACH policies and accept those transactions which are authorized under Customer's ACH policies as established by Customer in the System.

G.   Banc shall submit to Customer as exceptions any ACH transactions which do not meet Customer's ACH policies (unless the Customer has chosen the blocking option, in which case all ACH transactions may be treated as exceptions).

H.   Banc shall make reasonable efforts to make exceptions available to Customer on each business day by the deadline specified in the Supporting Documents.

I.   Banc will return and will reflect in Customer's account records as posted and returned any ACH exceptions Customer does not choose to pay.

J.   For purposes of the ACH Filtering feature, Banc shall default to a "return" decision for any exception for which Customer has not submitted a decision on the same business day by the deadline specified in the Supporting Documents.

8.   **System Interruption or Failure**.   In the event of system interruption or failure, either that of Customer's or Banc's system, resulting in Banc's inability to receive or process Customer's Check Issue File or other communication, the Check Issue File or other Customer communication will be deemed as having not been sent by Customer, even if Banc has possession of the Check Issue File or other Customer communication.

9.   **Limitation on Liability**.   In addition to any other limitation on liability in the Disclosure, Customer agrees that if Banc pays or rejects checks or ACH Entries in accordance with this Service Description, Customer releases Banc and holds it harmless from any claim that the checks or ACH Entries were not properly payable, or for wrongful dishonor, as applicable. Customer agrees that Banc exercises ordinary care whenever it rightfully pays or returns a presented item or ACH Entry consistent with the provisions of the Service Description. Without limiting the foregoing, to the extent Banc has any liability under this Service Description for wrongful honor, it will be limited liability to Customer for the lesser of the amount of the wrongfully paid Exception Item or ACH Entry or Customer's actual damages resulting from Banc's payment of the Exception Item, but for no other damages suffered as a result of the wrongful honor. Notwithstanding the improper payment of an Exception Item or ACH Entry, Banc expressly reserves the right to assert that Customer is liable for the amount of the wrongfully honored Exception Item on the grounds that the Exception Item was properly payable under Section UCC 4-401(a). Banc further retains the right to assert Customer's failure to exercise reasonable care under Sections UCC 3-406(a) and UCC 4-406(c). Banc retains the right to assert the defense that Customer has sustained no actual damages because the Banc's honor of the Exception Item discharged for value an indebtedness of Customer. If any check is dishonored and returned by Banc in accordance with this Service Description, Customer releases any claim that the check is properly payable and hereby waives any claim against Banc for wrongful dishonor pursuant to UCC 4-402.

Customer's execution of the Acceptance constitutes Customer's acknowledgement and acceptance of the terms and conditions of the Disclosure, together with each applicable Service Description, including any Supporting Documents, corresponding exhibits, schedules, enrollments, or attachments to the same, each as amended by Banc from time to time.