ACH Origination Service Agreement

Updated: August 2026

CONTENTS

1. ACH Origination Services; Definitions

Company desires to initiate credit and/or debit entries (each, an "Entry") through the Automated Clearing House ("ACH") Network pursuant to this Agreement and the Nacha Operating Rules, as amended from time to time (the "Rules"), using Bank's Online Banking system. Bank agrees to provide ACH Origination Services and to act as the Originating Depository Financial Institution ("ODFI") with respect to such Entries, subject to this Agreement and the Rules.

Definitions

Unless otherwise defined herein, capitalized terms shall have the meanings set forth in the Rules.

"MCB," "Bank," "we," "us," or "our" mean Monterey County Bank and any third-party service providers engaged by Bank to provide Online Services or support ACH Origination Services under this Agreement.

"Company," "you," or "your" mean the legal entity identified in the ACH Origination Service Application that has requested ACH Origination Services and is responsible for all Entries originated, transmitted, or authorized under this Agreement, whether initiated directly by Company or by any person acting on Company's behalf. Company acknowledges that Bank may rely on all instructions, data, and Entries submitted in Company's name.

"Originating Depository Financial Institution" or "ODFI" means the Financial Institution that receives Entries from Company (or from Bank, as applicable) and initiates and transmits such Entries into the ACH Network in accordance with the Rules. The ODFI assumes the warranties, obligations, and responsibilities set forth in the Rules with respect to each Entry, including that each Entry is properly authorized, accurate, and compliant with the Rules and applicable law. For purposes of this Agreement, Bank acts as the ODFI with respect to Entries originated by Company.

"Receiving Depository Financial Institution" or "RDFI" means the Financial Institution that receives Entries through the ACH Network for posting to the account of a Receiver. The RDFI processes such Entries in accordance with the Rules, applicable law, and its operating procedures, including posting credit or debit Entries and making funds available in accordance with applicable settlement and availability requirements.

"Automated Clearing House" or "ACH" means the nationwide electronic funds transfer system governed by the Rules that provides interbank clearing and settlement of Entries between participating Financial Institutions. The ACH Network facilitates the transmission, clearing, and settlement of authorized credit and debit Entries between ODFIs and RDFIs and includes all related systems, facilities, and processes, as amended from time to time.

"Online Banking" means the business online banking, treasury management, and related electronic banking services provided by Bank through which Company may initiate, transmit, and manage Entries.

"Rules" mean the Nacha Operating Rules, as amended from time to time, including applicable appendices, supplements, and interpretations. Company agrees that all Entries are subject to the Rules and authorizes Bank to originate, transmit, and process Entries, and to debit or credit accounts, in accordance with the Rules and this Agreement.

"Effective Entry Date" means the date specified in an Entry on which such Entry is intended to be effective for processing through the ACH Network.

"Business Day" means any day Bank is open to the public for substantially all banking functions, excluding Saturdays, Sundays, and federal holidays.

"Entry" or "Entries" means credit and debit entries as defined in the Rules and includes data submitted by Company from which Bank prepares such entries.

"On-Us Entry" means an Entry received for credit to or debit from an account maintained with Bank.

2. Compliance with Rules; Nacha Requirements; Prohibited Activity

Company agrees to be bound by and comply with the Rules in connection with all Entries originated under this Agreement, whether or not Company has obtained or reviewed the most current version of the Rules. Company is responsible for obtaining and maintaining familiarity with the Rules.

Company represents, warrants, and covenants that it will comply with the Rules and all applicable federal, state, and local laws, rules, regulations, and regulatory requirements in connection with its use of the ACH Origination Services, including those administered by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the Financial Crimes Enforcement Network ("FinCEN"), and any applicable sanctions programs or executive orders.

Company shall not originate, transmit, or process any Entry, or engage in any act or omission, that would cause Bank to violate the Rules or any applicable law or regulatory requirement.

Company may not originate any Entry that is an International ACH Transaction ("IAT") under the Rules, including any Entry involving a financial agency office outside the United States, as defined by the Rules.

Company agrees to periodically review its compliance with the Rules and applicable legal requirements. Upon request, Company shall provide Bank with reasonable evidence or documentation of such compliance review, in form and detail acceptable to Bank.

3. Transmittal of Entries by Company

Company shall transmit PPD (Prearranged Payments and Deposits) or CCD (Cash Concentration or Disbursement) credit or debit Entries to Bank through Bank's Online Banking system in compliance with the formatting and other requirements set forth in the ACH Origination Service Application. Company acknowledges that it has the equipment, hardware, and software necessary to engage in the transactions contemplated by this Agreement and that its use of Bank's Online Banking system is subject to the applicable Online Banking terms and conditions. The total dollar amount of Entries transmitted by Company to Bank on any one day shall not exceed the Maximum Daily Limit set forth in the ACH Origination Service Application. The total dollar amount of Entries transmitted by Company to Bank in any rolling 30-day period shall not exceed the Maximum Monthly Limit set forth in the ACH Origination Service Application. If any such limit is exceeded, additional Bank approval is required before Company may originate Entries above that limit, and any such approval may be temporary or permanent.

4. Security Procedure

Company and Bank shall comply with the security procedure requirements described in the ACH Origination Service Application and the applicable Online Banking terms and conditions with respect to Entries transmitted by Company to Bank. Company acknowledges that the purpose of such security procedure is to verify authenticity and not to detect an error in the transmission or content of an Entry. No security procedure for the detection of any such error has been agreed upon between Bank and Company.

Company is strictly responsible for establishing and maintaining procedures to safeguard against unauthorized transmissions, including appropriate safeguards to protect the confidentiality of all login IDs, passwords, PINs, tokens, and other security credentials assigned to Company for initiating transactions using Bank's Online Banking system.

Company warrants that no individual will be permitted to initiate transfers without proper supervision and safeguards and agrees to take reasonable steps to maintain the confidentiality of the security procedures and any logins, passwords, codes, security devices, and related instructions provided by Bank in connection with the security procedures described in the ACH Origination Service Application and the applicable Online Banking terms and conditions. If Company believes or suspects that any such information or instructions have been known or accessed by unauthorized persons, Company shall notify Bank immediately by telephone, followed by written confirmation. The occurrence of unauthorized access shall not affect any transfers made in good faith by Bank prior to receipt of such notification and within a reasonable time thereafter to prevent unauthorized transfers.

Company shall establish and maintain prudent internal security standards, policies, and procedures, including administrative, technical, and physical safeguards reasonably designed to protect the confidentiality, integrity, and security of consumer and non-consumer information used to originate debit or credit Entries through the ACH Network. If Company knows or reasonably suspects that any credentials, account information, routing information, or other data used to initiate or support Entries has been compromised, disclosed, or accessed by an unauthorized person, Company shall promptly take reasonable steps to contain and prevent further compromise, notify Bank without undue delay, cooperate with Bank in investigating and mitigating the incident, and comply with applicable law with respect to any required notices.

<u>Delivery location:</u> Files are transmitted electronically through Bank's Online Banking system or other location designated by Bank. Company shall maintain administrative, technical, and physical safeguards reasonably designed to protect the confidentiality, integrity, and security of credentials, account information, and data used in connection with the Services, consistent with applicable law, the Rules, and Bank's security requirements communicated to Company from time to time.

<u>Format and content of Entries:</u> Company shall comply with the formatting and content requirements set forth in the Rules and in Bank's applicable procedures.

<u>Acknowledgement of delivery:</u> Bank will acknowledge receipt of an incoming file in the manner agreed by Bank and Company. Any such acknowledgement confirms receipt only and does not constitute confirmation that the file or any Entry has been accepted for processing.

<u>Pre-notifications:</u> Company may use pre-notifications where permitted by the Rules and Bank's procedures.

<u>Data retention:</u> Company shall retain records sufficiently to permit the remaking of Entries, when necessary, in accordance with the Rules and *<u>Section 29. Data Retention</u>* of this Agreement.

5. Compliance with Security Procedure

If an Entry or a request for cancellation or amendment purports to have been transmitted or authorized by Company and Bank accepts it in good faith and in compliance with the agreed security procedure, the Entry or request will be effective as Company's order, whether or not actually authorized by Company, to the extent permitted by applicable law.

If an Entry or request was in fact transmitted or authorized by Company, Company shall be responsible for it, whether or not Bank complied with the agreed security procedure, except to the extent otherwise required by applicable law.

6. Recording and Use of Communications

Company and Bank agree that telephone calls, electronic communications, and data transmissions relating to this Agreement may be monitored, recorded, retained, and used by either party, in each case to the extent permitted by applicable law.

7. Evidence of Authorization and Retention

Company shall obtain all authorizations and consents required under the Rules and applicable law before initiating any Entry. Company shall retain the original authorization or a copy or electronic record that accurately reflects the authorization for at least two (2) years after the termination or revocation of the authorization, or for such longer period as may be required by the Rules or applicable law. Upon Bank's request, Company shall provide copies of requested authorizations within five (5) Business Days.

Company shall ensure that each authorization complies with the Rules applicable to the relevant Standard Entry Class ("SEC") Code, including requirements relating to content, format, authentication, and retention.

8. Processing, Transmittal and Settlement by Bank

- **a)** Except as provided in *<u>Section 9. On-Us Entries</u>* and *<u>Section 11. Rejection of Entries</u>*, Bank shall:

- **i.** process Entries received from Company to conform with the file specifications set forth in Rules,
- **ii.** transmit such Entries, as ODFI, to the applicable ACH Operator in accordance with the Rules; and
- **iii.** settle such Entries as provided in the Rules.

b) Bank shall transmit such Entries or complete the necessary batch authorization by the ACH Operator's delivery deadline set forth in the ACH Origination Service Application before the Effective Entry Date shown in the Entries, provided that:

- **i.** the Entries are received by Bank before the related cut-off time set forth in the ACH Origination Service Application on a Business Day,
- **ii.** the Effective Entry Date is at least one (1) day after that Business Day, and
- **iii.** the ACH Operator is open for business on such Business Day. For purposes of this Agreement, Entries shall be deemed received by Bank when the transmission (and compliance with any related security procedure provided for herein) is completed as provided in the Business Online Service Application, Agreement, and ACH Origination Service Application.

c) If any of the requirements of clause (i), (ii), or (iii) of Section 8(b) is not met, Bank shall use reasonable efforts to transmit such Entries to the ACH Operator by the next deposit deadline of the ACH Operator following that specified in the ACH Origination Service Application that is a Business Day and a day on which the ACH Operator is open for business.

9. On-Us Entries

Except as provided in *Section 11. Rejection of Entries*, 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 contained in such Entry, provided the requirements set forth in clauses (i) and (ii) of Section 8(b) are met. If either of those requirements is 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.

10. Provisional Credit Notice

In the case of a credit Entry, credit given by the RDFI for the Entry is provisional until the RDFI has received final settlement through a Federal Reserve Bank or has otherwise received payment. If the RDFI does not receive such payment for the Entry, the RDFI is entitled to a refund from the Receiver in the amount of the credit to the Receiver's account, and Company will not be considered to have paid the amount of the credit Entry to the Receiver.

11. Rejection of Entries

Bank may reject any Entry that does not comply with the requirements of *Section 3. Transmittal of Entries by Company* or *Section 4. Security Procedure*, or that contains an Effective Entry Date less than two (2) days after the Business Day such Entry is received by Bank. Bank may reject an On-Us Entry for any reason for which an Entry may be returned under the Rules. Bank may reject any Entry if Company has failed to comply with its account balance obligations under *Section 20. The Account*. Bank may reject any Entry if Company does not adhere to the security procedures described in the ACH Origination Service Application. Bank shall use commercially reasonable efforts to notify Company of any rejection by telephone, secure electronic communication, or other agreed means no later than the Business Day on which the Entry would otherwise have been transmitted or, for an On-Us Entry, its Effective Entry Date. Notices of rejection shall be effective when given. Bank shall have no liability to Company by reason of the rejection of any such Entry or the fact that such notice is not given at an earlier time than that provided for herein.

12. Cancellation or Amendment by Company

Company shall have no right to cancel or amend any Entry after Bank receives it. However, if a cancellation or amendment request complies with the security procedure described in the ACH Origination Service Application, Bank shall use reasonable efforts to act on the request before transmitting the Entry to the ACH Operator or, in the case of an On-Us Entry, before crediting or debiting the Receiver's account. Bank shall have no liability if the cancellation or amendment is not effected. Company shall reimburse Bank for any expenses, losses, or damages Bank incurs in effecting or attempting to effect Company's request.

13. Reversals

Company may initiate a reversal of a File or Entry only to the extent permitted by the Rules and applicable law. If Company initiates a reversal, Company shall indemnify Bank against any claim, alleged claim, demand, loss, liability, or expense resulting directly or indirectly from the reversal.

14. Notice of Returned Entries

Bank shall notify Company of the receipt of a returned Entry from the ACH Network by telephone, secure electronic communication, or other agreed means no later than one (1) Business Day after the Business Day of such receipt. Except for an Entry retransmitted by Company in accordance with *Section 3. Transmittal of Entries by Company*, Bank shall have no obligation to retransmit a returned Entry to the ACH Network if Bank complied with this Agreement with respect to the original Entry.

15. Entries Returned as Unauthorized

If an Entry is returned as unauthorized or as authorization revoked, Company shall investigate and resolve the matter directly with the affected parties. Upon Company's request, Bank may request from the RDFI a copy of the Written Statement Under Penalty of Perjury or comparable documentation, if available. Bank shall use reasonable efforts to obtain and deliver any such documentation received by Bank. Company shall not reinitiate or re-originate any transaction returned as unauthorized or as authorization revoked unless the Entry or Entry stream has been reauthorized in accordance with the Rules and applicable law.

Company shall not reinitiate any returned Entry except as expressly permitted by the Rules.

16. Unauthorized Return Rate

If Company's unauthorized return rate exceeds, or in Bank's reasonable judgment is trending toward, applicable Nacha thresholds, Company shall promptly provide information requested by Bank and implement corrective action acceptable to Bank.

Bank may suspend or terminate ACH Origination Services, limit origination activity, require a corrective action plan, require prefunding, or impose other risk controls if Company exceeds applicable Nacha return-rate thresholds or, in Bank's reasonable judgment, is trending toward such thresholds.

17. Inconsistency of Name and Account Number

Company acknowledges and agrees that, if an Entry identifies the Receiver inconsistently by name and account number, payment of the Entry transmitted by Bank to the Receiving Depository Financial Institution (RDFI), or by Bank in the case of an On-Us Entry, may be made on the basis of the account number supplied by Company, even if the account number identifies a person different from the named Receiver. Company's obligation to pay Bank the amount of the Entry is not excused in such circumstances.

18. Notifications of Change

Bank shall notify Company of all notifications of change received by Bank relating to Entries transmitted by Company by mutually agreeable means, including email, no later than two (2) Business Days after receipt thereof.

19. Payment by Company for Entries

Company shall pay Bank the amount of each Entry transmitted by Bank pursuant to this Agreement at such time specified in the ACH Origination Service Application.

20. The Account

Company will, at all times during the term of this Agreement, maintain a deposit account (the "Account") with Bank and Company's maintenance of the Account is a condition precedent to Bank's obligations under this Agreement.

Bank reserves the right to suspend or terminate the ACH Origination Services provided under this Agreement if Company fails to maintain the Account in accordance with the terms of this Agreement. Bank may, without prior notice or demand, obtain payment of any account due and payable to it under this Agreement by debiting the account(s) of Company identified in the ACH Origination Service Application, and shall credit or debit the Account for any amount received by Bank by reason of the return of an Entry transmitted by Bank for which Bank has previously received payment or credit from Company. Such credit or debit shall be made as of the day of such receipt by Bank. If collected balances in the Account are insufficient to cover the aggregate amount of Entries, Bank shall have no obligation to transmit such Entries.

Company shall maintain with Bank the Account(s) designated in the ACH Origination Service Application, including any settlement account and any fee account, and shall maintain sufficient available funds in such account(s) to satisfy Company's obligations under this Agreement. If there are insufficient available funds in the designated account(s) to satisfy Company's obligations under this Agreement, Company agrees that Bank may, to the extent permitted by applicable law and any other agreement between Bank and Company, debit any other account maintained by Company with Bank or exercise any right of setoff otherwise available to Bank.

21. Account Reconciliation

Entries transmitted by Bank or credited to a Receiver's account maintained with Bank will be reflected on Company's periodic statement issued by Bank with respect to the Account pursuant to the agreement between Bank and Company (the "Account Agreement"). Company shall examine each statement or other account information made available by Bank and notify Bank promptly, and in any event within ten (10) days after receipt, of any discrepancy. If Company fails to notify Bank within such ten (10)-day period, Bank shall not be liable for losses that could have been avoided by timely notice. If Company fails to notify Bank within sixty (60) days after receipt, Company shall be precluded from asserting the discrepancy against Bank, to the extent permitted by applicable law.

22. Payment for Services

Company shall pay Bank the charges for the services provided in connection with this Agreement, as set forth in the ACH Origination Service Application. Bank may change fees or modify Services upon at least thirty (30) calendar days' prior written notice to Company, unless a shorter period is permitted or required by applicable law. Such charges do not include, and Company 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 Account Agreement between Bank and Company with respect to the Account.

23. Company Representations and Agreements; Indemnity

With respect to each Entry initiated by Company, Company represents, warrants, and agrees that:

a) each person shown as the Receiver of an Entry received by Bank from Company 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/debiting by Bank as provided herein,

c) Entries transmitted by Company to Bank are limited to those types of credit or debit Entries set forth in *Section 3. Transmittal of Entries by Company*, and each such Entry is timely, accurate, is not in violation of any applicable law or regulation, is not being initiated for any illegal purpose, and has not been reinitiated in violation of the Rules;

d) Company shall take reasonable steps to ensure that the origination of ACH transactions complies with the laws of the United States, including OFAC sanctions requirements. Company shall obtain authorizations for consumer and non-consumer Entries in accordance with the Rules and applicable law and shall retain the original authorization or a copy or electronic record that accurately reflects the authorization for at least two (2) years after termination or revocation of the authorization.

e) Company acknowledges the Rules regarding provisional payment and final settlement and agrees that, if final settlement is not received, the Receiver's financial institution may be entitled to recover the amount credited, and Company may not be deemed to have paid the Receiver.

f) Company will not initiate any Entry that violates applicable law or the Rules.

g) Company shall ensure that all authorizations comply with the Rules applicable to the relevant SEC Code, including requirements relating to content, format, authentication, and retention.

h) Each debit Entry is for a sum which, on the Settlement Date will be due and owing to the Company from the party whose account will be debited, is for a sum specified by such party or is to correct a previously transmitted erroneous credit Entry;

i) Company has used commercially reasonable procedures to verify the accuracy of all information contained in each Entry, including routing numbers and account numbers.

j) Company shall not act as a Third-Party Sender or originate Entries on behalf of any third party without Bank's prior written approval and completion of Bank's required due diligence.

24. Bank Responsibilities; Liability

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 Company 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 negligence or willful misconduct in performing those services. Bank shall not be responsible for Company's acts or omissions (including without limitation the amount, accuracy, timeliness of transmittal or authorization of any Entry received from Company) or those of any other person, including without limitation any Federal Reserve Bank, Automated Clearing House or transmission or communication facility, and Receiver or Receiving Depository Financial Institution (RDFI) (including without limitation the return of any Entry by such Receiver or Receiving Depository Financial Institution (RDFI)), and no such person shall be deemed Bank's agent. Company shall indemnify and hold Bank harmless from and against any losses, liabilities, costs, and expenses (including attorneys' fees and expenses) arising from or related to any claim by any person asserting that Bank is responsible for the acts or omissions of Company or any third party involved in the origination, transmission, processing, or receipt of an Entry.

Bank shall be liable only for Company's actual damages. In no event shall Bank be liable for any consequential, special, incidental, punitive, or indirect loss or damage incurred by Company in connection with this Agreement, whether or not the likelihood of such damages was known to or contemplated by Bank and regardless of the legal or equitable theory of liability asserted by Company, including, without limitation, loss or damage resulting from subsequent wrongful dishonor caused by Bank's acts or omissions pursuant to this Agreement.
Without limiting the generality of the foregoing provisions, 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, 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 or otherwise would result in a violation of 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 using a rate equal to the average Federal Funds rate at the Federal Reserve Bank of New York for the period involved, computed on the basis of a 360-day year; provided that in no event shall Bank's liability for loss of interest exceed sixty (60) days. At Bank's option, any such interest may be paid by crediting the Account.

25. Hold Harmless Agreement and Right of Setoff

Company shall defend, indemnify, and hold harmless Bank and its officers, directors, employees, and agents from and against any losses, claims, liabilities, damages, costs, and expenses (including reasonable attorneys' fees) arising from or relating to:

- **a)** Company's breach of this Agreement;
- **b)** Company's violation of the Nacha Operating Rules or applicable law;
- **c)** any unauthorized, inaccurate, fraudulent, or improper Entry originated by Company; or
- **d)** Company's acts or omissions in connection with ACH Origination Services.

In addition to any other rights available to Bank, Bank may exercise any right of setoff or recoupment permitted by applicable law and any other agreement between Bank and Company.

26. Rules Enforcement

If a Report of Possible Rules Violation is issued with respect to Company, Company shall take appropriate corrective action within the time frames required by Bank or the Rules. If any fine, assessment, loss, or expense is imposed on Bank as a result of Company's violation of the Rules, Company shall reimburse Bank for the full amount thereof.

27. Due Diligence

Company will supply Bank with due diligence information when requested. This information may include, but is not limited to, financial data, names and other information concerning the principals of Company, information about the business in which Company participates, information regarding the creditworthiness of Company, projected return rates, and payment history.

Bank may, upon reasonable notice and during normal business hours, review or audit Company's ACH practices, security procedures, authorizations, financial condition, and compliance with this Agreement, the Rules, and applicable law.

28. Cooperation in Loss Recovery Efforts

In the event of any damages for which Bank or Company may be liable to each other or a third party pursuant to the services provided under this Agreement, Bank and Company 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.

29. Data Retention

Company shall retain records sufficient to permit the remaking of Entries for at least thirty (30) days following the date of transmittal to Bank and shall provide such records to Bank upon request. Company shall retain records of each Entry for six (6) years, unless a longer period is required by applicable law. If records are retained electronically, Company must ensure that the electronic record accurately reflects the Entry record and can be accurately reproduced in hard-copy form for later reference. Company shall retain records in electronic or hard-copy form in a secure manner.

30. Amendments

Bank may amend this Agreement, including cut-off times, Business Day references, the ACH Origination Service Application, and applicable Online Banking terms and conditions, by providing notice to Company. Any amendment will become effective upon Company's receipt of notice or on such later date stated in the notice, except as otherwise required by applicable law.

31. Notices, Instructions, Etc.

Except as otherwise expressly provided herein, Bank shall not be required to act upon any notice or instruction received from Company or any other person, or to provide any notice or advice to Company or any other person with respect to any matter.

Bank shall be entitled to rely on any written notice or other written communication that it believes in good faith to be genuine and signed by an Authorized Signer. The names and signatures of Authorized Signers are maintained with Bank's Operations Department on the applicable signature card or other authorization record. Only Authorized Signers may request access for Authorized Employees to Bank's Online Banking system in accordance with the ACH Origination Service Application and the applicable Online Banking terms and conditions. Company may add or delete any Authorized Employee by written notice to Bank signed by at least one (1) Authorized Signer other than the person being added or deleted. Such notice shall be effective on the second Business Day following Bank's receipt thereof. Except as otherwise expressly provided herein, any written notice or other written communication required or permitted to be given under this Agreement shall be delivered, sent by United States registered or certified mail, or transmitted via encrypted message through Bank's Online Banking system. Company agrees that standard e-mail is not a secure method of communication and will not include confidential information in unencrypted e-mails sent to Bank.

Unless another address is substituted by notice delivered or sent as provided herein, except as otherwise expressly provided herein, any such notice shall be deemed given when received.

32. Termination

Company may terminate this Agreement at any time. Such termination shall be effective on the second Business Day following the day of Bank's receipt of written notice of such termination or such later date as is specified in that notice. Bank reserves the right to terminate this Agreement immediately upon providing written notice of such termination to Company. Any termination of this Agreement shall not affect any of Bank's rights and Company's obligations with respect to Entries initiated by Company prior to such termination, or the payment obligations of Company with respect to services performed by Bank prior to termination, or any other obligations that may reasonably survive termination of this Agreement.

33. Non-Assignment

Company may not assign this Agreement or any of the rights or duties hereunder to any person without Bank's prior written consent.

34. Entire Agreement

This Agreement, together with the applicable ACH Origination Service Application and any governing terms and conditions for Bank's Online Banking system, constitutes the complete and exclusive statement of the agreement between Bank and Company with respect to the subject matter hereof and supersedes all prior agreements between them with respect to that subject matter. In the event of any inconsistency between this Agreement and the Account Agreement, this Agreement shall govern. If performance of the services provided under this Agreement would result in a violation of any present or future federal or state statute, rule, regulation, or governmental policy applicable to Bank or the transactions contemplated hereby, this Agreement shall be deemed amended to the extent necessary to comply therewith, and Bank shall incur no liability to Company as a result of such amendment. No course of dealing between Bank and Company shall modify this Agreement, the Rules, or the security procedures, regardless of any practices or procedures the parties may use.

35. Waiver

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.

36. 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 Company hereunder.

37. Headings

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

38. Severability

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.

39. Governing Law

This Agreement shall be construed in accordance with and governed by the laws of the State of California.

40. UCC 4A Disclosures

To the extent Article 4A of the Uniform Commercial Code applies to ACH credit Entries to Company's account that are not subject to the Electronic Fund Transfer Act, the following disclosures apply:

a) the entry may be transmitted through ACH;

b) credit given by Bank to Company with respect to an ACH credit Entry is provisional until Bank receives final settlement for that Entry through a Federal Reserve Bank. If Bank does not receive such final settlement, Company is hereby notified and agrees that Bank is entitled to a refund of the amount credited to Company in connection with that Entry, and the party making payment to Company by means of that Entry shall not be deemed to have paid Company the amount of that Entry;

c) under the Nacha Operating Rules applicable to ACH transactions involving Company's account, Bank is not required to give next-day notice to Company of receipt of an ACH item and will not do so. However, Bank will continue to report the receipt of payments in the periodic statement it provides to Company;

d) Bank may accept on Company's behalf payments to Company's account that have been transmitted through one or more Automated Clearing Houses and that are not subject to the Electronic Fund Transfer Act, and Company's rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the State of California, as provided by the Nacha Operating Rules applicable to ACH transactions involving Company's account.

41. Internet Gambling

Company represents that it does not originate or process restricted transactions in connection with unlawful Internet gambling, as such terms may be defined under applicable law. Company shall notify Bank promptly if its business activities change in a manner that could affect this representation.