

Company:



PROSPERITY BANK[®]

TREASURY MANAGEMENT SERVICES

ACH POSITIVE PAY SERVICE TERMS

These ACH Positive Pay Service Terms (the “**Service Terms**”) set forth the terms under which Customer may review and decision ACH debits from Customer’s Account as a method for monitoring potential unauthorized transactions (the “**Services**”). The Services are subject to the Treasury Management Services Master Agreement (the “**Master Agreement**”) between Prosperity and Customer, which, along with all other agreements incorporated into the Master Agreement, are incorporated herein by reference (the Master Agreement together with these Service Terms are referred to herein as the “**Agreement**”), and all Applicable Laws. Unless otherwise noted, capitalized terms herein will have the same meaning as in the Master Agreement.

1. EXISTING AGREEMENTS; INCONSISTENCIES. These Service Terms supplement the ACH Origination Service Terms and any other applicable agreements for ACH services between Prosperity and Customer (the “**Other ACH Agreements**”). With respect to the ACH Positive Pay Services, in the event of a conflict between these Service Terms and the Other ACH Agreements, these Service Terms shall prevail.

2. IMPLEMENTATION PROCESS. Customer must specify its preferences for the Services during the implementation process in the Documentation as directed by Prosperity, including the Account(s) to be enrolled in the Services (“**Authorized Account(s)**”), the Users authorized by Customer with respect to the Services, and Customer’s criteria for authorized ACH Transactions. The Services will be available once Prosperity has notified Customer that the implementation process is complete. Customer is solely responsible for the accuracy and timeliness of the Documentation it provides to Prosperity.

3. EXCEPTION REPORT, INSTRUCTIONS.

(a) An “**Exception**” is any ACH Transaction from the Authorized Account(s) that Prosperity determines in its discretion does not meet all of Customer’s criteria for authorized ACH Transactions as set forth in the Documentation. Exceptions will be identified and reported to Customer in an “**Exception Report**” made available through the Internet Banking Services or other method now or hereafter offered by Prosperity for the Services. Customer must review the Exception Report and enter instructions to pay or return each Exception presented therein (“**Instructions**”) prior to 12:00 p.m. (noon) Central Time on the next Business Day following issuance of the Exception Report (“**Cutoff Time**”). Customer is responsible for, and Prosperity may rely upon, the contents of each Instruction and Prosperity is not responsible for detecting any Customer error contained in any Instructions. Prosperity will act upon the most recent Instructions received by the Cutoff Time with respect to each Exception. Customer’s failure to timely access and review an Exception Report for

any reason, including if Prosperity does not provide notice that the Exception Report is available, does not relieve Customer of its obligation to provide Instructions for each Exception identified therein prior to the Cutoff Time.

(b) Prosperity is not obligated to comply with Instruction received after the Cutoff Time, or in a format or medium, or at a place not specified in the Documentation, but instead may treat such Instructions as though they have not been received. In the event that an Instruction is not properly provided for any Exception, Prosperity will either pay or reject such Exception in accordance with Customer's default elections set forth in the Documentation. Instructions deemed to have been provided (or not provided) under this Section and Customer's default elections for Exceptions as set forth in the Documentation will control, notwithstanding any other communication Prosperity may have received from Customer regarding the Exception. Except as provided specifically in these Service Terms, Prosperity is not obligated to provide Customer with notice of any Transactions.

4. LIMITS ON LIABILITY, LOSS RECOVERY.

(a) Customer agrees that Prosperity exercises ordinary care and will not be liable to Customer with respect to any Transaction that Prosperity pays or returns in accordance with these Service Terms. Any Exception that Prosperity returns in accordance with Customer's Instructions or default elections for Exceptions as set forth in the Documentation shall be a proper dishonor and Customer hereby waives any right to assert that the return was improper. Any Exception that Prosperity pays in accordance with Customer's Instructions or default elections for Exceptions as set forth in the Documentation shall be deemed to be properly payable and Customer hereby waives any right to assert that the Exception was not properly payable.

(b) Notwithstanding anything herein to the contrary, Prosperity will not be liable to Customer for wrongful dishonor when Prosperity, acting in good faith, returns a Transaction if: (i) Prosperity reasonably believed the Transaction was not properly payable, (ii) there are insufficient Available Funds on deposit in the Authorized Account(s), (iii) Prosperity is required to do so by Applicable Law, or (iv) Prosperity acted in accordance with these Service Terms, including acting upon any Instructions to return an Exception or Customer's default elections for Exceptions as set forth in the Documentation, in which case such dishonor shall be proper, and Customer hereby waives any right to assert that the return was improper.

(c) Customer agrees to cooperate with Prosperity in any loss recovery efforts Prosperity undertakes to reduce any Losses that arise in connection with the Services. Customer acknowledges that the Fees to be paid for the Services have been established in part in contemplation of the provisions of this Section and Customer's agreement to assist Prosperity in any loss recovery efforts.

5. TERMINATION. These Service Terms and the ACH Positive Pay Services will automatically terminate with respect to any Authorized Account that is closed, but will continue with respect to any other Authorized Account(s) that continue to be maintained by Customer unless Customer or Prosperity terminates the Services as described in the Master Agreement.