



PROSPERITY BANK[®]

TREASURY MANAGEMENT SERVICES

CONTROLLED DISBURSEMENT SERVICE TERMS

These Controlled Disbursement Service Terms (the “**Service Terms**”) set forth the terms under which Prosperity provides Customer with reporting of all Debits (as defined below) against specified Accounts through the Internet Banking Services (the “**Services**” or “**Controlled Disbursement 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. IMPLEMENTATION PROCESS. Customer will designate one or more demand deposit Accounts (each, a “**Disbursement Account**”) for funding, posting, and payment of Debits, and an Account (the “**Funding Account**”), which could be the same Account as the Disbursement Account, in which Customer agrees to maintain balances sufficient to fund the Debit activity in the Disbursement Account(s). Customer can use the Disbursement Account to issue checks or payable-through drafts and electronic debits (collectively, “**Debits**”) only after Prosperity notifies Customer that the Disbursement Account is operational. If Customer attempts to issue Debits before Prosperity notifies Customer that the Disbursement Account is operational, Prosperity may reject or otherwise refuse to process such Debits. Customer agrees to regularly monitor the Disbursement Account and Funding Account using the Internet Banking Services throughout each Business Day for relevant information and notices.

2. DETERMINATION OF DEBIT TOTAL. Each Business Day, in accordance with the applicable cut-off time for the Service (“**Cut-Off Time**”), Prosperity will report to Customer through the Internet Banking Services information relating to the Debits, if any, presented for payment against the Disbursement Account. In providing this reporting through the Service, Prosperity relies on clearing information that Prosperity receives from the applicable Federal Reserve Bank, ACH operator, or other clearing entity, the accuracy and timeliness of which Prosperity does not control and for which Prosperity assumes no liability or responsibility. Checks drawn on the Disbursement Account that are presented over the counter may not appear in the reporting for that Business Day and will instead appear the next Business Day. The “**Debit Total**” is the amount necessary for the Customer to deposit or transfer into the Disbursement Account to cover the Debit activity on any given Business Day, and consists of the total dollar amount of: (a) all Debits that have posted to the Disbursement Account on that Business Day; (b) any adjustments (positive or negative) to the Disbursement Account as reported through the Internet Banking Services, including without limitation any Debits posted after Prosperity’s processing cut-off time on the prior Business Day.

3. AVAILABLE FUNDS IN FUNDING ACCOUNT. Each Business Day, prior to the Cutoff Time, Customer must ensure that the Funding Account has an Available Balance in an amount at least equal to the

Debit Total of the Disbursement Account for that Business Day. Prosperity reserves the right to require Customer to maintain a specified minimum balance in the Funding Account as part of the Service.

4. TRANSFER OR DEPOSIT OF FUNDS TO THE DISBURSEMENT ACCOUNT. Each Business Day, Customer will transfer from the Funding Account to the Disbursement Account or deposit directly into the Disbursement Account, as indicated in the Documentation, an amount at least equal to the Debit Total. Customer may also make arrangements with Prosperity for the automatic transfer of such amounts from the Funding Account to the Disbursement Account through the Service. If Customer fails to deposit or transfer sufficient funds into the Disbursement Account to cover the Debit Total on any Business Day, Prosperity may, at its sole option: (a) advance funds to the Disbursement Account in an amount equal to the Debit Total (and this amount will be added to the Debit Total for the next Business Day as an adjustment); or (b) return any or all Debits, in any order, unpaid (even though Bank may have previously established a pattern of paying such Debits).

5. PAYMENT OF DEBITS. Notwithstanding Section 4 above or anything else to the contrary in these Service Terms or the Agreement, Prosperity has no obligation whatsoever to pay any Debit, including without limitation, where the Available Balance in the Disbursement Account is not sufficient to cover such Debit at the time Prosperity makes its payment decision. For the avoidance of doubt, Customer acknowledges and agrees that: (a) Prosperity may return any Debits drawn on the Disbursement Account for any reason, including insufficient funds in the Disbursement Account or Funding Account, alleged forgeries, items in controversy or otherwise, in each case without notice or liability to Customer; and (b) Prosperity is not obligated to fund any shortage in the Disbursement Account or to provide overnight or daylight funding unless Prosperity has expressly agreed to do so in a separate written agreement. In the event Prosperity chooses to advance funds to the Disbursement Account to cover Debits as described in Section 4(a) above, Customer agrees to repay such advance plus Prosperity's fees and costs incurred in connection with such advance immediately without notice or demand.

6. PROTECTION AGAINST FRAUDULENT CHECKS. Customer and Prosperity acknowledge that there is a growing risk of Losses resulting from counterfeit, unauthorized, altered or fraudulent Debits, including checks and ACH transactions drawn on Customer's Accounts and/or not properly payable by Prosperity (collectively, "**Fraud Risks**"), and that customers using the Controlled Disbursement Service are especially susceptible to Fraud Risks. Customer is aware that Prosperity offers various options to reduce or mitigate Fraud Risks, including Customer's maintenance of internal controls, closing any Accounts that have experienced Losses from Fraud Risks and opening new Accounts, and utilization of certain Services including ACH Positive Pay and Check Positive Pay. Prosperity strongly recommends that Customer enroll in the Positive Pay Service in order to mitigate Fraud Risks. In the event Customer chooses not to enroll in and actively use the Positive Pay Service, Prosperity may be unable to prevent Losses from Fraud Risks, and Customer will have assumed the risk of these Losses. Customer acknowledges receipt of such recommendations and advice from Prosperity.

7. LIABILITY AND INDEMNIFICATION. In addition to the liability and indemnification provisions elsewhere in the Agreement, Prosperity will not be liable for any Losses paid, suffered or incurred by Customer, and Customer agrees to indemnify and hold Prosperity harmless from and against any Losses paid, suffered or incurred by it, arising directly or indirectly as a result of or in connection with: (a) Prosperity's nonpayment of a Debit for any reason, unless such nonpayment results directly and proximately from Prosperity's gross negligence or willful misconduct; (b) Prosperity's late return of any Debit resulting from or related to any presentment-related problem due to the failure of such Debit to comply with Prosperity's specifications and instructions for the applicable transaction type (i.e., checks, payable-through drafts, or electronic debits, as applicable); (c) Prosperity's payment of any check or payable-through draft that is unauthorized or contains a

forged, unauthorized, incorrect, or illegible endorsement, a forged or unauthorized signature, an alteration of amount or payee, or any other error, discrepancy, or deficiency, except to the extent that Prosperity is liable under the applicable Service Terms if Customer has enrolled in and is using Prosperity's Account Reconciliation Service, Positive Pay Service or Payable-Through Draft Service.