



PROSPERITY BANK®

TREASURY MANAGEMENT SERVICES

REMOTE DEPOSIT CAPTURE SERVICE TERMS

These Remote Deposit Capture Service Terms (the “**RDC Terms**” or “**Terms**”) set forth the terms under which Customer may electronically transmit images of original checks and other eligible items (“**Images**”) for deposit to an Account through the use of Scanning Equipment and/or the Mobile App (collectively, the “**Services**” or “**RDC Services**”). The Services are subject to the Treasury Management Services Master Agreement (the “**Master Agreement**”) between Bank and Customer, which, along with all other agreements incorporated into the Master Agreement, are incorporated herein by reference (the Master Agreement together with these RDC 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. CUSTOMER’S OBLIGATIONS. Customer agrees to comply with these Terms and any directions or instructions for the Services provided by Prosperity from time to time, including the Documentation. All Images transmitted by Customer through the Services must be legible and satisfy Prosperity’s processing requirements, including the RDC Procedures (defined below). Customer is responsible for the accuracy of each Image created and for any communication costs associated with the transmission or retrieval of data in connection with Customer’s use of the Services. In the event that any Image captured by Customer does not accurately replicate any of the information on the original check, Customer is responsible for providing accurate information to Prosperity along with the Image.

2. PROCESSING.

(a) Processing Procedures. Prosperity will process the Images received through the RDC Services in accordance with the Documentation and Prosperity’s current processing procedures (collectively, the “**RDC Procedures**”). As part of the RDC Procedures, Prosperity is entitled to limit the number of Images and/or the dollar value of checks or other items depicted in those Images that Customer may transmit through the Services. If any Image received by Prosperity does not comply with the RDC Procedures, Prosperity may, in its sole discretion: (i) process the Image as received; (ii) correct the Image (or the related information submitted to Prosperity with the Image file) and process the corrected Image; (iii) process the check for payment in another format as permitted by Applicable Law; or (iv) return the Image to Customer and reverse any credit (provisional or otherwise) made to the Account for the deposit. Customer acknowledges that Prosperity has no obligation to review or verify any information or data contained in the Images received through the Services, nor will Prosperity review or have any obligation to comply with any restrictive endorsements or legends (e.g., “paid in full”) on any Image. If Prosperity causes an error or loses any Image transmitted by Customer through the Services, Prosperity’s sole obligation is to recreate or correct the Image.

(b) Confirmation; Rejection of Images. Prosperity will notify Customer to confirm the receipt of an Image file by Prosperity; provided, however, that Prosperity will not be deemed to have received an Image for deposit until Prosperity has processed it according to the RDC Procedures and these Terms. Prosperity may reject any Image that Customer transmits to Prosperity for any reason in its sole discretion and will have no liability to Customer for such rejection, even if Prosperity has already provided Customer with a confirmation notice. Customer can check the status of Image files it has transmitted using the information reporting services and solutions made available by Prosperity from time to time; Prosperity may also send a notice to Customer if an Image is rejected, but has no obligation to do so.

(c) Cutoff Times, Funds Availability. Images received by Prosperity before the applicable cutoff time will be deemed received by Prosperity on that Business Day, while Images received after the applicable cutoff time will be deemed received on the next Business Day. The cutoff time may change from time to time and will either be published by Prosperity on its Treasury Management Services Deadlines Schedule or otherwise made available or communicated to Customer. Prosperity will make funds available from Eligible Items deposited through the Services in accordance with its standard funds availability disclosure unless Prosperity discloses a separate availability schedule in the Documentation or through the Services.

(d) Processing, Clearing Agents. Prosperity, in its sole discretion, shall determine the manner in which Images shall be processed for payment and select the clearing agent(s) used for processing. Customer agrees that any such clearing agent(s) will be deemed to be Customer's agent, and Prosperity will not be liable for the errors, delays or failures of any clearing agent in processing the Images nor will any clearing agent be deemed to be Prosperity's Service Provider.

(e) Unavailability of the RDC Services. During any period in which the RDC Services are unavailable or inaccessible due to an outage or unavailability of the Internet Banking Services, Customer must use another method to make deposits into the applicable Account.

3. CHECKS ELIGIBLE FOR THE SERVICE.

(a) Eligible Items. Customer agrees to use the Services only for the deposit of Eligible Items. “**Eligible Items**” are paper items that are defined as “checks” by Regulation CC which are: (i) drawn on United States financial institutions and payable in United States currency; (ii) encoded in magnetic ink, contain a machine-readable MICR line, and otherwise contain the proper MICR line information for processing; (iii) payable to Customer as the named payee; (iv) legible, dated, and conform to Prosperity's imaging standards and the RDC Procedures; (v) restrictedly endorsed with an authorized signature followed by “For Remote Deposit at Prosperity Bank Only” or as Prosperity may otherwise direct; and (vi) eligible for deposit into the applicable Account in accordance with Prosperity's procedures and the Account Terms.

(b) Ineligible Items. The following are not Eligible Items and Customer agrees not to attempt to transmit or deposit any of the following through the Services:

- (i) items drawn on accounts owned by Customer at other banks, unless otherwise agreed by Prosperity;

- (ii) items that are “substitute checks” or “remotely created checks” as defined by Regulation CC;
- (iii) checks that are postdated or more than 6 months old;
- (iv) items that have already been deposited by or returned to Customer;
- (v) checks that are written to a third-party payee but endorsed by that payee over to Customer, unless Prosperity and Customer otherwise agree in writing, including without limitation by executing a Third Party Check Agreement;
- (vi) items that contain alterations or that Customer suspects, or should suspect, are fraudulent, unauthorized, suspicious, or not likely to be honored;
- (vii) checks that are irregular in any way, such as when the numerical and written amounts are different; and
- (viii) items that violate Applicable Law, including the Operating Rules.

(c) Indemnification. Customer agrees to indemnify and reimburse Prosperity for any Losses incurred as a result of Customer transmitting any checks or items that are not Eligible Items through the Services. By using the RDC Services, Customer agrees that it is deemed to make to Prosperity the same representations and warranties and give the same indemnities with respect to the checks, Images and substitute checks created by Prosperity as Prosperity is deemed to make with respect thereto under Applicable Law or otherwise in connection with any systems, associations or clearinghouses involved in the processing thereof. If Prosperity (including its Service Providers and agents) suffers any Losses arising directly or indirectly from or related to such depository bank indemnity obligation, Customer agrees to indemnify Prosperity (including its Service Providers and agents) for such Losses.

4. REPRESENTATIONS AND WARRANTIES OF CUSTOMER. Customer represents and warrants to Prosperity as follows:

- (a) Customer will only transmit Eligible Items to Prosperity through the RDC Services;
- (b) Customer will employ commercially reasonable procedures to prevent encoding errors or other erroneous or fraudulent transmissions through the Services and report to Prosperity immediately any such errors that Customer discovers in any of its transmissions to Prosperity;
- (c) None of the items, including Eligible Items, transmitted by Customer to Prosperity through the Services have been previously submitted or deposited with Prosperity or any other bank, and no person will subsequently negotiate, transfer, deposit or present any such items or duplicates thereof in any form, including as an ACH transfer or as an image, reproduction, substitute check or remotely-created check;
- (d) Customer has legal authority to accept for deposit and otherwise negotiate the original check reflected in each Image transmitted to Prosperity (including any check with a named payee different from Customer’s legal name);
- (e) The control total accompanying each Image file transmitted by Customer using the Services is accurate and equals the sum of the individual Images in the applicable file;
- (f) With respect to each check deposited through the Service: (i) the Image transmitted to Prosperity accurately represents all the information on the front and back of the original check that meets the ANSI standards required by Regulation CC (or other standards established by Prosperity

or any applicable regulatory agency, clearing house or association) and (ii) the drawer of the original check authorized the amount and payee stated on the original check; and

(g) Customer will only use the RDC Services from a location in the United States to initiate transactions that comply with Applicable Laws.

5. RETENTION, DESTRUCTION OF ORIGINAL CHECKS. Customer agrees to retain each original check deposited through the Services for a commercially reasonable retention period of at least sixty (60) days after Prosperity has confirmed successful receipt of an Image (the “**Retention Period**”). During the Retention Period, Customer agrees to take appropriate security measures to ensure that only authorized personnel have access to the original check, that the check information is not disclosed in any way, and that the original check will not be duplicated, re-presented, re-deposited or negotiated following transmission to Bank through the Services. During the Retention Period, Customer agrees to retrieve and produce for Prosperity the original check, or a sufficient copy of the front and back thereof, within seventy-two (72) hours of a written (including by email) request by Prosperity. After the Retention Period expires, Customer must permanently destroy the original check promptly by shredding it or in any other commercially reasonable manner. Customer shall indemnify Prosperity in accordance with the terms of the Master Agreement for any Losses incurred in connection with any failure to securely retain or timely destroy original checks or otherwise comply with the requirements of this Section or any theft or fraudulent use by any person of any original checks.

6. SCANNING EQUIPMENT, MOBILE APP. The Customer Systems required for use of the Services will be as described in the Documentation or otherwise communicated by Prosperity from time to time, and will include compatible scanning equipment, for which Customer may be assessed a fee if provided by Prosperity (“**Scanning Equipment**”) and/or software for use on a Mobile Device (“**Mobile App**”). Customer agrees to maintain the security of the Scanning Equipment and any Mobile Device on which the Mobile App is installed to ensure that the Services are only accessed by Customer’s authorized Administrators and Users, and to require any such Mobile Device to be password-protected and to enforce a protocol to change those passwords regularly. Customer understands and agrees that use of the Services is dependent on internet connectivity and that Customer is responsible for tracing and correcting any internet connectivity issues. Customer must keep Scanning Equipment in a location approved by Prosperity. PROSPERITY MAKES NO WARRANTIES, EITHER EXPRESSED OR IMPLIED, REGARDING THE SCANNING EQUIPMENT, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE.

7. ERRORS, SECURITY CONTROLS.

(a) Error Reporting. Each day that Customer submits Images through the Services, Customer agrees to review all inputs and outputs, controls, reports and documentation to ensure the integrity of Images processed by Prosperity and notify Prosperity immediately if Customer identifies any error or incorrect information submitted through the Services. Customer acknowledges that Prosperity’s ability to make adjustments for errors is limited by Applicable Law and Prosperity may be unable to address errors that are not reported by Customer immediately.

(b) Security Procedures, Controls. The transmission of Images or other data to Prosperity using the Security Procedures agreed upon for the Service will be deemed for all purposes to be

authorized by Customer. In addition to the Security Procedures, Prosperity recommends that Customer establish authorities and a system to require separation of duties among Customer's Users for the RDC Services to mitigate the risk of unauthorized checks or Images submitted to Prosperity for deposit. As described in the Master Agreement, Customer is responsible for the actions of all of its Users, whether they are Customer's employees, Vendors or agents.

8. AUTHORIZATION/NOTIFICATION REQUIREMENTS. Since Customer is a business that desires to submit Images of checks it receives from consumer customers in the course of business through the Services, Customer agrees to provide its customers with a written notice that reflects the following, or substantially similar, language:

"When you provide a check as payment, you authorize us either to use the information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquiries, please call [insert Customer's phone number]. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day you make your payment, and you will not receive your check back from your financial institution."

Such notice shall be clearly displayed on Customer's invoice or statement to Customer's customer, or, as the case may be, posted at the point of sale with a copy provided to Customer's customer.

9. AUDIT. Prosperity retains the right to (i) review Customer's Original Check and business or other activities from time to time to confirm Customer is conducting the business or other activities as stated by Customer at the time of the execution of this Agreement, and (ii) re-price or terminate Prosperity's services based on changes to the facts previously stated by Customer. In the event Prosperity inspects any of the location(s) where Customer (including any of its Vendors) uses the RDC Services in connection with an audit of Customer's (or its Vendor's) compliance with the Agreement, Customer agrees that Prosperity shall not be liable or responsible to Customer, its Vendor(s) or any other third party for any loss, bodily harm, property damage, claims of the introduction of a virus or other malicious code into Customer Systems, whether related to the transmission of Images or other data to Prosperity or caused by the Scanning Equipment or other aspects of the Customer Systems, including but not limited to any hardware, software, Internet service providers, Internet browsers, or other parties providing communication services to or from the Customer Systems.