

**Board of Education Regular Meeting**

April 30, 2024 6:00 PM

City Hall Council Chambers

I. CALL TO ORDER Procedural Item A. Pledge of Allegiance Procedural Item The Pledge of Allegiance will be led by Patrick John (PJ) Blanco, a third grade student at Mitchell Neilson Elementary, along with his sister, Regiena Blanco, a kindergarten student at Mitchell Neilson Elementary, and Scarlett Embry, a third grade student at Scales Elementary, along with her brother Luke Embry, a kindergarten student also at Scales Elementary.	Chair Butch Campbell
B. Moment of Silence Procedural Item	
II. APPROVAL OF AGENDA Action Item	Chair Butch Campbell
III. COMMUNICATIONS Information Item Congratulations to Overall Creek Student Edrell Smith on winning the Read to Bee Spelling.  Science Olympiad update - Science Olympiad was held on Saturday, April 27 at John Pittard. Congratulations to the teams that competed.  Special Olympics will be held on Monday, May 6. Please join us at MTSU for the open ceremonies and competition.  We will be celebrating the work and contributions of our retirees this Tuesday, May 7 with a luncheon at Central Office.  Congratulation to all the students who have had their art on display in the City Hall Rotunda, The Frist and to those who will be premiered at the MTSU Winner's Circle.  Please join us for the MCS Honor Band concert on Monday May 6 at 6 p.m. at MTSU's Hinton Hall.  The City Schools Foundation has elected new officers and board members. Executive Committee Nominees for 2024-25 (beginning terms in June 2024) Eric Newell- Chair David Scott - Past Chair Katherine Layman - Vice Chair Kevin Pascoe - Treasurer Tamara Gwyn - Secretary  Committee Chairs David Scott - Grants Katherine Layman - Tennis Tournament Rachel Ward - Excellence in Education	Mrs. Lisa Trail

<p>New board members include Kristin Rudy and David Mitchell.</p> <p>Announce Date and Time of Retirement Celebration</p> <p>Announce May Teacher Appreciation Day/Week</p> <p>City Schools Foundation Update</p>	
A. Spotlight on Education-MCS Art Student Winners Procedural Item	Dr. Trey Duke
B. The Best of MCS-Kyndall Sain-Hobgood Elementary Student Procedural Item	Dr. Trey Duke
C. Recognition of Codianna Fry-Cason Lane PreK Procedural Item	Dr. Trey Duke
D. Recognition of Lauren Fluharty-Presidential Award for Excellence in Math and Science Teaching (Discovery School) Procedural Item	Dr. Trey Duke
E. Public Comment Procedural Item	Chair Butch Campbell
<b>IV. CONSENT ITEMS</b> Consent Agenda	Chair Butch Campbell
A. Approval of 4-16 Board Minutes Consent Item	
B. Approval of Contract-Howard Technology Consent Item	
<b>V. ACTION ITEMS</b> Action Item	Chair Butch Campbell
A. Approval of Budget Amendment-ESSER 3.0 Action Item	Dr. Trey Duke
B. Approval of Budget Amendment-ARP Homeless 2.0 Grant Action Item	Dr. Trey Duke
C. Approval of Budget Amendment-State Special Education Preschool Grant Action Item	Dr. Trey Duke
D. Approval of Budget Amendment-FY24 IDEA Part B and Federal IDEA Preschool Action Item	Dr. Trey Duke
E. Approval of Budget Amendments-FY24 Consolidated Funding Application Action Item	Dr. Trey Duke
F. Approval of Contract-Banking Services Action Item	Dr. Trey Duke
G. Approval of Contract-SportCourt (Discovery Courts) Action Item	Dr. Trey Duke
H. Approval of the 2023-2024 Summer School Budget Action Item	Dr. Trey Duke
I. Approval of the 2024-2025 General Purpose Budget Action Item	Dr. Trey Duke
J. Approval of the 2024-2025 Federal Consolidated Budget Action Item	Dr. Trey Duke
K. Approval of the 2024-2025 Extended Schools Program Budget Action Item	Dr. Trey Duke
L. Approval of the 2024-2025 School Nutrition Budget	Dr. Trey Duke

Action Item	
M. Approval of the 2024-2025 Debt Services Budget	Dr. Trey Duke
Action Item	
N. Approval of Revenue and Expenditure Report	Mr. Daniel Owens
Action Item	
VI. REPORTS AND INFORMATION	Chair Butch Campbell
Information Item	
A. Construction Update	Mr. Don Bartz
Information Item	
B. Enrollment (PTR) Report	Mr. Ken Rocha
Information Item	
C. Personnel Report	Dr. Trey Duke
Information Item	
D. Director's Update	Dr. Trey Duke
Information Item	
VII. OTHER BUSINESS	Chair Butch Campbell
Information Item	
VIII. ADJOURNMENT	Chair Butch Campbell
Action Item	

## MINUTES

### Board of Education Regular Meeting/Budget Work Session

April 16, 2024 4:00 PM

MCS Administrative Offices

<b>I. CALL TO ORDER</b> Procedural Item <b>Present:</b> Mr. Wesley Ballard, Mr. Butch Campbell, Ms. Karen Dodd, Ms. Barbara Long, Ms. Amanda Moore, Mr. Jimmy Richardson III, Mr. David Settles (5:16 p.m.).	Chair Butch Campbell
In attendance: Dr. Trey Duke, Daniel Owens, Sheri Arnette, Angela Fairchild, Lisa Trail, Jenny Ortiz, Kim Fischer, Beth Prater, April Zavisa, Andy Taylor, Sandy Scheele, Jaclyn Saunders, Maria Johnson, Ken Rocha, Don Bartz, Larry Willeford, Brian Rome, Tyra Murray, Autumn DePriest, Chris George, Amanda Adams, Maryam Hill, and Brandie Garland  Assistant City Attorney Lauren Bush and City Liaison Bill Shacklett  Incoming Board Member Ms. Jeanette Price	
A. Pledge of Allegiance Procedural Item	
<b>II. APPROVAL OF AGENDA</b> Action Item Motion to approve the agenda. This motion, made by Ms. Amanda Moore and seconded by Mr. Wesley Ballard, passed. Yea: 6, Nay: 0; Absent: 1	Chair Butch Campbell
<b>III. Public Comment</b> Procedural Item	Chair Butch Campbell
<b>IV. CONSENT ITEMS</b> Consent Agenda Motion to approve consent agenda.. This motion, made by Ms. Barbara Long and seconded by Ms. Karen Dodd, passed. Yea: 6, Nay: 0; Absent: 1	Chair Butch Campbell
A. Approval of 4-9-24 Board Budget Meeting Minutes Consent Item	
<b>V. ACTION ITEMS</b> Action Item A. Approval of Budget Amendment-FY24 General Purpose Fund-TN Risk Management Trust Grant Action Item Motion to approve Budget Amendment-FY24 General Purpose Fund-TN Risk Management Trust Grant. This motion, made by Mr. Wesley Ballard and seconded by Mr. Jimmy Richardson III, passed. Yea: 6, Nay: 0; Absent: 1	Dr. Trey Duke
B. Approval of Budget Amendment-FY24 General Purpose and Extended School Program Fund Action Item Motion to approve Budget Amendment-FY24 General Purpose and Extended School Program Fund. This motion, made by Ms. Karen Dodd and seconded by Mr. Wesley Ballard, passed. Yea: 6, Nay: 0; Absent: 1	Dr. Trey Duke
<b>VI. REPORTS AND INFORMATION</b> Information Item	Chair Butch Campbell

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April 16, 2024  
Recorded by L. VanCleave

<b>VII. BUDGET WORK SESSION</b> Procedural Item		Chair Butch Campbell
A. Updates and Unfinished Business from 4-9-24 Board Budget Discussion Information Item	Dr. Trey Duke	Dr. Trey Duke  Dr. Duke gave a shout out to Finance Director Daniel Owens, Beth Prater and the Finance team for their hard work in preparing the 2024-2025 Budget.  Dr. Duke answered questions and concerns from the Board at the 4/9 budget meeting. He shared that the budget feedback survey went out to all parents and they received 1100 responses and those responses continued to line up with what was originally reported when the survey first went out.  Dr. Duke shared the building capacity report per school. There was some discussion regarding growth at certain schools and the possible need for portables in the future.  Finally, Dr. Duke shared a list of items that Mr. Settles requested regarding upgrades at the central office.
B. 2024-2025 General Purpose Budget Information Item	Dr. Trey Duke	Dr. Trey Duke
i. Revenues Information Item	Dr. Trey Duke	Dr. Duke and Mrs. Arnette discussed their concerns with the longtime partnership with Head Start. They explained that for the amount of money that is received through this program, the amount of work on the teachers to comply with HeadStart requirements was far too heavy. Dr. Duke and Mrs. Arnette feel that with the social work support, along with the mental health supports that we now have in place, our system can serve these students and parents without this partnership.  Mr. Ballard mentioned that there was current legislation that would change the grocery sales tax. He asked if that would have an impact on the budget. Dr. Duke said that he would look into that.
ii. Expenditures Information Item	Dr. Trey Duke	Dr. Duke went over the proposed salary adjustments with incoming teachers, teachers in the 17-25 year gap, and classified staff.  Dr. Duke spoke briefly on each line item in the budget.
	Dr. Trey Duke	April Zavisa explained the decreases in costs in the technology budget. Dr. Duke said that April has been great at looking at contracts and knowing how to decrease costs for the system in the technology line.  Dr. Duke explained that City Attorney Adam Tucker is drafting language to go before city council regarding board pay at the request of the board at the 4/9 budget meeting. The new rate will be a flat \$400.00 per month, with the Board Chair receiving an extra \$50.00 per month.  At the request of Mr. David Settles at the 4/9 budget meeting, there was discussion on health insurance being offered to the Board. Attorney Lauren Bush shared information regarding the State insurance plan that is available to Board members. Dr. Duke said that as far as having the same health insurance as MCS employees, he would have Kathleen Hunsicker, Benefits Administrator, reach out to each Board member to explain the availability of insurance coverage.

The Board agreed that they would like to know what is available as far as insurance coverage. Mr. Ballard felt that offering insurance, along with the pay increase, would be a great recruitment tool for future board members.

Dr. Duke said that this addition would require a change in policy as well as a budget allocation.

Mrs. Bush will prepare a draft policy for the May 14th board meeting regarding the addition of insurance benefits for the Board.

Dr. Duke added that if this is how the Board wanted to proceed, he would like to know before the April 30th meeting so that it would be added to the budget. He said that if it happens after April 30th, that would require a budget amendment.

The Board agreed that they were in favor of pursuing this.

David Settles asked if it is possible that the policy be restrictive. In other words, can the Board be limited to the plans that are available? Mrs. Bush said that she would call Benefits Administration and find out.

Mr. Settles asked to have a conversation regarding the Director's salary. He said that he would like to see a bonus and general increase in pay for the Director. He said that he feels that the Director is doing an extraordinary job and would like to see this happen.

Mrs. Bush explained that any changes will need to be made 45 days prior to an election, so that would be by the end of May.

Dr. Duke explained that the Board would be receiving an evaluation packet on April 30 and the evaluation would be complete by June.

Mr. Settles felt that it would be a good idea for the executive committee meet with the attorney to discuss this and have it ready by the April 30th meeting, so that this could be in the budget without having to do a budget amendment. Mr. Campbell said that he could meet before the 30th to discuss this. Mrs. Bush said that she would be in touch with Mr. Campbell.

Mr. Bartz talked with the Board about the basketball program and the other options that would be available for students. He said that basketball would be promoted through the city athletic program, and clinics. The Board felt comfortable with the clinics option.

Dr. Duke explained that we would be going into fund balance 4.7 million dollars, but would add about 1.7 million back, and he felt comfortable with that. He said that we have about 24.4 million in fund balance at this time, with 19 million unassigned.

There was discussion regarding safety projects that were underway.

iii. Fund Balance Information Item	Dr. Trey Duke
C. 2023-2024 Cafeteria Budget Information Item  Dr. Duke explained that we would offer free breakfast and lunch to all students next year. He also explained that we have always paid the farmers a flat farmers schedule but we are moving them to our pay scale. He said that their program would be tied into our curriculum.	Dr. Trey Duke

D. 2024-2025 Federal Budgets Information Item Dr. Duke briefly presented the Federal Consolidated budget to the board and explained that it was the basically the same as last year.	Dr. Trey Duke
i. Federal Consolidated Information Item	Dr. Trey Duke
ii. ESSER 3.0 Final Carryover Information Item Dr. Duke explained that the board would see an amendment to ESSER 3.0 on April 30th along with an amendment for additional funds.	Dr. Trey Duke
<b>VIII. OTHER BUSINESS</b> Information Item	Chair Butch Campbell
<b>IX. ADJOURNMENT</b> Action Item Motion to adjourn at 7:01 p.m.. This motion, made by Mr. David Settles and seconded by Mr. Wesley Ballard, passed. Yea: 7, Nay: 0 To wrap the meeting up, Dr. Duke told the board that if they have specific questions regarding anything in the budget, they could speak to Daniel Owens or himself.	Chair Butch Campbell

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Director of Schools

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Recorded by L. VanCleave

**Agenda Item Title:** Approval of Contracts Exceeding \$25,000, but less than \$50,000

**Board Meeting Date:** April 30, 2024

**Department:** Operations

**Presented by:** Lauren Bush

**Board Agenda Category:**

Consent Agenda	<input checked="" type="checkbox"/>
Action Item	<input type="checkbox"/>
Reports and Information	<input type="checkbox"/>

**Requires City Council Approval:** Yes  No

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### Summary

Pursuant to Board Policy 2.808, the Board will be provided with a list of written contracts with a between twenty-five thousand dollars (\$25,000.00) and fifty thousand dollars (\$50,000.00) at the regularly scheduled Board meeting immediately following approval of the contract or agreement. An agreement with Howard Technology for technology displays was executed and is presented for review and approval.

### Staff Recommendation

Approval of consent agenda item

### Fiscal Impact

Cost of the contract will exceed \$25,000.00, but will be within budget and will be funded by each school

### Connection to MCS's Five-Year Strategic Plan

- Known:** Every student will be *known* through whole-child programs and support.
- Safe:** Every student will be *safe* through equitable access to buildings, facilities, and infrastructure that meets their needs.
- Challenged:** Every student will be *challenged* by learning from highly effective educators and employees.
- Empowered:** Every student will be *empowered* through academic success

## **ADDENDUM TO STANDARD TERMS AND CONDITIONS**

This Addendum to the Standard Terms and Conditions ("Addendum") made and entered into on the date of acceptance by Murfreesboro City Schools ("District"), including any individual schools within its school district, and Howard Industries, Inc. ("Contractor"), (hereinafter, the "parties") documents the addition of terms to Contractor's Standard Terms and Conditions of Sale ("Agreement"), and is incorporated by reference into the same.

- A. **Indemnification.** Each party shall be solely liable for payment of its portion of all claims, liability, costs, expenses, demands, settlements, or judgments resulting from negligence, actions or omissions of itself or those for whom it is legal responsible relating to or arising out of this Agreement. Any and all monetary claims against the District, its officers, agents, and employees in performing any responsibility specifically required under the terms of this Agreement shall be submitted to the Murfreesboro City Schools Board of Education and shall be limited to those provided for in Tenn. Code Ann. 29-20-101, et seq.
- B. **Choice of Law; Venue.** This contract shall be construed and enforced under the law of the State of Tennessee, regardless of its conflict of laws provisions. In the event that the parties cannot resolve any dispute between them, and one party resorts to legal action, such party must file suit in state court in Rutherford County, Tennessee, or in federal court in Davidson County, Tennessee. The parties irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have, including any claim of *forum non convenience* or similar doctrine or theory, to venue in the courts located in the State of Tennessee and each of the parties consents to the personal jurisdiction of such courts (and of the appropriate appellate courts therefrom) and to service of process upon them in accordance with the rules and statutes governing service of process.
- C. **Entire Agreement.** This Agreement and its counterparts constitute the entire agreement between the District (including District employees and other end users) and Contractor. In the event the Contractor enters into terms of use, end user agreements or other agreements or understandings, whether electronic, click-through, or shrink-wrap, and whether verbal or written, with District employees or other end users, such agreements shall be null, void, and without effect, and the terms of this Addendum shall apply.

IN WITNESS WHEREOF, the District and the Contractor, intending to be legally bound, have executed and delivered this Addendum.

Executed on Jan 31, 2024.

## HOWARD INDUSTRIES, INC.

Brandev Boyd - Contracts Manager

## MURFREESBORO CITY SCHOOLS

BOBBY N. DUKE III

Bobby N. Dunn III (Feb 1, 2024 08:55 CST)

Dr. Bobby N. Duke, III, Director of Schools

36 Howard Drive-Ellisville, MS 39437  
P.O. Box 1590-Laurel, MS 39441



888.912.3151 general 601.399.5077 fax  
888.323.3151 technical support

A Division of Howard Industries, Inc.  
[www.Howard.com](http://www.Howard.com)

## Online Quotation

**Quote No:** AS13 1382191.00      **Quote Date:** March 20, 2024  
**Customer Name:** Micky Brooks      **Phone Number:** 6158932313  
**Company Name:** John Pittard Elementary      **Fax Number:** 6158932352  
**Quote Name:** Newline 55" w/ wall mount: John Pittard Elementary Qty: 2

### Item 1

Category	Description	Qty.	Unit Price	Ext. Price
System Type:	Accessories			
1:	55' NT+ 4K LED Commercial Display (No Touch) w/ USB-C - able to mount Portrait or Landscape	2	\$1,599.00	\$3,198.00
2:	NT-PLUS Wi-Fi 6 Bluetooth Module - REQUIRED FOR WI-FI FOR ALL NT PLUS MODELS.	2	\$99.00	\$198.00
3:	Newline Portrait and Landscape NT+ Wall Mount for 55' & 65' ONLY	2	\$149.00	\$298.00
4:	Newline Visual Communication Solution - Signage powered by TSN (1 Year License) - Per Device	2	\$129.00	\$258.00
			<b>Sub-Total:</b>	<b>\$3,952.00</b>
			<b>Shipping &amp; Handling:</b>	<b>Included</b>
			<b>Taxes:</b>	<b>Tax Exempt</b>
			<b>Total for Item 1:</b>	<b>\$3,952.00</b>

**This Quote will expire on April 19, 2024.  
Please include your Quote Number on your Purchase Order.**

### Total for all pre-configured items

<b>Sub-Total:</b>	<b>\$3,952.00</b>
<b>BuyBoard Discount :</b>	<b>\$118.56</b>
<b>Murfreesboro City Schools Discount:</b>	<b>\$1,707.44</b>
<b>Total:</b>	<b>\$2,126.00</b>

### Notes:

THIS QUOTATION IS EXPRESSLY LIMITED TO, AND EXPRESSLY MADE CONDITIONAL ON, PURCHASER'S ACCEPTANCE OF THE TERMS HEREIN AND ACCEPTANCE OF HOWARD'S GENERAL TERMS AND CONDITIONS OF SALE (LOCATED AT: <https://www.howardcomputers.com/info/termsofsale.cfm>), WHICH ARE FULLY ADOPTED AND INCORPORATED HEREIN BY REFERENCE. PURCHASER'S SUBMISSION OF A PURCHASE ORDER PURSUANT TO THIS QUOTATION CONSTITUTES PURCHASER'S ACCEPTANCE OF AND AGREEMENT WITH HOWARD'S GENERAL TERMS AND CONDITIONS OF SALE. HOWARD OBJECTS TO ANY DIFFERENT OR ADDITIONAL TERMS. A COPY OF THE ABOVE- REFERENCED GENERAL TERMS AND CONDITIONS OF SALE MAY ALSO BE OBTAINED BY CALLING 1-888-912-3151 OR EMAILING [webmaster@howardcomputers.com](mailto:webmaster@howardcomputers.com).

Howard's product warranties, return policies and related information are also available at <https://www.howardcomputers.com/support/warranties.cfm> and <https://www.howardcomputers.com/support/returnpolicy.cfm>, or may be obtained by calling 1-888-912-3151 or emailing [webmaster@howardcomputers.com](mailto:webmaster@howardcomputers.com).

**Agenda Item Title:** ESSER 3.0 Budget Amendment

**Board Meeting Date:** April 30, 2024

**Department:** Finance & Federal programs

**Presented by:** Trey Duke

**Board Agenda Category:**

Consent Agenda	<input type="checkbox"/>
Action Item	<input checked="" type="checkbox"/>
Reports and Information	<input type="checkbox"/>

**Requires City Council Approval:** Yes  No

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### Summary

The Federal Program and Finance Departments are seeking approval for an ESSER 3 funding source increase in the amount of \$230,998 and budget amendment of \$513,040. This amendment adjusts ESSER 3.0 budget expenditures to actual amounts. This funding amendment reduces allocation for Extended Contracts, Substitutes, and Building Improvements due to savings and unspent funds. The increase and reallocation of ESSER 3.0 funds will be used for Professional development, Stipends, Instructional Supplies and Materials, Wages and Salaries for Academic Interventionist, and a Mobile Resource Lab.

### Staff Recommendation

Recommend approval of the budget ESSER 3.0 funding sources adjustment and budget amendment.

### Fiscal Impact

ESSER 3.0 increase and amendment by \$744,038. This will allow the district to fully allocate all funds before the federal deadline.

### Connection to MCS's Five-Year Strategic Plan

- Known:** Every student will be *known* through whole-child programs and support.
- Safe:** Every student will be *safe* through equitable access to buildings, facilities, and infrastructure that meets their needs.
- Challenged:** Every student will be *challenged* by learning from highly effective educators and employees.
- Empowered:** Every student will be *empowered* through academic success



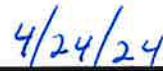
## ESSER 3.0

Account Description	BUDGET AS PASSED OR PREV AMENDED	AMENDED BUDGET	AMENDMENT INCREASE (DECREASE)
<b>Revenues</b>			
ESSER 3.0	7,559,757	7,790,755	230,998 0
<b>Total Increase in Revenues</b>	<b>\$ 7,559,757</b>	<b>\$ 7,790,755</b>	<b>\$ 230,998</b>
<b>ESSER 3.0</b>			
<b>Expenditures</b>			
Teachers	304,088	580,107	276,019
Educational Assistants	-	18,000	18,000
Social Security	18,862	35,918	17,056
State Retirement	20,728	42,392	21,664
Life Insurance	1,000	535	(465)
Medical Insurance	34,093	82,095	48,002
Dental Insurance	566	1,814	1,248
Medicare	4,440	8,399	3,959
Other Fringe	1,500	2,750	1,250
Instructional Supplies & Materials	170,800	215,200	44,400
Textbooks	1,056,903	1,066,160	9,257
State Retirement	15,465	16,565	1,100
Life Insurance	300	450	150
Medical Insurance	35,663	36,663	1,000
Communication	455	465	10
Travel	1,000	317	(683)
Inservice/Staff Development	50,000	25,000	(25,000)
Other Salaries & Wages	175,221	213,121	37,900
Substitutes	100,000	28,000	(72,000)
Social Security	22,770	19,980	(2,790)
State Retirement	16,985	20,052	3,067
Life Insurance	720	550	(170)
Medicare	5,050	5,620	570
Communication	910	460	(450)
Travel	3,250	1,250	(2,000)
Other Contracted Services	7,450	68,010	60,560
Inservice/Staff Development	251,000	315,788	64,788
Transportation Equipment	-	38,000	38,000
Building Improvements	3,997,293	3,607,871	(389,422)
Transfers Out (Indirect Cost)	303,324	379,300	75,976
<b>Total ESSER 3</b>	<b>\$ 6,599,835</b>	<b>\$ 6,830,833</b>	<b>\$ 230,998</b>

## CHANGE IN FUND BALANCE (CASH)

The Federal Program and Finance Dept are seeking approval for ESSER 3 funding source increase of \$230,998 and rebudget of \$513,040. This amendment adjusts ESSER 3.0 budget expenditures to actual amounts. This funding amendment reduces allocation for Extended Contracts, Substitutes, and Building Improvements. The increase and reallocation of ESSER 3.0 funds will be used for Professional development, Stipends, Instructional Supplies and Materials, Wages and Salaries for Academic Interventionist, and a Mobile Resource Lab.

  
Reviewed by Finance Director/Finance Manager

  
Date

Approved	<input checked="" type="checkbox"/>	 Director of Schools	4/24/24
Declined	<input type="checkbox"/>		

**Agenda Item Title:** ARP Homeless 2.0 Grant

**Board Meeting Date:** April 30, 2024

**Department:** Finance & Federal programs

**Presented by:** Trey Duke

**Board Agenda Category:**

Consent Agenda	<input type="checkbox"/>
Action Item	<input checked="" type="checkbox"/>
Reports and Information	<input type="checkbox"/>

**Requires City Council Approval:** Yes  No

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### Summary

The Federal Program and Finance departments are seeking approval for a budget amendment to ARP Homeless 2.0 funding source. The amendment decreases Other Student Services by \$143.75. This budget decrease is due to a final allocation adjustment by the Tennessee Department of Education. This decrease in expenditures will not have an overall impact on programming.

### Staff Recommendation

Recommend approval of the budget amendment for ARP 2.0 decrease

### Fiscal Impact

Decreases originally approved allocation by \$143.75

### Connection to MCS's Five-Year Strategic Plan

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- Empowered:** Every student will be *empowered* through academic success

## Murfreesboro City Schools Budget Amendment

BOE Approval

4/30/2024

## Schools Federal Projects Fund 142

Fiscal Year 2023-24

Account Number	Account Description	BUDGET AS PASSED OR PREV AMENDED	AMENDED BUDGET	AMENDMENT INCREASE (DECREASE)
47404 701	<u>Revenues</u> ARP Homeless 2.0	61,420	61,276	(144)
<hr/>				
	<b>Total Increase in Revenues</b>	<b>\$ 61,420</b>	<b>\$ 61,276</b>	<b>\$ (144)</b>
<hr/>				
72130 599	<u>Expenditures</u> ARP Homeless 2.0 Other Charges	9,567	9,423	(144)
	<b>Total Increase in Expenditures</b>	<b>\$ 9,567</b>	<b>\$ 9,423</b>	<b>\$ (144)</b>
<hr/>				

## CHANGE IN FUND BALANCE (CASH)

This amendment is to decrease revenues of \$144 due to reallocation by TDOE.

Reviewed by Finance Director/Finance Manager

4/24/24

Date

Approved Declined 

Bobby W. Dulcetti 4/29/24

Director of Schools

Date

**Agenda Item Title:** School Budget Amendment for State Special Education Preschool Grant.

**Board Meeting Date:** April 30, 2024

**Department:** Special Education

**Presented by:** Trey Duke

**Board Agenda Category:**

Consent Agenda	<input type="checkbox"/>
Action Item	<input checked="" type="checkbox"/>
Reports and Information	<input type="checkbox"/>

**Requires City Council Approval:** Yes  No

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### Summary

The State Special Education Preschool Grant (recurring grant) amendment will provide funds to reimburse the FY24 general purpose budget for Integrated Preschool support staff. Additionally, MCS will employ a Behavior Specialist specifically for our eleven Integrated Preschool classrooms, as well as provide funds for special education preschool teachers to obtain an additional endorsement.

### Staff Recommendation

Approve the amendment as presented for FY24.

### Fiscal Impact

This budget amendment reallocates \$73,343 of the total \$263,082 grant. There are no new revenues or expenditures with no change to fund balance.

### Connection to MCS's Five-Year Strategic Plan

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# Murfreesboro

*City Schools*

## INTER-FUND BUDGET TRANSFER/AMENDMENT REQUEST

Budget Fiscal Year FY24 General Purpose Funds State Special Education Preschool Grant  
 BOE Meeting Date 30-Apr-24

Account	Description	Increase	Decrease
141 E 71200 163	<b>State Special Education Preschool Grant</b>		
141 E 71200 195	Educational Assistants	43,551	
141 E 71200 201	Substitutes		3,000
141 E 71200 204	Social Security	1,825	
141 E 71200 206	State Retirement	5,132	
141 E 71200 207	Life Insurance		100
141 E 71200 208	Medical Insurance	9,518	
141 E 71200 212	Dental Insurance	386	
141 E 71200 299	Medicare	418	
141 E 71200 499	Other Fringe Benefits	1,000	
141 E 72220 189	Other Supplies and Materials		57,243
141 E 72220 201	Other Salaries and Wages	7,498	
141 E 72220 204	Social Security	400	
141 E 72220 206	State Retirement	1,400	
141 E 72220 207	Life Insurance	200	
141 E 72220 212	Medical Insurance	1,000	
141 E 72220 217	Medicare	90	
141 E 72220 524	Hybrid Retirement	925	
<b>Total</b>	<b>Staff Development</b>	<b>\$ 73,343</b>	<b>\$ 73,343</b>

Explanation: This amendment will provide funds to reimburse the FY24 General Purpose budget for Integrated Preschool support Staff. Additionally, MCS will employee a Behavior Specialist for our eleven Integrated Preschool classrooms, as well as provide funds for special education preschool teachers to obtain addition endorsement.

The budget revision is reasonable, necessary and allowable.

D. D. Dillman  
 Reviewed by Finance Director/Finance Manager

Date

4/23/24

Approved	<input checked="" type="checkbox"/>	<u>Bobby N Dillman</u>	<u>4/21/24</u>
Declined	<input type="checkbox"/>	Director of Schools	Date

**Agenda Item Title:** IDEA Part B and IDEA Preschool Federal Budget Amendment

**Board Meeting Date:** April 30, 2024

**Department:** Finance and Special Education

**Presented by:** Trey Duke

**Board Agenda Category:**

Consent Agenda	<input type="checkbox"/>
Action Item	<input checked="" type="checkbox"/>
Reports and Information	<input type="checkbox"/>

**Requires City Council Approval:** Yes  No

---

### Summary

The Finance and Special Education Department are seeking Board approval for the budget amendment to adjust preliminary to actual allocations for the current year, FY 24, Consolidated IDEA Funding Application. This includes an increase in IDEA Part B funds of \$156,136 and an increase in IDEA Preschool funds of \$4,133.

### Staff Recommendation

To approve the amendment as presented for FY24

### Fiscal Impact

The revised final allocation increases revenues and expenditures by \$160,269 for the FY 23-24 school year.

### Connection to MCS's Five-Year Strategic Plan

- Known:** Every student will be *known* through whole-child programs and support.
- Safe:** Every student will be *safe* through equitable access to buildings, facilities, and infrastructure that meets their needs.
- Challenged:** Every student will be *challenged* by learning from highly effective educators and employees.
- Empowered:** Every student will be *empowered* through academic success

## Murfreesboro City Schools Budget Amendment

Federal Funds 142  
Fiscal Year 2023-24BOE Approval 4/30/2024  
Exhibit A to resolution NO.

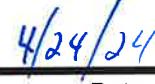
## IDEA Preschool

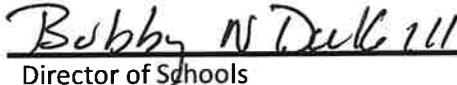
Account Description	BUDGET	AMENDMENT	
	AS PASSED OR PREV AMENDED	AMENDED BUDGET	INCREASE (DECREASE)
<b><u>Revenues</u></b>			
IDEA Preschool	55,174	59,307	4,133
<b>Total Increase in Revenues</b>			
	\$ 55,174	\$ 59,307	\$ 4,133
<b>ESSER 3.0</b>			
<b><u>Expenditures</u></b>			
Medical Insurance	6,490	7,490	1,000
Dental Insurance	280	400	120
Instructional Supplies & Materials	1,261	2,535	1,274
Special Education Equipment	6,000	7,524	1,524
Transfers Out (Indirect Cost)	1,200	1,415	215
<b>Total IDEA Part B</b>	<b>\$ 15,231</b>	<b>\$ 19,364</b>	<b>\$ 4,133</b>

CHANGE IN FUND BALANCE (CASH) 0

This amendment is to adjust estimated expenditures to actual expenditures and to budget the final additional allocation of \$4,133

The adjustments are reasonable and allowable and does not change fund balance.

   
 Reviewed by Finance Director/Finance Manager Date

Approved	<input checked="" type="checkbox"/>	 4/24/24	Date
Declined	<input type="checkbox"/>		

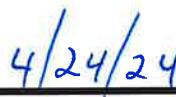
## IDEA Part B

Account Description	BUDGET	AMENDMENT	
	AS PASSED OR PREV AMENDED	AMENDED BUDGET	INCREASE (DECREASE)
<b>Revenues</b>			
IDEA Part B	2,191,687	2,347,823	156,136
<b>Total Increase in Revenues</b>			
	\$ 2,191,687	\$ 2,347,823	\$ 156,136
<b>ESSER 3.0</b>			
<b>Expenditures</b>			
Teachers	213,000	223,200	10,200
Educational Assistants	405,000	411,000	6,000
Social Security	48,000	49,100	1,100
State Retirement	75,000	80,000	5,000
Medical Insurance	104,000	108,700	4,700
Dental Insurance	4,200	4,800	600
Medicare	11,500	12,700	1,200
Instructional Supplies & Materials	22,000	32,000	10,000
Other Supplies and Materials	2,000	4,000	2,000
Psychological Personnel	40,000	41,000	1,000
Other Salaries & Wages	403,000	413,000	10,000
Social Security	36,700	38,200	1,500
State Retirement	57,000	58,000	1,000
Medical Insurance	73,000	74,000	1,000
Dental Insurance	2,829	2,929	100
Medicare	8,600	9,100	500
Contracts with Private Agencies	182,468	276,437	93,969
Travel	5,000	7,000	2,000
Transfers Out (Indirect Cost)	59,903	64,170	4,267
<b>Total IDEA Part B</b>	<b>\$ 1,753,200</b>	<b>\$ 1,909,336</b>	<b>\$ 156,136</b>

## CHANGE IN FUND BALANCE (CASH)

This amendment is to adjust estimated expenditures to actual expenditures and to budget the final additional allocation of \$156,136.

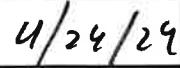
The adjustments are reasonable and allowable and does not change fund balance.

Reviewed by Finance Director/Finance Manager

Date

Approved

Director of Schools

Date

Declined

**Agenda Item Title:** FY24 Consolidated Funding Application Amendment

**Board Meeting Date:** April 30, 2024

**Department:** Federal Programs and Finance Departments

**Presented by:** Trey Duke

**Board Agenda Category:**

Consent Agenda	<input type="checkbox"/>
Action Item	<input checked="" type="checkbox"/>
Reports and Information	<input type="checkbox"/>

**Requires City Council Approval:** Yes  No

---

### Summary

The Federal Program and Finance departments are seeking board approval for the budget amendment to adjust preliminary allocations to actual final allocations for the current FY 24 Consolidated Funding Application. This includes an increase in Title II of \$19,606, an increase in Title III of \$20,000, and an increase in Title I of \$40,807 from a transfer-in from Title IV.

### Staff Recommendation

Recommend approval of the revisions to the consolidated funding application for FY 23-24.

### Fiscal Impact

The revised final allocation increases revenues and expenditures by \$80,413 for the FY 23-24 school year.

### Connection to MCS's Five-Year Strategic Plan

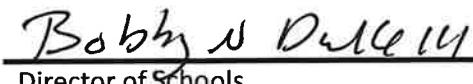
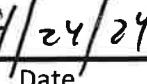
- Known:** Every student will be *known* through whole-child programs and support.
- Safe:** Every student will be *safe* through equitable access to buildings, facilities, and infrastructure that meets their needs.
- Challenged:** Every student will be *challenged* by learning from highly effective educators and employees.
- Empowered:** Every student will be *empowered* through academic success

Account Description	BUDGET AS PASSED OR PREV AMENDED	AMENDED BUDGET	AMENDMENT INCREASE (DECREASE)
<b>Revenues</b>			
Title I	1,957,493	1,998,300	40,807
<b>Total Increase in Revenues</b>			
	\$ 1,957,493	\$ 1,998,300	\$ 40,807
<b>Expenditures</b>			
Title I			
Teachers	584,707	586,410	1,703
Social Security	48,157	48,339	182
State Retirement	62,321	62,370	49
Medical Insurance	102,884	100,874	(2,010)
Other Fringe	12,000	12,250	250
Instructional Supplies & Materials	363,461	361,916	(1,545)
Other Student Support	48,819	49,274	455
Other Charges (Homeless Set Aside)	20,000	60,352	40,352
State Retirement	22,748	23,719	971
Indirect Cost	48,144	48,544	400
<b>Total Increase in Expenditures</b>			
	\$ 1,313,240	\$ 1,354,048	\$ 40,807

CHANGE IN FUND BALANCE (CASH) 0

This amendment is to budget expenditures from estimated to actual and to budget a transfer of funds from the Title IV reallocation.

  
 Reviewed by Finance Director/Finance Manager   
 Date

Approved	<input checked="" type="checkbox"/>	 Director of Schools	 Date
Declined	<input type="checkbox"/>		

## Murfreesboro City Schools Budget Amendment

Schools Federal Projects Fund 142  
Fiscal Year 2023-24BOE Approval 4/30/24  
Exhibit A to resolution NO.

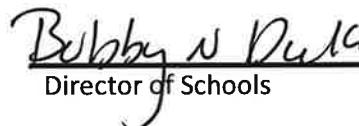
Account Description	BUDGET AS PASSED OR PREV AMENDED	AMENDED BUDGET	AMENDMENT INCREASE (DECREASE)
<b>Revenues</b>			
Title II	659,731	679,337	19,606
<b>Total Increase in Revenues</b>			
	\$ 659,731	\$ 679,337	\$ 19,606

<b>Expenditures</b>			
Title II			
In-Service/Staff Development	291,019	310,090	19,070
Indirect Cost	18,032	18,567	535
<b>Total Increase in Expenditures</b>			
	\$ 309,051	\$ 328,657	\$ 19,606

CHANGE IN FUND BALANCE (CASH) 0

This amendment is to budget the final allocation for FY24 Title II funds that includes an increase in funds of \$19,606.

   
 Reviewed by Finance Director/Finance Manager Date

Approved	<input checked="" type="checkbox"/>	 <span style="float: right;">4/24/24</span>	<span style="float: right;">Date</span>
Declined	<input type="checkbox"/>		

## Murfreesboro City Schools Budget Amendment

Schools Federal Projects Fund 142  
Fiscal Year 2023-24BOE Approval 4/30/24  
Exhibit A to resolution NO.

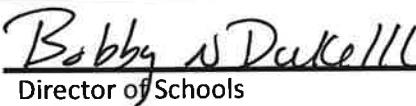
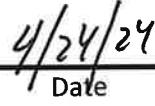
Account Description	BUDGET AS PASSED OR PREV AMENDED	AMENDED BUDGET	AMENDMENT INCREASE (DECREASE)
<b>Revenues</b>			
Title III	212,560	232,560	20,000
<b>Total Increase in Revenues</b>			
	\$ 212,560	\$ 232,560	\$ 20,000
<b>Expenditures</b>			
Title III			
Other Supplies & Materials	6,976	26,626	19,650
Indirect Cost	3,650	4,000	350
<b>Total Increase in Expenditures</b>			
	\$ 10,626	\$ 30,626	\$ 20,000

## CHANGE IN FUND BALANCE (CASH)

This amendment is to budget the transfer of \$20,000 from the additional Title IV reallocation by the Tennessee Department of Education.

  
Reviewed by Finance Director/Finance Manager

  
4/24/24  
Date

Approved	<input checked="" type="checkbox"/>	 Director of Schools	 4/24/24 Date
Declined	<input type="checkbox"/>		

**Agenda Item Title:** Approve Pinnacle Financial Partners, Wilson Bank & Trust, and Truist Bank as depositories for funds of Murfreesboro City Schools

**Board Meeting Date:** April 30, 2024

**Department:** Finance

**Presented by:** Trey Duke

**Board Agenda Category:**

Consent Agenda	<input type="checkbox"/>
Action Item	<input checked="" type="checkbox"/>
Reports and Information	<input type="checkbox"/>

**Requires City Council Approval:** Yes  No

---

### Summary

Pursuant to applicable statutory law, Murfreesboro City Schools seeks approval of the following banks as depositories of City Schools funds through execution of agreements: Pinnacle Financial Partners, Wilson Bank & Trust, and Truist Bank. The school district is using proposals submitted to the City of Murfreesboro through an RFCSP and approved by City Council on 9/14/2023.

### Staff Recommendation

Approve Pinnacle Financial Partners, Wilson Bank & Trust, and Truist Bank as depositories for funds of Murfreesboro City Schools

### Fiscal Impact

Increased interest earnings for funds deposited

### Connection to MCS's Five-Year Strategic Plan

- Known:** Every student will be *known* through whole-child programs and support.
- Safe:** Every student will be *safe* through equitable access to buildings, facilities, and infrastructure that meets their needs.
- Challenged:** Every student will be *challenged* by learning from highly effective educators and employees.
- Empowered:** Every student will be *empowered* through academic success

**RESOLUTION 23-R-29** approving depositories of the City funds pursuant to Section 61 of the Charter.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MURFREESBORO, TENNESSEE, AS FOLLOWS:

**SECTION 1.** In accordance with Section 61 of the Charter of the City of Murfreesboro, the City Council approves the banks as depositories of the funds of the City of Murfreesboro: Pinnacle Financial Partners, Wilson Bank and Trust, and Truist Bank. Should one of the foregoing change names or merge into another bank, the re-named or new bank shall be an approved depository until City Council adopts a new resolution naming approved depositories of the funds of the City.

**SECTION 2.** The City hereby approves the Agreements attached as Exhibit A between the City and Pinnacle Financial Partners. The Mayor, City Recorder, and City Attorney are hereby authorized to execute the Agreement attached as Exhibit A and similar agreements with Pinnacle Financial Partners related to the provision of banking services to the City.

**SECTION 3.** The City hereby approves the Agreements attached as Exhibit B between the City and Wilson Bank and Trust. The Mayor, City Recorder, and City Attorney are hereby authorized to execute the Agreement attached as Exhibit B and similar agreements with Wilson Bank and Trust related to the provision of banking services to the City.

**SECTION 4.** The City hereby approves the Agreements attached as Exhibit C between the City and Truist Bank. The Mayor, City Recorder, and City Attorney are hereby authorized to execute the Agreement attached as Exhibit C and similar agreements with Truist Bank related to the provision of banking services to the City.

**SECTION 4.** This Resolution shall be effective immediately upon its passage and adoption, the public welfare and the welfare of the City requiring it.

Passed: \_\_\_\_\_  
\_\_\_\_\_  
Shane McFarland, Mayor

ATTEST:

---

Jennifer Brown  
City Recorder

APPROVED AS TO FORM:

DocuSigned by:  
  
43A2035E51F9401...  
Adam F. Tucker  
City Attorney

**ADDENDUM GOVERNING ALL AGREEMENTS BETWEEN  
PINNACLE FINANCIAL PARTNERS AND  
THE CITY OF MURFREESBORO, TENNESSEE**

This Addendum (herein "Addendum") amends the Treasury Management Master Agreement and Disclosures and Deposit Account Agreement between Pinnacle Financial Partners d/b/a Pinnacle Bank ("Bank"), a Tennessee corporation, and the City of Murfreesboro, Tennessee ("City"), as well as any and all contracts and agreements for banking and financial services that the parties enter following the Effective Date of this Addendum (collectively "Agreements"). In consideration of using Bank's form agreements, now and in the future, the mutual promises set out herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged the Agreements are amended as follows:

- 1. Precedence.** Notwithstanding any other provision in the Agreements, the language in this Addendum takes precedence over all other terms, conditions or language to the contrary or in conflict with the language herein, and the Agreements and this Addendum shall not be construed to create any ambiguity, it being the intent of the parties that this Addendum shall control it being acknowledged and agreed to by the parties that this Addendum shall be executed and entered into after execution of the Agreements regardless of what order the Agreements and this Addendum are actually executed. Unless defined herein, capitalized terms in this Addendum shall have the meaning set forth in the Agreement.
- 2. Termination for Convenience.** The Agreement may be terminated by City upon thirty (30) days written notice to Bank. Such termination will not be deemed a breach of contract by either party. Should City exercise this provision, City will compensate Bank for all satisfactory and authorized services completed as of the termination date, and Bank will refund to City any funds paid by City in excess of such amount. Upon such termination, Bank will not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- 3. Indemnity and Limitation of Liability.** Article II, Section 29 of the Tennessee Constitution prohibits municipalities from lending their credit to private entities and, therefore, prohibits an agreement by City to indemnify a third party or agree to a limitation of liability provision. Any indemnity or hold harmless provision contained in the Agreements requiring City to indemnify or hold harmless Bank or any other person or entity and any limitation of liability in favor of Bank is enforceable only to the extent permitted by Tennessee law provided City's monetary limits of liability under any such provision is limited to the monetary limits of liability as provided for in the Tennessee Governmental Tort Liability Act, T.C.A. § 29-20-101 et seq. No provision of the Agreements shall act or be deemed a waiver by City of any immunity, including its rights or privileges or of any provision of the Tennessee Governmental Tort Liability Act, T.C.A. section 29-20-101 et seq.
- 4. Governing Law.** The Agreement and the rights and obligations of the parties are governed by the laws of the state of Tennessee, without regard to its conflict of laws principles.

- 5. Selection of Jurisdiction and Venue, Waiver of Jury Trial, Service of Process.** Pursuant to the Constitution and Laws of the State of Tennessee, City is a sovereign entity subject only to those courts with jurisdiction over City. Notwithstanding any other provision in the Agreements to the contrary if a dispute, claim, or cause of action should arise between the parties (hereinafter "claim") the claim shall be brought in the state courts in Rutherford County, Tennessee or in the U.S. District Court for the Middle District of Tennessee, and the parties hereby expressly waive any objections and thereby consent to the jurisdiction and venue of said courts. However, neither party shall be obligated to provide any type of pre-suit notice before initiating a cause of action. The parties waive their right to a jury trial. Service of process on City shall comply with the Tennessee Rules of Civil Procedure or applicable federal rules, and City does not agree to any other service of process procedure.
- 6. Responsibility for Litigation Costs, Expenses and Payment of Attorney's Fees.** Article II, Section 29 of the Tennessee Constitution prohibits municipalities from lending their credit to private entities and, therefore, prohibits an agreement by City to indemnify a third party or agree to a limitation of liability provision. This prohibition extends to contractual provisions for the payment of attorney's fees, paralegal fees, investigator fees, court costs, or any other expenses related to litigation. In the event of litigation between City and Bank each party shall be solely and exclusively responsible for the payment of litigation costs, expenses and attorney's fees excepting those costs which may be awarded by a court of competent jurisdiction as specified by Tennessee law or applicable rules of civil procedure.
- 7. No Taxes.** As a tax-exempt entity, City shall not be responsible for sales or use taxes incurred for products or services. City shall supply Vendor with its Sales and Use Tax Exemption Certificate upon Vendor's request.
- 8. No Liability of City Officials and Employees.** No member, official, or employee of City shall be personally liable to Bank or any other person or entity, including a third-party beneficiary, in the event any provision of the Agreements are unenforceable, there is any default or breach by City, for any amount which may become due and the Agreements, or on any obligations under the terms of the Agreements.
- 9. Amendment.** This Addendum and the Agreements shall not be modified or altered other than by written agreement executed by both parties. This includes any changes to pricing, fees, rates and charges.
- 10. Continuing Validity; Survival; Non-Merger.** So long as the parties maintain the Agreements or any subsequent agreement(s), or so long as Bank provides a product or service to City, the provisions of this Addendum shall continue to be validly effective and enforceable with regard to the Agreements, subsequent agreements, products, and/or services. This Addendum shall survive the completion of or any termination of the Agreements or other document(s) which may accompany the Agreements or be incorporated by reference. Notwithstanding any provision in the Agreements, subsequent agreements, products, and/or services to the contrary, the subsequent execution of any agreement or the provision of a product or service shall not act as a merger against this Addendum, it being the express intent of the parties that this Addendum contains essential terms that shall be incorporated into any such agreement, product, and/or service.

**11. No Presumption Against Drafter.** This Addendum shall not be construed for or against any party because that party or that party's legal representative drafted any of its provisions. Accordingly, this Addendum shall be construed without regard to the rule that ambiguities in a document are to be construed against the draftsman. No inferences shall be drawn from the fact that the final, duly executed Addendum differs in any respect from any previous draft hereof.

**12. Counterparts.** This Addendum may be executed in one or more counterparts by City and Vendor. If so executed, the signer shall deliver an original to the other party and the collective counterparts shall be treated as the fully executed document.

**13. Effective Date.** This Addendum is effective as of the last date written below ("Effective Date").

**Pinnacle Financial Partners**

---

**Signature**

---

**Date**

---

**Printed Name**

---

**Title**

**City of Murfreesboro, Tennessee**

---

**Shane McFarland, Mayor**

---

**Date**

**Attest:**

---

**Jennifer Brown, City Recorder**

**Approved as to form:**

---

**Adam F. Tucker, City Attorney**



## **TREASURY MANAGEMENT MASTER AGREEMENT**

V6.0

**Treasury Management Master Agreement**  
**Treasury Management Services General Terms and Conditions**  
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## Definitions

**“Account”** means any deposit account, investment deposit account, reserve account, certificate of deposit, commercial loan or any other deposit or loan account that Client has established and maintained with Bank primarily or exclusively for business-related purposes, as identified in any Enrollment Form or as identified by Client through the use of Online Banking.

**“Account Analysis”** means the process by which Bank determines an earnings credit available to offset Service Fees based on the balances in Client’s Accounts, as described in **Section 1.2**.

**“Account Disclosure Agreement”** means any terms and conditions, agreements, or disclosures (including without limitation fee schedules) provided to Client relating to any Account.

**“ACH Network”** means the funds transfer system (network) governed by the ACH Rules, which provides for the inter-financial institution clearing of electronic Entries for participating financial institutions.

**“ACH Rules”** mean the rules and regulations of the National Automated Clearinghouse Association, as changed from time to time.

**“ACH Transaction”** means a transaction through the ACH Network.

**“Administrative User”** is defined in **Section 1.7.C.**

**“Agreement”** means this Master Treasury Services Terms and Conditions, as agreed upon by Client or its Agent and Bank by an executed Enrollment Form(s), including the terms and conditions of any executed Enrollment Form(s), the Treasury Management Authorization and any other Supplemental Documentation.

**“Agent”** means an individual, management services company, or other legal entity that is authorized to act on Client’s behalf in connection with the specific Services described on the relevant Enrollment Form and in this Agreement.

**“Applicable Law”** means all applicable federal, state, or local, laws, executive orders, ordinances, rules, or regulations, including without limitation all applicable

regulations, guidelines, and commentaries issued by the Board of Governors of the Federal Reserve, the Board of Governors of the FDIC, and the Federal Financial Institutions Examination Council, together with all applicable rules or regulations of any clearing house or other organization.

**“Attorneys’ Fees”** means reasonable attorneys’ fees, costs, and expenses incurred, whether or not a lawsuit or other proceeding is brought, and shall include, where applicable, fees, costs, and expenses incurred by Bank through our inside and outside counsel, whether in trial court, appellate, bankruptcy, arbitration, and regulatory proceedings.

**“Authorized Offline Initiator”** shall have the meaning described in the Wire Transfer Service Enrollment Form.

**“Authorized Representative(s)”** means each person authorized (through a document or online instruction in a format required by Bank for such authorization purposes) as the Client’s representative to enter into and perform the applicable Treasury Management service, as well as each person who Bank in good faith believes is such representative.

**“Authorized Signer(s)”** means the individual that is authorized to effect any transaction in an Account and to designate other individuals to effect certain transactions in an Account.

**“Bank”** means Pinnacle Bank any Pinnacle Bank branch where Client maintains the deposit Account(s) identified on the applicable Enrollment Form.

**“Business”** means the Client’s business in whose name an Account is established whether a corporation, general partnership, limited partnership, sole proprietorship, unincorporated association, limited liability company, limited liability partnership, professional corporation, professional association or any other legally established business.

**“Business Day”** means any calendar day that (i) is not a Saturday, Sunday, or other day on which banks in the State of Tennessee are authorized or required to close and (ii) on which the Bank is open for business.

**“Cash”** means United States coin and currency.

**“Check”** means a draft, payable on demand and drawn on or payable through or at a United States office of a bank, whether or not negotiable, that is handled for forward collection or return, including a traveler’s check, cashier’s check or Substitute Check, but does not include a non-cash item payable in a medium other than United States dollars. An instrument may be a check even though it is described on its face by another term, such as money order.

**“Check Register”** means the check data provided by Client to Bank for purposes of enabling Bank to review checks posted against Client’s Account.

**“Master Account”** means the Account designated by Client as the Master Account in connection with the Zero Balance Account Services.

**“Consumer-Level ACH Data”** means the following information with respect to consumer clients of an RDFI gathered by Client for the purpose of initiating ACH transactions: (i) a bank account number together with a bank account routing number; or (ii) the consumer’s name together with the consumer’s social security number.

**“Controlled Disbursement Account”** is defined in **Section 14**.

**“Client”** means Bank’s customer requesting deposit account, treasury management and/or letter of credit services either directly or through the use of an Agent, pursuant to this Agreement and one or more Enrollment Forms. The term “Client” also includes a person or entity acting as an Authorized Representative and/or Agent. Client is sometimes herein referred to as “you”. In the event EXHIBIT A is executed, the term “Client” shall include those multiple entities with different tax identification numbers listed in such exhibit.

**“Day”** means calendar day.

**“Designated Account”** means an Account held at Bank named in an Enrollment Form as the Designated Account for one or more Services by Client, or if not so named, those Account(s) indicated on the Bank’s records as the Account(s) that are primarily associated with one or more Services.

**“Effective Entry Date”** is defined in **Section 3.1.G.**

**“Electronic Communications”** means secured and unsecured electronic mail, fax transmissions and any other form of electronic communication as may be generally accepted in the banking industry.

**“Electronic Funds Transfer Act”** means the law passed by the U.S. Congress in 1978, which set out the rights and obligations of consumers and their financial institutions regarding the use of electronic systems to transfer funds. This act is implemented in the Federal Reserve Bank’s Regulation E.

**“Enrollment Form”** means any properly executed enrollment form, application form, or enrollment modification form:

- A. which has been completed by Client, its Authorized Representative or its authorized Agent; and
- B. in which Client requests one or more Services (or modifications involving such Services).

**“Entry”** means an “Entry” as defined in the ACH Rules, including the data that Bank receives from Client to prepare an ACH transmission.

**“Entry Settlement Limit”** means the maximum aggregate amount of In-Process Entries permitted to be outstanding at any time, which amount shall be separately communicated to Client by Bank in writing from time to time.

**“Equipment”** means any equipment provided or required by Bank or a Vendor for use in a Service.

**“Fedwire”** means the funds transfer system owned and operated by the Federal Reserve Banks that is used primarily for the transmission and settlement of payment orders governed by the Fedwire Regulation.

**“Fedwire Regulation”** means subpart B of Regulation J of the Board of Governors of the Federal Reserve System, as amended from time to time.

**“Fee Schedule”** means the schedule of fees published by the Bank from time to time which contains the Service Fees and fees and charges for all other products and services provided by the Bank as further defined in **Section 1.2**.

**“File”** means, with regard to the ACH Origination Service, a group of ACH entries stored for delivery to an ACH receiving point.

**“Indemnity” or “Indemnification”** means to indemnify and hold harmless the Bank its employees, officers, directors, shareholders, attorneys, and agents (referred to herein both individually and collectively as an “Indemnified Party”) for all liabilities, claims, causes of action, lawsuits, demands, and damages of any nature, including Attorneys’ Fees, whether or not an action is brought, sustained or incurred by the Indemnified Party in connection with the event or transaction to which the duty to indemnify relates.

**“In-Process Entries”** means the aggregate dollar amount of all credit or debit Entries initiated by Client and in process on any date for which settlement has not occurred with respect to credit Entries, or the applicable period for the return of items has not expired with respect to debit Entries.

**“Instruction”** means any instruction Client issues to Bank, either electronically, verbally or in writing, to perform certain Services, including without limitation, Online Banking transactions and Requests.

**“Licensed Software”** means any software required for use by Client in connection with the RDC Service and provided to Client by Bank through the sublicense set forth in **Section 7**.

**“Loan Obligation”** means an existing loan obligation of Client to Bank and all modifications, renewals and substitutions thereof.

“Master Funding Account” has the meaning set forth in **Section 14**.

**“Material Adverse Change”** means a change that could result in a material adverse effect on (i) the operations, business or financial condition of Client and its subsidiaries taken as a whole, (ii) the ability of Client to repay any Loan Obligation(s) or otherwise perform its obligations under the Loan Documents, or (iii) Client’s interest in, or the value, perfection or priority of Bank’s security interest in any collateral of Client.

**“MICR Line”** means the line on the bottom of an original Check, containing information concerning the Check and printed in Magnetic Ink Character Recognition form.

**“NACHA”** means the National Automated Clearing House Association.

**“NOC”** has the meaning set forth in **Section 3.1.E**.

**“ODFI” or “Originating Depository Financial Institution”** means a financial institution that originates ACH transactions on behalf of its Clients. ODFIs must abide by the NACHA Operating Rules.

**“Offline Request”** has the meaning set forth in **Section 6.3**.

**“Online Banking Service” or “Online Banking”** means Bank’s business Internet banking balance reporting and treasury management/cash management service system.

**“Online Request”** means a wire transfer or ACH Entry request through the Online Banking Service.

**“Online Transactions”** means Online Requests and/or Entries that the Client initiates through the Online Banking Service as defined in **Section 1.6.B**.

**“Operating Account”** is defined in **Section 12**.

**“Originator”** means an “Originator” as defined in the ACH Rules.

**“Over limit Entry”** means an Entry the amount of which would cause the aggregate amount of In-Process Entries to exceed the Entry Settlement Limit.

**“Payment Account”** is the Account a Client designates payment of Service Fees.

**“RDFI” or “Receiving Depository Financial Institution”** means a financial institution qualified by NACHA to receive ACH transactions.

**“Receiver”** means an individual, corporation, or other entity that has authorized an Originator to initiate a credit or debit Entry to an account held at an RDFI.

**“Regulation E”** means the regulation published by the Federal Reserve Bank to implement the Electronic Fund Transfer Act mandating consumer rights and obligations with regard to electronic fund transfers.

**“Repetitive Transfer”** means wire transfers in which the receiving bank, payee, and account are the same for each transfer, and only the transfer date and amount vary.

**“Repurchase Investment”** is defined in **Section 13.1**.

**“Repurchase Investment Account”** means an internal Bank account into which funds shall be credited and debited to reflect Repurchase Transactions.

**“Repurchase Transaction”** is defined in **Section 13.1**.

**“Request”** means a Client’s request to Bank for a wire transfer, or for a cancellation or amendment of a wire transfer, made in the name, or having the unique identifier, of Client as sender requesting that funds belonging to, or under the control of, Client be transferred to a specified account or beneficiary. The term “Request” includes Online Requests and Offline Requests.

**“Restricted Information”** means any credit card numbers, debit card numbers, social security numbers or government-issued identification numbers.

**“Reversal”** means a “Reversal” as defined in the ACH Rules.

**“Return Entry”** or **“Return Entries”** mean any item which cannot be processed and is being returned by the RDFI to the ODFI for correction or re-initiation.

**“Security Procedures”** means the security procedures (including without limitation the identification codes, encryption, passwords, logon identifications, personal or credit lineation identification numbers, repetitive codes, and other security devices, systems and/or software) applicable to a particular Service agreed to by Client and set forth in this Agreement, the Supplemental Documentation or in an Enrollment Form.

**“Service”** means each deposit account service or treasury management service described in this Agreement.

**“Service Fee”** means the charges, fees, and assessments established by Bank from time to time as applicable to each Service, which may include, but is not limited to, fees from any third party agents, Vendors, or contractors engaged to provide services to Bank, and Bank’s cost for providing the service.

**“Settlement Date”** means the date on which settlement occurs, i.e., an exchange of funds with respect to an Entry is reflected on the books of the Federal Reserve Bank and/or a correspondent bank.

**“Settlement Process”** means the closing process on each Business Day by which Bank transfers money between the Master Account and the Subsidiary Account to

ensure that all items drawn on the Subsidiary Account are paid and that the Subsidiary Account maintains a Target Balance at the end of such closing process.

**“Subsidiary Account”** means the Account designated on a Zero Balance Account Services Enrollment Form as the Subsidiary Account.

**“Substitute Check”** means a paper reproduction of the original Check that:

- contains an accurate image of the front and back of the original Check at the time the check was truncated;
- bears the legend, “This is a legal copy of your check. You can use it in the same way you would use the original check.”;
- bears a MICR Line containing all the information on the MICR Line of the original Check, except as provided under generally applicable industry standards for substitute checks to facilitate the processing of substitute checks; conforms, in paper stock, dimension, and otherwise, with generally applicable industry standards for substitute checks; and
- is suitable for automated processing in the same manner as the original Check.

**“Sub-users”** has the meaning given it in **Section 1.7(c)**

**“Supplemental Documentation”** means supplemental information provided to Client from time to time by Bank with respect to certain Services, including instructions, Security Procedures, and operational guidelines.

**“Sweep Account”** means a deposit account designated under the Business Sweep Service, linked to a Bank line of credit and/or Bank deposit account, to or from which balances are moved.

**“Target Balance”** means the amount specified by Client as the target balance for the Designated Account.

**“Uniform Commercial Code Article 4A”** means the portion of the Uniform Commercial Code which deals with certain funds transfers, including ACH credit transactions not subject to the Electronic Fund Transfer Act of Regulation E. This law outlines the protections and responsibilities given to the parties to wholesale credit transactions, and sets the legal standard for commercially reasonable security procedures to be used in conjunction with those transactions.

**“User” or “Authorized User”** means an employee or Agent designated by Client’s Administrative User from time to time as being authorized to issue Instructions on Client’s behalf.

**“User Manual”** means, collectively, any on-line or printed instructions and any licensing or other related agreements regarding any treasury management service as may be amended, modified, and supplemented from time to time.

**“Vendor”** is a third party that provides Equipment, Licensed Software, or services to Client or Bank.

**“We”, “Our” and “Us”** means Pinnacle Bank, and as applicable, its officers, employees, directors, shareholders, attorneys, and agents.

**“Wire Transfer”** means any transfer of funds into or out of a Client’s Account(s), whether accomplished via Fedwire or other wire transfer service.

**“Wire Transfer Business Day”** means any Business Day, provided however, that the end of the Wire Transfer Business Day is determined by a wire transfer deadline set by Bank and such deadline is subject to change from time to time.

**“Wire Transfer Entries”** means data the Bank receives relating to the transfer of funds between your Accounts which are authorized to use the Service. It also permits you to issue Instructions to transfer funds from your Accounts which are authorized to use the Service to accounts at other financial institutions.

**“You” and “Your”** means the Business that owns the Account and/or enrolls for Services and anyone else with the authority to deposit, withdraw, or exercise control over funds in the Account, or in any other way effect transactions in an Account and receive Services hereunder. You also are herein sometimes referred to as Client.

## **Introduction**

Pinnacle Bank offers a variety of deposit account and treasury management services to its Clients. This Agreement sets forth the terms and conditions applicable to all of the Services offered by Bank. By executing one or more Enrollment Forms associated with

one or more Services, or by using one or more Services, Client accepts the terms of this Agreement and acknowledges that this Agreement, each Enrollment Form executed by Client or its Agent, and any Supplemental Documentation govern the Services. When Client adds a new Service or any information on an existing Treasury Management Enrollment Form shall become inaccurate, incomplete, or incorrect in any material respect, Client must complete and execute a revised Treasury Management Enrollment Form together with any associated Supplemental Documentation. Client may begin using Services when Bank has received all required and properly executed forms and Client has received and successfully completed any testing or training requirements.

In the event that Client has designated an Agent to act on Client’s behalf with respect to this Agreement, Bank will accept all Instructions from such Agent upon receipt of evidence satisfactory to Bank, in its sole discretion, of Agent’s ability to act on behalf of Client. Bank may continue to accept such Instructions from an Agent until Bank has received written notice of revocation or termination of such Agent’s authority from a representative demonstrating authority to act on behalf of Client, in a form and manner reasonably satisfactory to Bank.

If Client executes any Enrollment Form for a particular Service that references this Agreement, Client agrees that the terms and conditions set forth in this Agreement, as may be amended from time to time, govern such Service(s). Client may currently receive from Bank and shall supersede and replace any prior agreement(s) between Client and Bank governing such Service(s). All Services involving any Accounts remain subject to other agreements concerning such Accounts, including without limitation, any loan agreement and any Account Disclosure Agreement and availability schedules in effect from time to time.

**Section 1** of this Agreement applies to all Services. Unless specifically provided otherwise herein, each of **Sections 2 - 14** is applicable only to the specific Service described therein.

## **Section 1 General Terms and Conditions**

### **1.1 Enrollment and Modification**

**A. Enrollment.** Before Client can enroll in a Service, Client must have executed an Enrollment Form(s) requesting such Service. An Agent may execute an Enrollment Form requesting Services on behalf of Client upon furnishing evidence of Client's authorization, which must be satisfactory to Bank in Bank's sole discretion. Client may add or delete Services by requesting such additions or deletions through the execution of additional Enrollment Forms or such other documentation, acknowledgement and/or contracts for Services as may be required by Bank. Subject to Bank's approval, Client may change the processing instructions for a Service by providing notice to Bank in accordance with **Section 1.5.A.** Bank may accept any Instruction which purports to be from Client's Agent, or an officer or principal of Client, and Bank will not be obligated to verify the authenticity of the requests purporting to be from Client, except as otherwise required by specific Security Procedures pertaining to OLB Transactions (including Online Transactions), Requests, and/or Entries. Bank may require that certain Instructions be in writing and in a certain form. Bank may also require Client to execute a new Enrollment Form, if applicable, reflecting any modifications.

**B. Underwriting.** Client approval for use of any Service may be subject to underwriting criteria established by Bank, which may change from time to time. Bank is required by its regulators to analyze its business Clients' financial information on an ongoing basis. Upon Bank's request, Client agrees to provide Bank: (i) at least annually, with financial statements, tax returns, bank statements (from other financial institutions), and (ii) other such financial, business, and operating documentation as Bank may reasonably request from time to time. By requesting to open an Account with us, or by agreeing to be a signer on an Account, or by obtaining any other Service from us, you agree that we may obtain credit and employment information by any means, including obtaining information from check or credit-reporting agencies and/or from other sources. You also agree that we may obtain credit reports on your Business from time to time in the future when

updating, renewing, or extending your Account. We may do so at the time you open your Account, at any time while your Account is open, or after your Account is closed, if you owe us any amount related to your Account.

**C. Modifications to this Agreement.** Bank may modify the terms and conditions contained in this Agreement, as applicable to all Services, and/or may modify the terms and conditions for any particular Service (including without limitation the terms and conditions of any schedule, addendum, appendix, or exhibit related to a Service or Enrollment Form), and/or Bank may modify its separate Fee Schedule for banking services (which are in addition to the Service Fees), and/or Bank may modify its schedule containing cut-off times for various transactions (the "Cut-Off Time Schedule") from time to time by doing either of the following: (i) by Electronic Communication, or (ii) delivering notice of the modification to Client in accordance with **Section 1.5.A** (referred to herein individually and collectively as "Notification of Change").

Bank may, in its sole discretion, require additional or new Security Procedures and/or change any Security Procedure(s) from time to time, effective immediately upon Notification of Change. Client's continued use of a Service after Bank has required new or additional Security Procedures, or changed the Security Procedures, shall constitute Client's agreement that such Security Procedures are commercially reasonable for Client. Bank shall not be obligated to act on a communication not transmitted in accordance with the Security Procedures and may refuse to act on any communication where Bank reasonably doubts its authorization, contents, origination, or compliance with the Security Procedures. Bank shall have no duty to discover, and shall not be liable for, errors or omissions by Client. Except for modifications dealing with Security Procedures or other modification that may be required by Applicable Law or by Bank's regulators, any modification(s) of the terms and conditions of this Agreement shall take effect thirty (30) Days after Bank has provided a Notification of Change relating to the modification(s), and such modification(s) will be deemed to be accepted and agreed to in their entirety by Client when it uses any of the Services following such period.

Such modifications shall not apply retroactively to their effective date.

**D. Termination.** Bank may immediately suspend or terminate any Service provided to Client for cause without notice if Client or Client's Agent: (a) does not comply with this Agreement, ACH Rules, Applicable Law, or any other agreement between Client and Bank, including the agreement contained in the Account Disclosure Agreement or Supplemental Documentation; (b) becomes insolvent, or files, or has filed against it, any bankruptcy or other insolvency, reorganization, liquidation, or dissolution proceeding of any kind; (c) has a Material Adverse Change occur in its business or financial condition; or (d) fails to provide financial information requested by Bank. Additionally, (i) Bank may immediately suspend or terminate this Agreement or any Service if Bank has reason to believe that Client or Client's Agent has engaged in fraudulent or illegal activity, and (ii) Bank may suspend or terminate a particular Service for cause without notice as more fully set forth in the section of this Agreement applicable to such Service. In addition, Bank may (i) immediately terminate or suspend any Service if any of Bank's third party providers of a Service terminate or suspend such Service, and (ii) terminate this Agreement for convenience and cease providing any Services at any time, in Bank's sole discretion, by providing Client with thirty (30) days' prior written notice. Except as otherwise specifically provided in an Enrollment Form or Supplemental Documentation with regard to a particular Service, Client may terminate any Service for convenience upon written notice to Bank (provided Bank shall have a reasonable time to respond to such notice in terminating the affected Service(s)). The parties agree that, after any termination, this Agreement and the relevant Enrollment Form(s) will continue to apply to all transactions (including without limitation Entries, wire transfers, and Online Transactions) which were initiated prior to termination and that any other terms which, by their nature, should survive termination (including but not limited to Indemnification

and limitation of liability provisions), shall survive termination, as applicable.

**E. Execution.** This Agreement, the Enrollment Form and any Supplemental Documentation may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The counterparts of this Agreement, the Enrollment Form and any Supplemental Documentation may be executed via "wet" signature or electronic mark and may be delivered using .pdf or similar file type transmitted via electronic mail, cloud based server, e-signature technology or other similar electronic means (including, without limitation, use of an electronic signature service such as DocuSign).

## 1.2 Payment Terms

Client shall pay Bank the Service Fees established by Bank from time to time and disclosed to Client. Service Fees may be modified by Bank in its sole discretion without any further agreement needed from Client from time to time by providing notice to Client pursuant to **Section 1.1.C.** Service Fees provided pursuant to this Agreement are in addition to fees for other banking services you may receive from us as provided to you in our separate fee schedule ("Fee Schedule"). For Clients who chose Account Analysis statements, Service Fees shall be offset in whole or in part by applying earnings credit obtained through Account Analysis. Earnings credit is calculated by Bank for Client's Account(s), based on applying a rate established by Bank from time to time to the total of Client's average monthly positive collected balances. Client may receive an Account Analysis statement, as agreed to by Client and Bank, that will disclose the analyzed Service Fees for the applicable period and the earnings credit rate. Any Service Fees and other costs payable by Client that exceed the earnings credit for the applicable period will be deducted from the Payment Account on a monthly basis. If no Payment Account is designated [on an Enrollment Form], or if the Payment Account does not have sufficient funds, then one or more other Accounts may be used by Bank for payment of Service Fees. Similarly, if Client does not qualify for Account Analysis, Service Fees and other fees for banking services, as provided in the Account Disclosure Agreement, shall be deducted from the Payment Account on a monthly basis, and Client agrees to

maintain sufficient funds in the Payment Account to pay such fees as they become due. In addition to Service Fees and other fees for banking services as provided in the Account Disclosure Agreement, Client will be responsible for:

- all Attorneys' Fees and other costs and expenses Bank may incur in collecting amounts Client owes Bank in connection with any Service;
- the amount of any taxes levied or based on the Service Fees, if any, including without limitation, federal, state, or Credit Lineal privilege, excise, or sales taxes;
- any third-party expenses incurred by Bank on behalf of Client; and
- any additional charges for services you request that are not covered by the Agreement.

No Service Fees will be refunded or prorated if a Service is terminated prior to the end of a month, including any credits related to Account Analysis, which shall be forfeited.

### 1.3 Legal Actions Affecting the Services

If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to the Services and/or your Account (each a "Legal Action"), we will comply with that Legal Action. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your Account, or if we have in any way restricted access to your funds or the Services in accordance with the Legal Action. Any fees or expenses we incur in responding to any Legal Action (including, without limitation, Attorneys' Fees and our internal expenses) may be charged against your Account. The list of fees provided elsewhere applicable to your Account(s) and the Services may specify additional fees that we may charge for certain Legal Actions, but are not intended to be exclusive nor exhaustive.

### 1.4 Confidentiality

A. **General Confidentiality.** Bank will maintain the confidentiality of information obtained from Client in accordance with Applicable Law and Bank's policies and procedures for safeguarding commercial Client information. All user guides, manuals, data, software, processes,

specifications, programs, concepts, techniques, and other information provided to Client in connection with the Services, along with all fee and pricing information with respect to the Services ("Information"), are the proprietary and confidential property of Bank and/or its relevant licensors or suppliers. Client agrees to use the Information only in the manner specified by Bank and in the ordinary course of Client's business, to return it to Bank upon termination of the relevant Service, and to keep the Information confidential and limit access thereto only to its Agents, officers, employees, and other representatives who require access in the normal course of their duties and are bound by written confidentiality obligations at least as stringent as Client's obligations hereunder, except to the extent the Information is already in the public domain. In addition, Client may disclose Information to the minimum extent required pursuant to a subpoena, or requirement of a governmental agency or law so long as Client (i) provides the Bank with notice (if permitted by the agency or law) prior to any such disclosure to afford the Bank the opportunity to oppose disclosure, and (ii) takes all reasonable steps to maintain the information in confidence. Client shall notify Bank immediately if any of Information is lost or its confidentiality is reasonably believed to be compromised.

B. **Exceptions.** This **Section 1.4** does not limit either Bank's or Client's ability to disclose information: (i) with prior approval in writing or fax or e-mail from the other party, (ii) to its attorneys, accountants, auditors or other professional advisors, or to Client's Agents who are under a similar contractual or professional duty of confidentiality, (iii) that becomes public prior to such disclosure through legal means (other than a breach of this Agreement or a breach of obligations of a third party), or (iv) that was in its possession or available to it prior to its receipt in connection with a Service hereunder.

### 1.5 Communication Terms

A. **Notices.** All communication and notices provided pursuant to this Agreement will be

provided in writing to the other party at the postal, e-mail, fax or other address on any Enrollment Form. Unless we agree otherwise, change of address or name must be made in writing by the Authorized Signer(s). Informing us of your address or name change in any other manner is not sufficient. Notices will be deemed to have been given or made (i) when received, if delivered by hand or courier, or (ii) three (3) Business Days after such notice is deposited in the United States mail, or (iii) if sent by e-mail, express mail or fax, the earliest to occur of its actual receipt by the intended recipient or the Business Day following the day in which it was sent; provided, however, that Bank shall not be deemed to have received an e-mail or fax until Bank confirms such receipt by returning a fax or e-mail to Client. Any notice or communication sent to you at the postal, e-mail, fax or other address noted in our records shall be effective unless we have received an address change notice from you and have had a reasonable opportunity to act on it. We may impose a service fee if any notice or communication sent to you is returned to us, and we attempt to locate you; however, you understand and agree that we are not required to locate you if you fail to provide an address change notice. If you fail to notify us of a change of address or for any other reason a statement is returned to us, we may destroy the statement and any accompanying items that are returned to us.

**B. Electronic Communication.** If Client provides an e-mail address for itself or its Agent(s) listed on any Enrollment Form(s) (as updated by Client from time to time), Client consents and agrees to receive information and notices at such e-mail address from Bank via Electronic Communication. Client understands that Electronic Communications are inherently unsecure due to the possibility of error, delay, or observation or receipt by an unauthorized person.

**C. Death, Incompetence, or Cease of Business.** You shall notify us promptly if an Authorized Signer(s) dies, becomes legally incompetent, or is no longer authorized to act on your behalf. We may continue to honor an Authorized

Signer's purported Instructions until we (i) know of his/her death or incompetence, and (ii) have had a reasonable opportunity to act on that knowledge. Regardless of whether we have knowledge of the Authorized Signer's death, unless we are ordered to stop payment by someone claiming an interest in the Account, we may in our discretion pay or certify checks drawn on or before the date of death or legal incompetence for up to ten (10) days after an Authorized Signer's death or legal incompetence. You shall also promptly notify us if the Business merges into another entity, if the Business is dissolved, or if the Business ceases operations for any reason.

## 1.6 General Security Procedures

This **Section 1.6** shall apply to all the Services offered in the Agreement.

- A. **Security Controls.** You shall establish and maintain physical, electronic, and administrative security controls regarding access to banking and funds transfers systems, bookkeeping and accounting functions, the use and safe keeping of all bank checks, unused check stock, Personal Identification Numbers ("PINs"), ATM/debit cards, credit cards, User IDs, passwords, and any other item or instrument related to your Account and/or any Service. You shall immediately notify our Treasury Management Client Support Department at the number provided by Bank in the Supplemental Documentation if any of these systems or items are or may have been lost, stolen, or used without your authorization, or if you believe there is an error on your periodic Account statement. You are responsible for reasonable security and control measures for your Account including but not limited to:
  - maintaining written internal policies and/or procedures for handling and securing bank related information;
  - reviewing all statements and other documents received from Bank immediately upon receipt;
  - securing check stock and limiting access to only those who have check writing authorization;

- periodically auditing unused check stock;
- instituting dual controls standards for handling check stock;
- reviewing Account activity daily through Online Banking in addition to monthly reconciliation; never leaving your computer unattended while using Online Banking. Once your banking is completed, signing off, and closing your browser before leaving your computer;
- never sharing your Online Banking User ID/password, or other Account information (including your Account number & ATM PIN). Sharing this information constitutes misuse and therefore all transactions initiated by those with whom you shared information will be considered as authorized by you, regardless of whether you intended those transactions to be made;
- limiting the number of your employees authorized by you to have Online Banking access and issuing separate User IDs and passwords for each of your Authorized Users; and
- reviewing information provided by the Bank from time to time regarding recommendations involving Account security.

**B. Review of Statements.** You must promptly review your statements, checks, debit slips, items, and any other records sent or made available to you (whether by mail, at our offices or electronically) to determine whether any debit to your Account was improper, unauthorized, suspicious, or fraudulent because of an unauthorized drawer's signature, alteration or unauthorized endorsement on an item or withdrawal request or for any other reason (collectively, "Unauthorized Debit"). You must provide written notice to Bank of an Unauthorized Debit immediately upon discovery and in no event more than fourteen (14) days after the first statement containing the first Unauthorized Debit was sent or otherwise made available to you. Such notice shall include identifying the Unauthorized Debit by item number, amount, payee, date, and the reason that you are objecting to the Unauthorized Debit and any other information that we may request. If you fail to timely

discover and report an Unauthorized Debit, you will be precluded from asserting against us (i) the Unauthorized Debit (if we prove that we suffered a loss by reason of your untimely report) and (ii) any other Unauthorized Debit by the same wrongdoer (if paid in good faith by us before we received your report and after you have had a reasonable time not exceeding fourteen (14) days after the first statement containing the first Unauthorized Debit was sent or otherwise made available to you). If the previous sentence applies and you prove that we failed to exercise ordinary care in paying the item constituting the Unauthorized Debit, which failure substantially contributed to the loss, then the loss will be allocated between you and us according to the extent to which each of you and we failed to exercise ordinary care. For avoidance of doubt, Bank shall be deemed to have exercised ordinary care if it effected any Online Banking request, Entry, intra-Account transfer, Online Banking stop payment request, or other funds Online Banking transfer (any of which, an "OLB Transaction") with User IDs and/or passwords associated with the Client and/or Client's Users, unless Client first provided notice of Unauthorized Transactions involving such User IDs and/or Passwords and Bank had reasonable time to act upon such notice. If you elect to review your statements electronically via the Internet, you authorize us to retain and copy at our expense all checks, drafts, debits, and credit advice for the Account. After the original documents have been copied, they will be destroyed, but will be available for viewing online for a period of one (1) year. Copies of items are maintained by us as required by law. The same restrictions for notifying us about an unauthorized signature, unauthorized endorsement or alteration, as contained in this Agreement, apply to electronic statements.

**C. Unauthorized Activity.** If you report an Unauthorized Debit and we believe that your Account has been the target of criminal activity, we may restrict access to your compromised Account, issue replacements for lost or stolen checks, PINs, ATM/debit cards, credit cards, User IDs, passwords or other items or instruments, but only after you have provided such proof and security or Indemnification as

we may require. In addition, we may decide in our sole discretion to close your Account and have you open a new account to help prevent future losses. Client will regularly and promptly review and verify all information provided to it concerning the Services, including without limitation Account statements, reports, Check payment records, adjustments, charges, and/or other billing statements, and other transactions and, within a reasonable time (which in no event will be greater than fourteen (14) days) will notify Bank of any error or discrepancy between Client records and any Bank notice or statement, or any Unauthorized Debit. Unless otherwise required by Applicable Law, Client's failure to notify Bank of such error, discrepancy, or Unauthorized Debit within fourteen (14) Days after the first statement containing the first Unauthorized Debit was sent or otherwise made available to you shall relieve Bank of any liability.

**D. Errors and Questions.** You must notify us immediately if you discover or believe an Unauthorized Debit or error occurred on your Account(s). Notices and questions concerning transactions completed with one or more of the Services should be directed to the phone number and/or address designated by Bank in its Supplemental Documentation.

**E. Claim of Loss.** If you claim a credit or refund because of an Unauthorized Debit, you shall cooperate with us in the investigation of the loss, including giving us an affidavit of indemnity and any other information we may require concerning your Account, the transaction, and the circumstances surrounding the loss. You shall promptly notify law enforcement authorities of any criminal act related to the Unauthorized Debit and provide to us a copy of the police report. You must also agree to prosecute the perpetrator to the fullest extent of the law. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. If in our commercially reasonable judgment we determine after the investigation that you failed to exercise reasonable care in securing checks, passwords, or otherwise violated our required Security Controls or

Online Banking Security Controls, then we shall not be liable for such Unauthorized Debit.

**F. Recovery from Third Parties.** You shall not waive any rights you have to recover a loss stemming from an Unauthorized Debit against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You shall pursue your rights, or at our option, assign them to us so that we may pursue them. Any liability we may have to you will be reduced by the amount you recover, or are entitled to recover, from these other sources.

**G. Contact by the Bank.** No Bank employee, or any company affiliated with the Bank, will contact you via e-mail or phone requesting your account information or security information. If you are contacted by anyone requesting this information, please contact the Bank immediately.

## 1.7 Security Procedures for Online Banking Service

This **Section 1.7** shall apply to all Services offered in the Agreement that are accessed via Online Banking. In the event of a conflict between **Section 1.6** and this **Section 1.7**, this **Section 1.7** shall control.

**A. Use of Security Procedures.** Bank and Client agree to use the Security Procedures set forth in this **Section 1.7** (in conjunction with additional Security Procedures, if any, contained in the Supplemental Documentation or an Enrollment Form with regard to a particular Service) in connection with the Services offered in the Agreement that are accessed via Online Banking or the Internet. Client agrees that such Security Procedures are commercially reasonable for Client, and Client shall be bound by any Instructions, Entries, wire transfer Request, fund transfer, transaction, service change order, or any other communication that is acted upon by Bank in accordance with the Security Procedures. Client acknowledges and agrees that the Security Procedures are not for the purpose of detecting errors in the transmission or content of any information, Entries, wire transfer Request, fund transfer, transaction, service change

order, Instruction, or any other communication transmitted by Client. No security procedure for the detection of any such error has been agreed upon between Bank and Client. If Client selects certain security procedures to use in connection with a Service and the selected security procedures provide less protection than other Security Procedures offered by Bank, Client understands and agrees that (i) Client waives the protection afforded by the Security Procedures it declined to select, (ii) the security procedures selected by Client shall be deemed to be commercially reasonable, and (iii) Client shall indemnify and hold Bank harmless from and against all losses and liabilities relating directly or indirectly to Client's use of such security procedures selected by Client. Bank reserves the right to issue new Security Procedures through the use of Supplemental Documentation and/or Enrollment Forms, in connection with particular Services that allow OLB Transactions, and/or (ii) establish additional security through the use of other types of multi-factor authentication.

Bank reserves the right to audit Client's compliance with the Security Procedures at any time and at Client's expense, and to mandate controls or suspend Services until Client complies with such Security Procedures.

**B. Client Review of Security Procedures.** Client agrees to review and implement all Security Procedures available in connection with Online Banking, including procedures to protect the confidentiality of its authentication credentials (such as User IDs and passwords of Authorized Users). In addition, the Bank may post important security notices on its website and/or send Client and/or Authorized Users security related notices or reminders; Client agrees to read all such security notices. Client agrees to notify Bank in the event that Client's use of Online Banking would be better served by a level of security that exceeds that offered by the Online Banking Service. If Client fails to notify the Bank, Client acknowledges and agrees that the Security Procedures of Online Banking are appropriate for its needs and will provide Client with a commercially reasonable degree of security against unauthorized use.

**C. Administrative Users.** You can use Online Banking for online access to other Services, such as the ACH Origination Service or Wire Transfer Service. As part of your enrollment in the Online Banking Service, you agree to select and identify to us, in the Online Banking Enrollment Form, one or more "Administrative Users", who will be shown on our records as the authorized Administrative Users for your Services (including without limitation the Online Banking Service, ACH Origination Service, and Wire Transfer Service). You agree that only designated Administrative User(s) may: (i) add additional Users (each a "Sub-User") to gain access via Online Banking for your enrolled Services; (ii) provide each Sub-User with a unique User authentication credential; and (iii) grant each Sub-User access to additional Services. You agree to have each Sub-User use a unique authentication credential for connection to Online Banking.

**D. Authorized Users.** You certify and warrant that each individual signing the Enrollment Form for Services has been properly authorized and empowered to do so and the Administrative User(s) you appoint has been properly authorized and empowered to add additional Sub-Users for your Services or any part of the Services, and that we may rely without inquiry or liability upon the instructions of the Administrative User(s). You warrant and represent to us that those Sub-Users added to your Services by the Administrative User have your full authority to be added as a Sub-User for the Services.

**E. Authentication Credentials Protection.** The Client shall establish and maintain procedures to safeguard against unauthorized OLB Transactions. Client agrees to: (1) limit access to authentication credentials to persons who have a need to know such information; (2) closely and regularly monitor the activities of employees who access Online Banking; and (3) prohibit its employees and agents from initiating OLB Transactions without proper supervision and adequate controls. The Client warrants that no individual will be allowed to initiate OLB Transactions in the absence of

proper supervision and safeguards, and agrees to maintain the confidentiality of the Security Procedures and any authentication credentials, passwords, PINs, codes, security devices and related instructions provided by Bank in connection with the Security Procedures described. Client acknowledges that no person from Bank will ever ask for any Passwords, and that Bank employees do not need and should not ask for authentication credentials. Client shall change its user authentication credentials at least every ninety (90) days (or such shorter period as may from time to time be established by Bank) and whenever anyone who has had access to an authentication credential is no longer employed or authorized by Client to use Online Banking. Bank may require Client to change its authentication credential at any time.

**F. Authorized Transactions.** Client hereby acknowledges that any Administrative User of the Client designated under the Agreement shall be granted authority to: (i) authorize one or more Sub-Users to initiate transactions via Online Banking, including but not limited to Requests via Online Banking; (ii) authorize one or more Sub-Users to initiate ACH Entries via Online Banking; (iii) authorize one or more Sub-Users to initiate intra-Account transfers; (iv) authorize one or more Sub-Users to initiate stop payment requests via Online Banking; (v) authorize one or more Sub-Users to initiate and/or terminate wire transactions via Online Banking; (vi) establish unique temporary authentication credentials for each Online Banking Service Sub-User, which will require immediate change by Sub-User at first login; and (vii) establish limits on each such Sub-User's authority to access Account information and conduct transactions. Client is solely responsible for the actions of its Administrative User, the authority the Administrative User gives others to act on its behalf, and the actions of any Sub-User who uses the Services. Any OLB Transaction effected with User IDs and/or passwords associated with the Client and/or Client's Administrative User or Sub-User shall be deemed to be authorized transactions, including without limitation transactions resulting from phishing attacks, spoofed

websites, malware, trojan viruses, or other third party attempts to compromise confidential Account information under your control or the control of your employees and/or agents. You agree that you and/or your Administrative User shall remove User access to the Online Banking Service for all persons no longer authorized to have such access. If any of your Administrative User or other Users gives an unauthorized person his/her authentication credential, you are responsible for all transactions that person performs using your Services. All transactions that unauthorized person performs, even those transactions you did not intend or want performed (including without limitation fraudulent transactions), shall be deemed to be authorized transactions and you shall have no recourse against us relating to such transactions. Client acknowledges that it may have multiple Accounts for which it authorizes access to the online Services, which may or may not have the same tax identification number or social security number. Client further acknowledges that Client alone is responsible for monitoring access to such Accounts by its officers, employees, and Agents, and that Bank shall have no liability for any Client employee, Administrative User, Agent, Agent employee, or other User gaining unauthorized access to any Accounts, or performing unauthorized transfers between any Accounts or any intentional or fraudulent misconduct. Authorized Users may communicate with the Bank using the secure e-mail service available through Online Banking. Bank shall be entitled to rely on any written notice or other written communication contained in a secure e-mail purported to be from an Authorized User, which is received via the Online Banking Service, and such communication shall be deemed to be authorized by Client.

**G. Authentication Credential Revocation.** The Bank will establish a limit on unsuccessful attempts to use an authentication credential, and access to Online Banking will be denied if a User exceeds such limit. To re-establish authorization to use Online Banking, non-Administrative Users must contact the Administrative User to have the authentication

credential reset or obtain a new temporary authentication credential. Administrative Users must either use the function in Online Banking or contact Online Banking Client Support to have the authentication credential reset or obtain a temporary authentication credential. For Client's protection, Authorized Users should sign off after every Online Banking session and close their Internet browser to ensure confidentiality.

**H. Online Services Support.** Client understands that Bank may only work with Client-designated Administrative Users for support of the Online Banking Services, including without limitation the online wire transfer services and the ACH Origination Service.

**I. Keeping Administrative User Documentation Current.** The Client is responsible for keeping their Administrative User information current with Bank, and shall promptly contact Online Banking Client Support to update Administrative User documentation when any changes occur involving Client's Administrative User(s) responsibilities involving Online Banking. This information is provided to Bank upon initial set up of the Online Banking Service.

**J. Security Procedures for Online Transactions.** Bank and Client agree that the Security Procedures involving Online Transactions initiated through Online Banking shall be as follows: (i) both a User ID and password associated with Client, Client's Administrative User, or a Sub-User (any of whom would be deemed an Authorized User) must be used to gain access to Online Banking; (ii) in the event unusual login or transaction activity is detected, Bank shall use a limited number of challenge questions to help verify the identity of the individual attempting to access Online Banking; and (iii) authentication hardware and/or authentication software (either of which, a "Security Token") shall be used, which Security Token generates one-time passwords, and such one-time passwords must be entered before access to Online Transactions via Online Banking is granted. Bank, in its sole discretion, may (i) establish additional Security Procedures

through the use of Supplemental Documentation and/or Enrollment Forms, in connection with particular Services that allow Online Transactions; and/or (ii) establish additional security through the use of other types of multi-factor authentication.

**K. Computer Network Protection.** Client shall be solely responsible for maintaining commercially reasonable accounting, network security, and computer security audit policies and procedures with regard to computers and networks used to access Online Banking. Client shall monitor Accounts on at least a daily basis and immediately notify Bank of any suspicious activity, including without limitation unexpected authentication credential resets, unknown transactions, suspected User credential compromises, suspected embezzlement, or any other circumstances that might compromise Client's computer(s), network, or Account security. In accessing Services through Online Banking, Client shall provide annual training to its employee(s) as part of Client's internal security program.

**L. Notice of Unauthorized OLB Transactions.** If the Client believes or suspects that any such information or instructions have been known or accessed by unauthorized persons, the Client agrees to notify Bank immediately (by phone or electronic mail) and follow such immediate notification with written confirmation. The occurrence of unauthorized access will not affect any OLB Transactions made in good faith by Bank (i) prior to receipt of such notification, or (ii) within a reasonable time period after such notice, and Bank shall have no liability for the same.

**M. Hardware and Software Maintenance.** Use of the Services is at your own risk. You are responsible for the installation, maintenance, and operation of your computer, Internet browser software, and other software, including without limitation, maintaining current software upgrades and applying critical security patches. You shall be responsible for internal and external intrusion testing of your network system, as well as systemic or operational risk contingency planning with

regard to your network system. You are also responsible for maintenance and connectivity of telecommunication with your ISP (Internet service provider). Additionally, it is your responsibility and you agree to maintain up-to-date anti-virus, anti-spyware, and anti-malware programs and firewalls on all of your systems.

- N. **Limitation of Liability.** The risk of error, failure, or non-performance of the Online Banking Service is solely your risk and includes the risk that you do not operate or maintain your computer or software properly. Bank shall not be responsible for any error in the transmission or content of an OLB Transaction. We make no warranty to you regarding your computer(s) or about any software, including any warranty of merchantability or fitness for a particular purpose. We are not responsible for any errors or failures from any malfunction of your computer or the software, nor are we responsible for any electronic virus, spyware, or malware that you may encounter, whether associated with the use of the Services or otherwise. We have no liability to you for any damage or any other loss, whether direct or consequential, which you may suffer or incur by reason of your use of your computer or any software, and you agree to indemnify, defend and hold harmless the Bank for any losses or liability incurred by the Bank resulting from your failure to maintain your computer and software as required hereunder.
- O. **Dual Control.** Client dual controls are required with regard to Online Requests and initiation of ACH Entries (i.e., more than one individual in the Client's organization must approve ACH Entries and and/or Online Requests) and for avoidance of doubt shall be considered to be part of the Security Procedures set forth in **Section 1.7.A.** It is strongly recommended by Bank that Client require dual controls with regard to its other Online Banking transaction functions, as doing so will help to maintain a higher level of security. Client understands and agrees that Bank shall not be liable in any way for any losses stemming in whole or in part from Client's decision to forego dual controls with regard to Online Transactions. Client understands and agrees that (i) Client's decision

to forgo dual controls with regard to Online Banking transactions functions represents a rejection of Bank's security procedure, (ii) Client's decision to use single control of Online Transactions functions (in conjunction with the other Security Procedures described in **Section 1.7.A**) shall constitute an acceptance of an alternative security procedure under Uniform Commercial Code § 4A-202(c) (the "Alternative Procedure"), and (iii) Client agrees to be bound by any Online Banking transaction, whether or not authorized, issued in its name and accepted by the Bank in compliance with the Alternative Procedure.

- P. **Telephonic Verification of Online Transactions** Bank may, in its sole discretion, use callbacks from time to time to verify Online Transactions initiated through Online Banking. Client agrees that Bank's use of callbacks for Online Transactions is not required under the Agreement, Bank's failure to use callbacks to verify any Online Transactions shall not be deemed to be a violation of the Security Procedures set forth in the Agreement and/or any Schedules thereto, and Bank's failure to use a callback on any transaction shall in no way be the basis for a claim of liability by Client against Bank.

### 1.8 Compliance with Security Procedures

If an Online Banking transaction (or a request for cancellation or amendment of an Online Banking transaction) received by Bank purports to have been transmitted or authorized by the Client, it will be deemed effective as the Client's authorized Online Banking transaction (or request) and the Client shall be obligated to pay to Bank the amount of such Online Banking transaction, even if the Online Banking transaction (or request) was not authorized by the Client, provided that Bank accepted the Online Banking transaction in good faith.

If an Online Banking transaction (or request for cancellation or amendment of an Online Banking transaction) received by Bank was transmitted or authorized by Client, Client shall pay to Bank the amount of the Online Banking transaction, whether or not Bank complied with the Security Procedures referred to in this Agreement with respect to that Online Banking transaction and whether or not that Online Banking

transaction was erroneous in any respect or whether that error would have been detected if Bank had complied with such procedure.

### 1.9 Data Breach

Client agrees that it shall adopt and implement commercially reasonable policies, procedures, and systems to receive, store, transmit, and destroy Consumer-Level ACH Data and all other consumer data in a secure manner and to protect against data breaches involving Consumer-Level ACH Data or any other consumer data ("Data Breaches"). In the event Client becomes aware of or suspects a Data Breach, it shall (i) notify Bank and cooperate with any investigation conducted by Bank, Bank's federal or state regulators, law enforcement authorities, and/or the "ACH Operator" (as defined in the ACH Rules), and (ii) immediately commence and diligently pursue an investigation of the circumstances to determine (1) if a Data Breach has actually occurred, (2) the scope of the Data Breach, including the type and amount of data affected, (3) the risk that the affected data will be misused, and (4) what steps are necessary to prevent further unauthorized access to Consumer-Level ACH Data and all other consumer data.

Client's notification to Bank shall include the following findings concerning the Data Breach incident:

1. approximate cause(s) of the breach incident;
2. approximate date of the breach incident;
3. approximate size of the affected population (victims);
4. the type of data exposed; and
5. the routing and transit numbers (RTNs) of the affected RDFI accounts.

### 1.10 General Terms and Conditions

**A. Authorization Changes.** Client agrees that only those persons authorized pursuant to the procedures contained in this Agreement and the Enrollment Forms may initiate and/or verify Instructions with Bank. Changes by Client in any information supplied to Bank, or any changes in the designated account numbers, or authority of the persons named on Enrollment Forms or Supplemental Documentation, shall not be binding upon Bank until Bank has received actual written notice of the changes at the address of Bank designated in **Section 1.5.A** of

this Agreement and has had reasonable time to implement them. If such written notice pertains to changes to Administrative Users or other individuals named in Enrollment Forms or Supplemental Documentation provided to Bank, such notice shall be (i) accompanied by Client's corporate resolution approving such change, (ii) signed by an officer of Client authorized to sign on behalf of the Client by corporate resolution, or (iii) upon Bank's request, accompanied by documentation that evidences Client's authorization of such change. Bank may rely on any notice regarding changes to Administrative Users or other individuals named in Enrollment Forms or Supplemental Documentation provided to Bank that appears to be in conformity with any of the three conditions set forth in the preceding sentence.

**B. Authorized Signers** You represent, and agree, that the Authorized Signer(s) on your Account(s):

1. is fully authorized to sign all documents in the capacity stated therein;
2. has furnished all documents necessary to evidence his or her authority; and
3. will furnish any other documents in such form as we may request from time to time.

We are not required to recognize any corporate resolution or other agreement affecting the Account that is not on our form. Any change in Authorized Signers will not be effective against us until three (3) Business Days after our receipt of the documents effecting the change, although we may recognize such change earlier in our sole discretion. We have no duty whatsoever to monitor or ensure that the acts of the Authorized Signer(s) are for the benefit of Client.

**C. Maintenance of Account.** The Client shall maintain with Bank at least one demand deposit or commercial checking Account for the purpose of providing available funds and for deposit of received funds in connection with the use of the Services. The Account shall be subject to the terms of the Account Disclosure Agreement and this Agreement, including without limitation the terms of the deposit

Service. Unless Bank otherwise requires the Client to maintain collected funds, the Client shall maintain sufficient available funds in the Account(s) to support any transaction initiated under the Services and to cover any fees the Client is obligated to pay under this Agreement. If at any time there are not sufficient collected funds in the Account to cover all outstanding transactions and other payment obligations of the Client under this Agreement, the Client shall immediately pay Bank, on demand, the amount of any deficiency in such outstanding transactions and obligations.

**D. Bank's Reliance; No Review.** Bank is entitled to rely on any Electronic Communication, notice, document, or Instruction believed by it in good faith to be genuine and correct and to have been given, signed, and/or sent by Client or on behalf of Client by its Agent, and shall not be obligated to review or otherwise verify the authenticity of the information (or, except as otherwise required by specific Security Procedures pertaining to Online Banking transactions, Requests and/or Entries, the identity of the provider of such Instruction), and Bank will not be liable to Client and Client shall indemnify and defend Bank for and against any claim, loss, damage or expense (including reasonable attorneys' fee) for the consequences of any such reliance.

**E. Rejections and Refusals to Execute Instructions.** Bank may reject or refuse to accept, process, or act upon (or may delay accepting, processing, transmitting, executing or acting upon) any Instruction (including without limitation any Online Banking transaction) that Bank in good faith believes for any reason to be (i) unauthorized, incomplete, ambiguous, erroneous, or redundant; (ii) not in accordance with the Security Procedures (including without limitation, where the Online Banking transaction and/or identity of the purported Administrative User or other Service User cannot be verified in the sole and absolute discretion of Bank); (iii) otherwise not in accordance with the provisions of this Agreement, the Enrollment Form (including, without limitation, any schedule, exhibit, or addendum to this Agreement or any Enrollment

Form), the User Manual, or any other agreement governing Client's relationship with Bank; (iv) in violation of any then applicable statute, rule, regulation, order, or government policy to which Bank or the Account(s) is (or, in Bank's sole opinion, may be) subject; (v) in excess of Client's collected and available funds on deposit in the applicable Account(s) or the amount available to Client under any credit facility immediately available from Bank; (vi) in excess of any limitation on Bank upon its intraday net funds position established pursuant to then-applicable Federal Reserve guidelines; (vii) in violation of any provision of any then-applicable risk control program of the Federal Reserve or Bank's federal or state regulator; or (viii) involving funds the ownership of which is in question. For these purposes, funds are not considered to be available if such funds are (or Bank reasonably believes such funds may be) subject to a hold, dispute, encumbrance, or legal process preventing their immediate withdrawal, or if Bank otherwise believes that a transfer of such funds would not be final and irrevocable. Notwithstanding the foregoing or anything else herein, Bank will have no obligation hereunder to detect any unauthorized, erroneous, or otherwise impermissible requested Instruction. Bank may, in its sole discretion, notify Client of its rejection or refusal to accept process or otherwise act upon an Instruction.

**F. Status of Parties.** The relationship of Bank, on the one hand, and Client and its Agent, on the other hand, is solely that of independent contractors. Neither Bank nor Client will be considered to be an employee or agent of the other. Nothing contained in this Agreement will be construed to create any partnership or joint venture between Bank and Client.

**G. Standard of Care.** Bank's duties and responsibilities are limited to those specifically described in this Agreement and the Enrollment Form(s). Bank will exercise commercially reasonable and ordinary care in performing its obligations, unless otherwise expressly provided herein or required by Applicable Law. Bank makes no warranty, either express or implied, to Client with respect to any service or

product provided or to be provided hereunder, as further described in **Section 1.10.N.**

- H. No Extension of Credit.** Neither this Agreement nor the provision of any Service, nor the terms of any Enrollment Form or Supplemental Documentation will be construed to obligate Bank to create an overdraft, pay any amount in excess of Client's collected and available funds in any applicable Account, or lend money or otherwise advance funds to or on behalf of Client, unless expressly set forth in a written agreement between Client and Bank.
- I. Release; Force Majeure.** Unless otherwise required by expressly Applicable Law, Bank will not be liable for, and Client hereby releases Bank from any responsibility for, any loss arising directly or indirectly, in whole or in part, from any of the following causes: (i) any act, failure to act, or delay in acting on the part of any person not within Bank's control, including but not limited to Client or its Agent, (ii) the negligence or misconduct of Client, any Agent, or any other officer, employee or agent (apparent or otherwise) of Client, (iii) any inaccuracy or ambiguity in any information given to Bank (including, without limitation, any incorrect, incomplete, or untimely information) by Client, (iv) any error, failure, or delay in the provision of any Service, execution of any Instruction, or performance under any Enrollment Form or other instruction that is caused by any natural disaster, market volatility, market trading volumes, an act of governmental or military authority, legal constraint, fire, flood, earthquake, windstorm, other natural calamity, war, riot, civil unrest, act of terrorism, labor disturbance, strike, lockout, inability of Bank to obtain labor, materials or transportation in a timely manner, electrical, communication, telecommunication, word processing or computer failure, or interruption of service (whether hardware, software, or both) and which failure or delay in performance is not within the direct and reasonable control of Bank, or (v) any other cause or circumstance beyond the reasonable control of Bank.
- J. Liability of Client.** Client shall be liable for any loss or damage resulting directly or indirectly

from Client's breach of this Agreement or to which Client's negligence contributed, or which resulted from unauthorized, fraudulent, or dishonest acts by Client's current and/or former employees, Agents, Authorized Representatives, Authorized Offline Initiators, Administrative Users, Users, or any third party except loss or damage involving a third party when the loss or damage is a direct result of Bank's gross negligence or willful misconduct. Examples of such liability of Client include, but are not limited to, instances when one of its current or former employees, Agents, Authorized Offline Initiator, Administrative User, or User effects one or more Instructions to Client's detriment, or when any unauthorized Transaction is effected through Online Banking.

- K. Indemnification of Bank.** Client, including without limitation, a Client acting in its capacity as an agent on behalf of a third party, shall indemnify, reimburse, and otherwise hold harmless Bank, its affiliated companies, and its officers, employees, and agents for any and all costs, losses, claims, taxes, expenses (including but not limited to reasonable attorneys' fees), liabilities, and damages of any kind or nature incurred or sustained by Bank (i) as a result of a breach by Client of any representation, warranty, covenant, or obligation in this Agreement, (ii) the negligence, fraud, or willful misconduct of Client, its employees, independent contractors, Agents, Users or Authorized Offline Initiators, (iii) the failure of Client to comply with any Applicable Law, or (iv) in the performance of Services for Client (including without limitation Services provided for an Agent). Any claim for indemnification will be submitted by Bank to Client in writing, along with a summary of the facts constituting the basis of such claim. This indemnification obligation is in addition to, and not in lieu of, any indemnification obligation(s) set forth elsewhere in this Agreement.
- L. Right of Setoff.** Bank may, without prior notice or demand, set off any amount to which it may be entitled under (i) **Section 1.10.K.** (ii) any other terms or conditions of this Agreement, or (iii) any other agreement between Client and

Bank (all or any of the foregoing (i) –(iii) herein, a “Debt”), against any amounts or obligations owed to Client (including without limitation any Account held at Bank), whether under this Agreement or otherwise relating to the Services or pursuant to another agreement between Client and Bank. The exercise of this right by Bank, whether or not ultimately determined to be justified, will not constitute a breach, or an event of default under this Agreement or under any other agreement between Bank and Client. Neither the exercise of, nor the failure to exercise, this right will constitute an election of remedies or limit Bank or any of its affiliated companies and/or officers, employees, and agents in any manner in the enforcement of any other remedies that may be available to them hereunder. Bank may use the money from the Accounts to pay the Debt even if Bank’s withdrawal of the money from such Accounts results in a loss of interest, an interest penalty, or dishonor of checks or other items or orders. Bank may use the money in any of the Accounts to reimburse Bank for Debt owed by the Business or the Authorized Signer(s). In the case of a Business that is a partnership, each partner or joint owner of the Account agrees that Bank may use all or any portion of the money in the partnership or joint Account to satisfy any one of their individual obligations to Bank. Similarly, each partner agrees that Bank may use the money in his or her individual Accounts to satisfy obligations relating to or arising from the partnership’s Account. In the case of a Business that is a sole proprietorship, the owner agrees that Bank may use the money in his or her individual and/or joint Account(s) to satisfy obligations relating to or arising from the sole proprietorship’s Account. If the Debt arises from a note, any due and payable debt under such note includes the total amount of which Bank is entitled to demand payment under the terms of the note at the time Bank exercises its right of setoff, including any balance owing to Bank on the due date upon which Bank properly accelerates under the note. Client shall indemnify Bank in connection with Bank’s exercise of its right of setoff.

**M. Client Representations and Warranties.** Client represents and warrants to Bank that Client is

duly organized in accordance with the laws of the jurisdiction of its organization, and that each person executing the Treasury Management Authorization, the Agreement, Enrollment Form or any other document relating to this Agreement is properly authorized to do so by Client. Client acknowledges and agrees that Bank is entitled to rely on such signatures as conclusive authority to enter into this Agreement and obtain the applicable Service. Client also covenants to Bank each time Client uses a Service, that: (i) Client is validly existing and in good standing under the laws of the jurisdiction of its organization; (ii) Client’s assent to this Agreement is authorized and that its obligations hereunder are Client’s legal, valid, and binding obligations; (iii) each person signing documents on behalf of Client, including its Agent, has the requisite power and authority and has taken all necessary action to execute and deliver the Instructions, and to perform Client’s obligations under this Agreement and each Service used by Client; (iv) any consent or authorization of any governmental authority or third party required to be obtained by Client in connection with this Agreement or any Service used or performed pursuant to this Agreement has been obtained; (v) the Services are not intended to and will not be used by Client for purposes in violation of Applicable Law; (vi) Client is not acting on behalf of or transmitting funds to or from any party subject to sanctions enforced by U.S. Department of Treasury’s Office of Foreign Assets Control (“OFAC”); (vii) Client is utilizing the Service solely for commercial use and not for any personal, family, or household purposes; (viii) if Client is acting in its capacity as an Agent, Client is a duly authorized Agent for the principal Client and has the power and authority to use the Services on behalf of the principal Client; and (ix) Client shall not to attempt to circumvent any hardware or software employed by the Bank or any Vendors to prevent unauthorized access to the Services and/or associated software, including without limitation modifications, decompiling, disassembling, and reverse engineering thereof.

**N. Disclaimer of Bank Warranties, Limitations on Liability.** BANK HEREBY DISCLAIMS ANY WARRANTIES, EXPRESS OR IMPLIED, RELATED TO THE SERVICES, INCLUDING ALL WARRANTIES AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR ANY OTHER WARRANTY AS TO PERFORMANCE, ACCURACY OR COMPLETENESS, OR SUITABILITY OF ANY SERVICES FOR CLIENT, OR AS TO ANY EQUIPMENT OR SOFTWARE PROVIDED BY BANK OR THE COMPATIBILITY OF BANK'S SOFTWARE, EQUIPMENT OR COMMUNICATION INTERFACES WITH CLIENT. BANK MAKES NO WARRANTY THAT ANY SERVICE WILL MEET CLIENT REQUIREMENTS OR WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE. BANK MAKES NO WARRANTY THAT THE RESULTS THAT MAY BE OBTAINED WILL BE ACCURATE OR RELIABLE OR THAT ANY ERRORS IN ANY REMOTE BANKING SERVICE OR TECHNOLOGY WILL BE CORRECTED. Client acknowledges that the Services are provided by Bank without representation or any of the warranties discussed above and that Bank is not responsible for determining the accuracy, timeliness, or completeness of information provided to Bank by Client or any third party. IN NO EVENT WILL BANK BE LIABLE TO CLIENT FOR ANY LOST PROFITS OR THIRD-PARTY CLAIMS OR ANY CONSEQUENTIAL, SPECIAL, EXEMPLARY, INCIDENTAL OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS) FROM ANY CAUSE WHATSOEVER ARISING OUT OF OR IN ANY WAY RELATING TO, CONNECTED WITH OR PERTAINING TO EITHER THIS AGREEMENT OR THE PERFORMANCE OR NON-PERFORMANCE OF ANY SERVICES HEREUNDER.

These limitations will apply whether or not the likelihood of such losses or damages was known or should have been known by Bank, and regardless of the legal or equitable theory of liability advanced by Client. Client's exclusive remedy for any cause whatsoever and regardless of the form of action (whether in contract or in tort, including negligence) will be limited to the actual, proven damages of Client that are the immediate and direct result of an action or failure to act by Bank constituting

gross negligence or willful misconduct. BANK'S LIABILITY SHALL IN NO EVENT EXCEED AN AMOUNT EQUAL TO THE FEES PAID BY CLIENT FOR THE SERVICES DURING THE THREE (3) MONTH PERIOD IMMEDIATELY PRECEDING THE CLAIM.

**O. Third Party Service Providers.** Provision of certain Services is dependent upon the Bank's ability to provide access to third party vendor networks. In the event any third party network is unavailable or in the event the Bank determines, in its discretion, that it is unable to continue providing any third party network access, the Bank may suspend or discontinue the related Services or may provide the Services through an alternate third party network. You acknowledge and agree that we may disclose and/or provide access to your confidential information and your Customer's confidential information, including but not limited to nonpublic personal information, to our vendors as necessary for us to provide Services. The Bank shall not be responsible for any acts or omissions in connection with the conduct of any third party vendors.

**P. Compliance with Law.** Client will (and will ensure that its Agents will) comply with all Applicable Laws in connection with the Services. Client shall indemnify and hold Bank harmless for any and all fines and assessments imposed on Bank as a result of any alleged violations of Applicable Laws. Client acknowledges that it will not generate transactions that violate Applicable Law. This includes, but is not limited to, sanction laws administered by OFAC. It shall be the responsibility of Client to obtain information regarding such OFAC enforced sanctions. (This information may be obtained directly from the OFAC Compliance Hotline at 800-540-OFAC, or from the OFAC's home page site at [www.ustreas.gov/ofac](http://www.ustreas.gov/ofac).) Client agrees that the performance of any action by Bank to debit or credit an Account or transfer funds otherwise required by this Agreement, ACH Rules, or Uniform Commercial Code Article 4A is excused from the performance of such action to the extent that the action is inconsistent with Applicable Law, including the obligations of

Bank under OFAC or any program administered by the United States Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN"). Client warrants and covenants that all actions taken by Client in connection with this Agreement, including the preparation, transmittal, and settlement of Online Banking transactions and payment orders, shall comply in all material respects with Applicable Law.

**Q. Unlawful Internet Gambling Prohibition**

**Notice.** Compliance with the Unlawful Internet Gambling Enforcement Act of 2006 ("UIGEA") and the implementation of Regulation GG issued by the Board of Governors of the Federal Reserve System and the United States Department of Treasury, prohibits certain transactions within your Account.

"Unlawful Internet gambling" is defined in UIGEA as placing, receiving, or otherwise knowingly transmitting a bet or wager by any means which involves the use, at least in part, of the Internet where such bet or wager is unlawful under any applicable federal or state law in the state or tribal lands in which the bet or wager is initiated, received, or otherwise made. "Restricted transactions" are defined in Regulation GG to be transactions in which funds are knowingly accepted by gambling businesses in connection with participation by others in unlawful Internet gambling. Restricted transactions are prohibited from being processed through this Account or any Account you hold with our institution. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, debit card or credit card transactions, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling. Internet gambling will generally be considered to be unlawful unless verifiable authorization is obtained by an appropriate state or tribal authority.

We may block or reject any such "restricted transactions", as defined in Regulation GG. Further, we reserve the right to block or close

any Account which we believe is in receipt of such transactions.

- R. **Client's Records.** Without limiting any obligations of Client to retain records as specifically set forth in this Agreement with respect to a Service, Client will retain and provide to Bank, upon request, all information necessary to remake or reconstruct any deposit, transmission, File, or Entry for thirty (30) days following such transaction.
- S. **Audit and Review.** Client agrees, upon reasonable notice by Bank, to permit Bank to audit, inspect, and review its policies and processes for purposes of ensuring Client's compliance with this Agreement, the ACHRules, and Applicable Laws and regulations. Client acknowledges that Bank may from time to time require that Client develop and adopt internal controls and processes related to ACH origination, wire transfer procedures, or Internet banking practices as mandated by Bank as a condition to Bank's agreement to continue providing the Services to Client.
- T. **Governing Law.** Notwithstanding the place where this Agreement may be executed by any of the parties, the parties expressly agree that this Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Tennessee, without regard for its conflict of laws doctrine.
- U. **Venue; Jurisdiction; Service of Process.** Any legal action or proceeding arising out of or relating to this Agreement must be brought in the courts of the State of Tennessee, and Client hereby irrevocably submits to the jurisdiction of such court in any such action or proceeding. By executing any Enrollment Form or utilizing any of the Services, Client irrevocably consents to the service of any and all legal process, summons, notices and documents out of any of the aforesaid courts in any such action, suit or proceeding by mailing copies thereof by overnight or certified mail, postage prepaid, to Client at its address provided for notices in accordance with **Section 1.5.A.** If any dispute arising out of this Agreement or any action or proceeding to

enforce a judgment based on a cause of action arising out of this Agreement is arbitrated or litigated between the parties hereto, the prevailing party shall be entitled to recover its reasonable costs of suit, including reasonable legal fees in addition to any other relief to which it may be entitled.

- V. **No Waiver.** No failure or delay on the part of Bank or Client to exercise any right hereunder will operate as a waiver of such right, nor will any single or partial exercise by Bank or Client of any right hereunder preclude any other or further exercise thereof, or exercise of any other rights.
- W. **Severability.** Any provision of this Agreement, any Enrollment Form or any Supplemental Documentation which is unenforceable will only be ineffective to the extent of such unenforceable provision, without invalidating the remaining provisions of the document.
- X. **JURY TRIAL WAIVER.** Client and Bank hereby knowingly, voluntarily, intentionally, and irrevocably waive the right either of them may have to a trial by jury in respect to any litigation, whether in contract or tort, at law or in equity, based hereon, or arising out of, under, or in connection with, this Agreement and any other document or instrument contemplated to be executed in conjunction herewith, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any party hereto. This provision is a material inducement for Bank entering into this Agreement. Further, Client hereby certifies that no representative or agent or Bank, or Bank's counsel, has represented, expressly or otherwise, that Bank would not, in the event of such litigation, seek to enforce this waiver of right to jury trial provision. No representative or agent of Bank, or Bank's counsel has the authority to waive, condition, or modify this provision.

## Section 2 Online Banking Service

This Section 2 sets forth the terms and conditions of Bank's Online Banking Service. This Section supplements the terms of the Online Banking and Bill Payment

Agreement between Client and Bank (the "OLB Agreement"). In the event of a conflict between the terms of this Agreement and the OLB Agreement, this Agreement shall govern. **Sections 2.1 through 2.3** are general terms that apply to all Clients enrolled in the Online Banking Service. Client may include certain additional specified Services in the Online Banking Service by requesting such ability on the related Enrollment Form. **Section 2.4** applies to Client only if, and to the extent that, Client has requested and Bank has approved Client for participation in the Service described in such Section.

### 2.1 Internet Treasury Management Access

- A. **Online Banking Service.** By using the Online Banking Service, Client, through its Administrative User, Agent, or Users, may request that Bank accept and act upon Instructions. Bank will carry out such Instructions in accordance with and subject to this Agreement. All terms and conditions of the Enrollment Forms and Account Disclosure Agreement governing those Services will apply to such Services as delivered through the Online Banking Service, except to the extent such terms and conditions are inconsistent with this **Section 2**, in which event this **Section 2** will control.
- B. **Access and Equipment.** Bank will provide Client with access to the Online Banking Service for the Accounts as authorized by Client or its Agent. Bank assumes no liability whatsoever and makes no warranty of any kind as to the hours of access and/or the performance of the Online Banking Service. To utilize the Online Banking Service, Client will provide, at its own expense, connection via an Internet service provider, computer hardware, operating systems, and software that meet the minimum requirements set by Bank, as set forth on the Bank's website.
- C. **Stop Payment.** Client authorizes Bank to accept stop payment orders from Client through the Online Banking Service and the transmitted stop payment order (an "Online Stop Payment Request") will be deemed the equivalent of a written stop payment order in accordance with the Account Disclosure Agreement. An Online

Stop Payment Request issued with regard to a funds transfer or item must be provided to Bank (i) in accordance with any instructions and/or disclosures regarding Online Stop Payment Requests within Online Banking and (ii) within a reasonable amount of time and in such manner as to allow Bank a reasonable opportunity to act on the stop payment order prior to acting on the funds transfer or item. Without limiting the foregoing, Bank will not be liable for honoring a funds transfer or item within one (1) Business Day of receiving a stop payment order for the funds transfer or item. You shall indemnify us in connection with our refusal to pay such funds transfer or item. From time-to-time, the Online Banking Service may be inoperable. If requested by Bank, you will confirm any stop payment order in writing within fourteen (14) days of an oral stop payment order, or within seven (7) days of Bank's request, whichever is later. After six (6) months, a stop payment order will terminate and must be renewed in order to continue in effect. Bank may pay any item that is presented following the lapse of any stop payment order. If you place a stop payment order, you shall pay a fee in the amount set forth in Bank's then-current Fee Schedule.

## 2.2 Balance and Transaction Reporting

The Balance and Transaction Reporting Service described in this **Section 2.2** will be available for all Accounts. With this Service, Client may review online the balances of Accounts, transactions on Accounts, and images of Checks paid from Accounts. Client has responsibility for verifying information available to Client through the Balance and Transaction Reporting Service, and Client must notify Bank of any discrepancy no later than the next Business Day immediately following the Business Day during which such information becomes available.

## 2.3 Balance Inquiries and Account Transfers

You may use Online Banking to (i) check the balance of your Accounts and (ii) transfer funds among your Accounts at Bank ("Intra-Account Transfers"). By initiating Account Transfers, you represent and warrant that you are legally entitled (i) to make the Account Transfers in question, and (ii) to control of and/or access to the external account(s) to which funds are being sent.

All withdrawals and transfers are subject to availability of funds in your Account and to any special limitations for the particular type of account described in your deposit Account Disclosure Agreement or in other Account agreements and/or disclosures you receive from Bank.

We strive to provide complete, accurate, and timely Account information through Online Banking. However, unless otherwise required by law, we will not be liable to you if any such information is unavailable, delayed, or inaccurate. Balances shown in your Accounts may include deposits that are subject to verification by us. The balance shown may also differ from your records due to deposits in progress, outstanding checks or other withdrawals, payments, or charges. A transfer request may not result in immediate availability because of the time required to process the request. There may be situations that cause a delay in an update of your balances. Bank will use the most current collected balance immediately available at the time of a transaction on which to base its approval or denial of said transaction.

## 2.4 Check Positive Pay

A. **Service Description.** There are two different Check Positive Pay Services described in this **Section 2.4**. The Standard Positive Pay Service and the Payee Positive Pay Service both permit Client to identify exception items and instruct Bank whether to pay or return the items, except that the Payee Positive Pay Service (unlike the Standard Positive Pay Service) allows for the payee name to be checked against the Check Register data (described in **Section 2.4.B** below). The Bank recommends that Client use services such as the Check Positive Pay Services. If the Client fails to do so, it may be liable on certain charges and losses that would have otherwise been prevented by proper use of such Services.

### B. Requirements and Deadlines

i. Bank's ability to provide the Standard Positive Pay Service and/or Payee Positive Pay Service is dependent upon Client's delivery of Check Register data, consisting initially of all outstanding checks on the Designated Account(s), if any. The Check Register data shall contain the check issue date, check number,

and the dollar amount (as well as the payee, if the Payee Positive Pay Service is used) of each check issued, for each Account covered by the Service (the “Critical Information”) and may be transmitted through Online Banking or other file delivery methods set forth in the Enrollment Form. Bank shall not be liable for mistakes stemming from erroneous Check Register data provided by Client.

- ii. As additional Client checks are issued, Client must submit supplemental data to update the Check Register data on file at Bank. Such data, with regard to any particular check or checks, shall be delivered to Bank on the day prior to the Check release date.
- iii. Bank shall match Client’s cumulative Check Register data file with Bank’s own record of checks posted against Client’s Account each day. This match shall occur following each daily posting cycle.
- iv. Based on the matching process described in **Section 2.4.B.iii.** above, each Business Day Bank will provide Client with the ability to view all Exception Items via Online Banking. For the Standard Positive Pay Service and/or Payee Positive Pay Service, an “Exception Item” is defined as (1) any check which has posted against Client’s Account where there is no match in the Check Register data file provided to Bank by Client, or (2) any check which has posted against Client’s Account where there are one or more discrepancies between the Check’s issue date, Check number, or dollar amount (or payee, if the Payee Positive Pay Service is used) as compared to the data in the Check Register data file provided to Bank by Client.
- v. If Client has provided payee name (for Standard Positive Pay Service users) or other non-Critical Information in the Check Register file, that information is considered available for Client’s records only and is not verified by Bank when matching posted checks against Client’s Check Register file. With regard to the Standard Positive Pay Service, Client remains liable for the detection of alterations of payee’s name on all Checks paid against Client’s Account(s). Images of exception checks will be provided via Online Banking.
- vi. All Exception Items will be available for Client review and decision each Business Day. Client is required to review all Exception Items each Business Day. While an email alert may be provided for convenience to alert for Positive Pay Exception Items, the responsibility remains on Client to verify Exception Items prior to the cut off time. ALL DECISIONS TO RETURN ANY EXCEPTION ITEM(S) THAT HAVE POSTED AGAINST CLIENT’S ACCOUNT ON A BUSINESS DAY SHALL BE COMPLETED WITHIN ONLINE BANKING THE SAME BUSINESS DAY.
- vii. Upon review of all Exception Items found in Online Banking, Client may direct Bank to pay or return any individual Check provided Client’s decision is received via Online Banking before the deadline on the same Business Day. Any Exception Items that are not decisioned in Online Banking by Client by the deadline each Business Day will be processed in accordance with the Client’s default instructions indicated in the enrollment form for the service. The default instructions are to either (i) pay all Exception Items, or (ii) return all Exception Items.
- viii. Client’s use of the Standard or Payee Positive Pay Services depends on the Check numbers being magnetically pre-printed (encoded) on Client’s Checks in the proper location. Bank reserves the right to terminate any and/or all of the Positive Pay Services if the general quality of the check stock and magnetic encoding does not meet the standards of the American National Standards Institute Accredited Standards Committee X9, Financial Services (“Standards”). Bank shall not be liable for any Positive Pay Service inaccuracies or errors due to the use by Client of Checks that do not meet the Standards.
- ix. In the event that a Check is presented for payment over the counter at a Bank branch, the Bank shall not be obligated to cash the Check if the Bank cannot contact the Client for payment decision regarding the Check. Bank shall not be liable for any loss to the Client if a check is not paid over the counter when the Client cannot be reached for confirmation. Notwithstanding any other provision of this **Section 2.4**, the

liability for any loss stemming from a Check that is accepted over the counter at a Bank branch is governed by the Client's Account Disclosure Agreement, unless Client previously instructed Bank to accept certain Checks or classes of Checks over the counter, in which case Bank shall bear no liability for acting in accordance with Client's instructions. Otherwise, Bank's liability for teller-cashed Checks shall neither be increased nor decreased by the terms of this **Section 2.4**.

#### C. Client Acknowledgments

- i. Client authorizes Bank to return or pay any Check in accordance with Client's instructions and the established procedure of Bank.
- ii. Client acknowledges that Bank shall have no liability for return of an Exception Item if the Client did not instruct Bank to pay such check.
- iii. Client acknowledges that the Service does not preclude the operation of Bank's standard check, which may cause a Check to be dishonored even if Client's instructions or the procedures established in this Agreement do not otherwise require Bank to return such check.
- iv. Client acknowledges that it must fulfill its responsibilities in connection with the Service on each Business Day whether or not Client is open for business.

#### D. Liability

- i. If an Account is enrolled in a Positive Pay Service, in the event that Bank erroneously pays a Check against Client's Account for which Client properly and in good faith instructed Bank, to return, Bank shall correct such error at Bank's expense.
- ii. CLIENT SHALL INDEMNIFY AND HOLD HARMLESS BANK AND ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND ASSIGNS FROM ANY DAMAGES, LOSSES, FINES, FEES, TAXES, LEGAL EXPENSES, OR ACTIONS AT LAW ARISING FROM THE RETURN (DISHONOR) OF ANY CHECK IF SUCH RETURN RESULTED FROM THE ACCURATE APPLICATION OF CLIENT'S PAY/RETURN INSTRUCTIONS.

### Section 3 Automated Clearing House (ACH) Origination Service

#### 3.1 ACH Origination Service

This **Section 3** sets forth the terms and conditions relating to the Automated Clearing House Origination Service (the "ACH Origination Service") and is applicable only to Clients who have executed an Enrollment Form requesting the ACH Origination Service (this includes the ACH Origination Service Enrollment Form and/or the ACH Electronic File Transfer Service Enrollment Form). Clients who wish to receive the ACH Origination Service must have a deposit Account with the Bank and be enrolled in the Online Banking Service. By using the ACH Origination Service, Client may transfer funds by means of Entries which may be sent through the ACH Network or processed directly by Bank. Capitalized terms used in this **Section 3** that are not otherwise defined in this Agreement will have the meanings provided in the ACH Rules .

- A. **Types of Entries.** Bank will transmit debit and/or credit Entries initiated by Client to the ACH Network as provided in the NACHA Operating Rules (referred to as the "ACH Rules" or "NACHA Rules") and this Agreement. Specific ACH products predominately offered by the bank include: Direct Deposit Payroll, Pre-authorized Payments and Deposits, Cash Concentration, and Corporate Trade Payments. Bank can offer ACH services for all Standard Entry Class Codes, with the exclusion of International ACH Transaction.
- B. **ACH Rules.** Client agrees to comply with and be bound by the current ACH Rules in existence, which may be amended from time to time. It is recommended that Client purchase a copy of the updated NACHA Rules & Guidelines annually by visiting <http://www.nacha.org>. Free limited access to the basic NACHA Rules in read-only format may be obtained by visiting [www.achrulesonline.org](http://www.achrulesonline.org). The duties of Client set forth in this Agreement in no way limit Client's obligation to comply with the ACH Rules. Any fines or liabilities imposed against Bank for a violation of the ACH Rules caused directly or indirectly by an action and/or inaction of Client shall be paid by Client. Costs associated with ACH Rules publications and/or

association membership will be the responsibility of Client. If Client utilizes third-party vendors or processors, Client shall take such measures as may be necessary to ensure compliance with the ACH Rules by such vendors and processors. Unless there is a separate agreement between Client and Bank specifically governing Client's actions as a Third Party Sender, Client shall not act as a Third Party Sender, as defined in the NACHA Rules.

- C. Audit of Client's Responsibilities and Evidence of Authorization.** The Bank has the right to audit the Client's compliance with this agreement and the ACH Rules. This includes all Client obligations such as, but not limited to, obtaining all consents and authorizations required under the ACH Rules and retaining such consents and authorizations for two years after they expire.
- D. Pre-notifications.** Client may send prenotifications three banking days prior to initiating the first entry to a particular account. Client agrees not to initiate live dollar Entries until at least three (3) business days following the Settlement date of the pre-notification Entry. After the Client has received notice that any such entry has been rejected by the RDFI, the Client will not initiate any entry to such customer prior to making necessary corrections.
- E. Notifications of Change.** Bank will notify Client of all Correction Entries ("COR"), which are commonly referred to as Notification of Change ("NOC") Entries, received by Bank relating to Entries transmitted by Client, by secure email no later than two (2) Business Days after the Settlement Date of the NOC. Client agrees to make the changes submitted within six (6) Business Days of the receipt of the NOC information or prior to the next "live" Entry, whichever is later. If the NOC is incorrect, Client will generate a Refused NOC Entry and deliver it to Bank within fifteen (15) Days. For an NOC in response to a prenotification entry, the Client must make the changes prior to originating a subsequent entry if the bank receives the NOC by opening of business on the second business day following the settlement date of the prenotification entry.

**F. Transmission of Entries and Security Procedures.** Client will transmit all Entries to Bank on or before the deadlines provided to Client in Supplemental Documentation. Client will conform all Entries to the format, content, data encryption, and other specifications contained in the ACH Rules. Client authorizes Bank to transmit all Entries received by Bank from Client in accordance with the terms of this Agreement and to credit or debit such Entries to the specified accounts. If Entries are initiated through Online Banking, the Security Procedures regarding Online Banking set forth in this Agreement shall apply. If Entries are initiated outside of Online Banking using a method set forth in the Enrollment Form, the Security Procedures regarding such method set forth in the Enrollment Form shall apply. Client warrants and covenants (i) that no individual will be allowed to initiate transfers in the absence of proper supervision and safeguards, (ii) that Client shall take reasonable steps to maintain the confidentiality of the Security Procedures and any passwords, codes, security devices, and related instructions provided by Bank in connection with the Service, and (iii) that Client shall comply with all applicable Security Procedures.

#### **G. Delivery Specifications**

The deadlines for delivery of Credit Entries, Debit Entries and Same Day ACH Entries are set forth in the Cut-Off Time Schedule.

**Effective Entry Date**—The "Effective Entry Date" (contained in the company/batch header Record(s) of the ACH input File) is a date specified by Client on which it intends an Entry to be posted and settled. The Effective Entry Date must be a future date and must be a Business Day. The Effective Entry Date may be, but is not necessarily always, the same date as the settlement of funds.

**File Format**—All ACH input Files must be in the standard ACH format based on the NACHA Rules.

**H. Inspection.** Upon reasonable notice from Bank to Client, Bank shall have the right to inspect Client's books and records and to make on-site visits to any and all Client locations with regard to all information deemed by Bank to be necessary or pertinent to Client's use of the ACH Origination Service provided by Bank under this Agreement. Information subject to Bank's right of inspection shall include (but not be limited to) all information maintained by Client with respect to Client's Customers, vendors and processors (including audits) if, in the opinion of Bank, Client's relationship with such Client Customers is materially related to Client's ACH transaction activity conducted through Bank under this Agreement. Physical site visits may be conducted by Bank or its Agent to ensure notification and communication processes and disclosure requirements are being followed with respect to those addressed in the ACH Rules.

**I. Bank Obligations.** In a timely manner and in accordance with the ACH Rules, Bank will process, transmit, and settle the Entries received from Client which comply with the terms of this Agreement, including the Security Procedures. Bank shall have no obligation to transmit Entries if Client is in default or breach of any of its obligations under this Agreement or any other agreement with Bank, including, without limitation, any obligation to pay Bank.

**J. Warranties.** Client warrants and covenants to Bank: (i) that any Entries originated by Client shall be in compliance with the ACH Rules, as well as any warranties Bank is deemed by the ACH Rules to make with respect to such Entries; and (ii) that Client shall cooperate in any investigation by Bank with respect to errors alleged by consumers involving Entries received from Client, including without limitation alleged errors under Regulation E. Without limiting the foregoing, Client also warrants and covenants that: (a) each Entry is accurate, is timely, has been authorized by the party whose account will be credited or debited, and otherwise complies with the ACH Rules; (b) each debit Entry is for an amount which, on the Settlement Date with respect to such Entry, will be due and owing to Client from the party whose account

will be debited, is for an amount specified by such party to be paid to Client, or is a correction of a previously transmitted erroneous credit Entry; (c) Client has received an authorization from the Receiver authorizing it to make prearranged debits from the Receiver's bank account, a copy of that authorization has been given to the Receiver, and at the time an electronic Entry is processed by us and any receiving banks, the authorization has not been terminated with respect to such electronic Entry; (d) Client is not acting on behalf of or transmitting funds to or from any party subject to sanctions enforced by U.S. Department of Treasury's Office of Foreign Asset Control ("OFAC"), and (d) Client will comply with the terms of the Electronic Funds Transfer Act and Regulation E, if applicable, or Uniform Commercial Code Article 4A, if applicable, and shall otherwise perform its obligations under this Agreement in accordance with Applicable Law. Client covenants that any RCK Entries, ARC Entries, BOC Entries, WEB Entries, and TEL Entries originated by Client shall be in compliance with all warranties made by Bank pertaining to such Entries exchanged through the ACH Network. Client shall indemnify, defend, and hold Bank harmless against any loss, liability, damage, claim, demand, suit, action, cause of action, cost or expense (including, without limitation, attorneys' fees, costs, and expenses) resulting from or arising out of any breach of any of the foregoing warranties, covenants, or agreements.

**K. Data Retention.** Client shall retain data on file adequate to permit remaking of Entries for a period of three (3) Days after midnight of the Effective Entry Date, Client agrees to retain sufficient Entry data on file for reprocessing Entries and to provide such data to Firm immediately upon request. Without limiting the generality of the foregoing provision, Client specifically agrees to be bound by and comply with all applicable provisions of the ACH Rules regarding the retention of documents or any record, including, without limitation, Client's responsibilities regarding all items, source documents, and records of authorization.

**L. Data Passing.** Client agrees not to disclose the Receiver's account number or routing number to any third-party for such third-party's use, directly or indirectly, in initiating a debit Entry that is not covered by the original authorization.

**M. Provisional Credit.** Client acknowledges that the ACH Rules make provisional any credit given for an Entry until the financial institution crediting the account specified in the Entry receives final settlement. If such financial institution does not receive final settlement, it is entitled to a refund from the credited party and the originator of the Entry shall not be deemed to have paid the party.

Bank shall notify Client whether Entries shall be in the form of balanced or unbalanced Files. If Bank requires a balanced File, then Bank shall control when and where offset Entries occur. If Bank requires that Entries shall be in the form of an unbalanced File, then this means an Entry contains only the originating items for that Entry without any corresponding offset or settlement transaction.

**N. Pre-Funding Requirements.** Bank reserves the right to require that Client pay Bank in immediately available funds at the time of transmittal or at any time prior to settlement the amount of each Entry submitted by Client. Bank shall determine whether such pre-funding is required based on criteria established from time to time by Bank, which may be changed by Bank at any time in its sole discretion. Bank will communicate directly to Client if pre-funding is required and, if requested by Client, will provide Client with an explanation of its pre-funding criteria..

**O. Correction of Errors.** Client is responsible for the accuracy of the data Client submits to initiate Entries through the ACH payment system, and Client must submit to us corrected data if Client discovers an error. If Client submits to us corrected data not later than the times established by Bank in the Cut-Off Time Schedule, we will make commercially reasonable efforts to process the corrected data in the same manner as the original data;

provided however that, inasmuch as the original data will have already been processed and released, Client acknowledges that we cannot guarantee such corrections.

**P. Settlement.** Client will maintain a deposit Account with Bank at all times during the term of this Agreement and until the period for Return Entries has expired. Client will maintain in the Account immediately available funds sufficient in amount to cover all credit Entries originated and returns of debit Entries originated. Client authorizes and instructs Bank to debit its Account in the amount of each File and to make deposits, withdrawals, and transfers to and from Client's Accounts as appropriate or necessary in connection with any of the ACH services provided by Bank under this Agreement. Client represents and warrants that it shall only initiate Entries through the Service that post against Client's deposit Account(s) at Bank. In the event any Entry is returned in accordance with the ACH Rules by a Receiving Depository Financial Institution after Bank has provided credit, Client shall, promptly upon demand, repay Bank the amount of the Return Entry.

**Q. Settlement Discrepancies.** The periodic statement issued by Bank for Client's Account will reflect Entries credited and debited to Client's Account. Client agrees to notify Bank within a reasonable time not to exceed ten (10) Days (except where Applicable Law provides a sixty (60) Day review period) after Client receives a periodic statement of any discrepancy between Client's records and the information in the periodic statement. Client and Bank agree to cooperate with the other party in performing loss recovery efforts in the event either party may be liable to the other for damages.

Client shall have no right to cancel or amend any Entry/File after receipt of such Entry/File by Bank. However, Bank may, in its sole discretion, use commercially reasonable efforts to act on a request by Client to cancel an Entry/File before transmitting it to the ACH Network or processing it as an on-us Entry. Bank shall have no liability if it fails to effect the cancellation.

Client shall reimburse Bank for any expenses including, but not limited to, reasonable attorneys' fees or costs, losses, or any other manner of damages Bank may incur in effecting or attempting to effect Client's request for the reversal of an Entry.

**S. Rejection of Entries.** Bank may reject any Entry/File, including an on-us Entry, which does not comply with the requirements of **Section 3.1.B** of this Agreement, and Bank may reject any Entry if Client is not otherwise in compliance with the terms of the Agreement, including but not limited to the Security Procedures. Bank shall notify Client of such rejection no later than the Business Day such Entry would otherwise have been transmitted by Bank to the ACH Network or, in the case of an on-us Entry, its Effective Entry Date. It shall be the responsibility of Client to remake any Entries or Files rejected by Bank or the ACH Operator.

**T. Return Entries.** Bank shall promptly notify Client by secure email of the receipt of a Return Entry from the ACH Operator. Bank shall have no obligation to re-transmit a Return Entry if Bank complied with the terms of this Section with respect to the original Entry. Client authorizes Bank to charge back to Client's designated Account the amount of any Return Entry as soon as relevant information is made available to Bank. Client will promptly provide immediately available funds to indemnify Bank if any debit Entry is returned after Bank has permitted Client to withdraw funds in the amount thereof or if any adjustment memorandum that relates to such Entry is received by Bank. Please see Bank's applicable fee schedule for any fees associated with return items.

**U. Reversals.** Client may initiate a reversing Entry or File of Entries for erroneous or duplicate transactions, as permitted by the ACH Rules. In doing so, Client represents and warrants to Bank that Client has initiated the Entries or Files within five (5) Business Days of the original Entry or Entries and within 24 hours of discovery of the error. Client also represents and warrants to Bank that the account holder of

a reversing Entry has been notified of the reversal, and the reason for the reversal, no later than the settlement day of the reversal. For both reversing Entries and Files, Client shall be responsible for and shall indemnify Bank against and hold all parties to such transaction(s) harmless from any claim, demand, loss, liability, suit, action, damage, cost and expense arising out of or in connection therewith.

**V. Name and Account Number Inconsistency.** Client acknowledges that, if an Entry describes the Receiver inconsistently by name and account number, payment of the Entry may be made as provided in the ACH Rules on the basis of the account number even if it identifies a party different from the named receiver, and Bank shall not be liable for making any such payments.

**W. Liability.** Bank shall not be responsible for acts or omissions of any third party, including but not limited to, any Federal Reserve Bank, courier service, its Vendors, transmission or communications facility, the National Automated Clearing House Association, the Receiving Depository Institution any other party, including those authorized by Client, involved with the processing of any credit or debit Entry Client originates, nor shall it be held liable for the failure of a third party to process, credit, or debit any such Entry, or for other such acts or omissions. Client shall be liable for all fines levied against Bank by the National Automated Clearing House Association for any violation of the Rules arising from Client's negligence or intentional misconduct

**X. Exposure Limits.** Client shall comply with the monetary File limits established by Bank. Bank will review and adjust limits as needed from time to time (including, without limitation, any such limits as set forth in the ACH Origination Service Enrollment Form).

### 3.2 Over limit Entries

Bank generally reserves the right to limit the nature and amount of any preauthorized debit/credit Entries processed under this Agreement, or to refuse to process

any debit/credit Entries under this Agreement if, in Bank's sole judgment (i) there is reasonable cause to believe that any Entry will be returned or will not settle in the ordinary course of the transaction for any reason, (ii) to do otherwise would violate any limit set by the applicable clearing house association or any governmental authority or agency to control payment system risk, or (iii) a preauthorized credit Entry or the return of a preauthorized debit Entry would create an overdraft of Client's Account(s). If any of the foregoing actions are taken by Bank with respect to a particular preauthorized debit/credit Entry, Bank will notify Client as promptly as practicable, but in no event later than two (2) Business Days after its decision.

### 3.3 Same Day Entries

A credit or debit Entry with an Effective Entry Date of the date of, an invalid date, or a date prior to the date of the transmission of the Entry or File to Bank and received by Bank prior to the applicable cut-off time set forth in the Cut-Off Time Schedule shall be considered a Same Day Entry. If Client is originating Same Day Entries, Client will not submit Entries with the same Effective Entry Date, to any single transit routing and account number exceeding \$1,000,000.00. If Entries exceed \$1,000,000.00 to any account, the Entries will be converted to next available Business Day settlement. In addition to any other fees that Client is obligated to pay Bank, Client hereby agrees to pay Bank the Same Day Entry fee established by Bank from time to time for Same Day Entries transmitted to Bank by Client ("Same Day Entry Fee").

- A. **Non-monetary Same Day Entries** *Pre-notification Entries.* Non-dollar pre-notification Entries are eligible for same day settlement and will be assessed a Same Day Entry Fee.
- B. **Return Entries.** Return Entries will not be eligible for same day settlement regardless whether the forward Entry was processed as a Same Day ACH Entry.
- C. **Reversals.** Client may initiate a reversing Entry or File of Entries for erroneous or duplicate transactions, as permitted by the Rules. Such Entries received prior to the relevant Same Day ACH Entry delivery deadline are eligible for same day settlement subject to the eligibility requirements set forth in **Section 3.3** of this Agreement for ACH forward Entries (e.g., must

not exceed \$1,000,000 per Entry, etc.). A Reversing Entry processed the same day is subject to the Same Day Entry Fee. The Effective Entry Date of a debit Entry to reverse a credit Entry must not be earlier than the Effective Entry Date of the credit.

## Section 4 ACH Debit Block/Filter Services

This **Section 4** sets forth the terms and conditions for the ACH Debit Block/Filter Services ("ACH Debit Block/Filter") and applies to Clients who have executed an Enrollment Form for such Services. Clients who wish to receive ACH Debit Block/ Filter must have a deposit Account at the Bank. The ACH Debit Block/Filter Services are services offered by Bank that help monitor and/or block ACH Entries that are presented for posting to Client's Account(s). With ACH Block/Filter, the Client may elect to either (i) place an ACH Debit Block against all ACH Debit Entries presented against one or more Designated Accounts ("ACH Block"), or (ii) place an ACH Debit Block against all ACH Debit Entries presented against one or more Designated Accounts, except those Entries that meet the Guidelines, as defined below ("ACH Filter"). Bank will reject any non-compliant Entry presented against a Designated Account pursuant to the executed Enrollment Form accepted by Bank (each of which, a "Non-Compliant Entry"). Each Non-Compliant Entry will be returned to the respective Originator with the "Corporate Client Advises Not Authorized" return code. If Client elects ACH Debit/Block Filter, Client agrees not to authorize any third party to originate ACH Debits to a Designated Account, unless Client is receiving the ACH Filter service and a "Client ID" is obtained for such third party pursuant to ACH Filter service procedures.

ACH Filter service. With ACH Filter, Client must provide the required information to Bank regarding allowable ACH Debit Entries that are able to be presented against Client's Account (the "Guidelines"). Such Guidelines may include, without limitation, the originating Client and maximum dollar amount. In the event Client elects the ACH Filter service, Client shall make arrangements with its business partners to obtain their respective "Client IDs", which will be necessary for operation of the service. With ACH Filter, any ACH Debit Entry that presents against Client's Account that matches a "Client ID" will automatically post to such Account. In contrast, any ACH Debit Entry that presents against the Account that does

not match a “Client ID” will be returned with the “Corporate Client Advises Not Authorized” return code.

In the event Client elects to receive Bank’s ACH Debit Block/Filter Services, Client agrees to provide Bank with an ACH Debit Block/Filter Services Enrollment Form via e-mail, fax, or other delivery method. Bank shall verify the authenticity of each Enrollment Form received via a telephone call to the phone number(s) of one or more authorized account signer(s) as identified on the Client completed Corporate Resolution on file at Bank for such purpose (each an “Authorized Agent”). Client agrees that (i) this is a commercially reasonably Security Procedure, (ii) Bank may rely on any ACH Debit Block/Filter Services Enrollment Form authenticated in this manner, (iii) any Non-Compliant Entry paid in accordance with such Security Procedure will be deemed effective as against the Client, which shall be obligated to pay to Bank the amount of such entry even though the entry was not authorized by the Client, and (iv) Bank shall not be responsible for the rejection of any Non-Compliant Entry if Bank believes, in good faith, that the person it has telephoned as part of the authentication procedure is not an Authorized Agent. Client agrees to hold Bank harmless from any loss incurred as a result of placing an ACH Debit Block on Designated Account(s). An ACH Debit Block remain in effect until Bank has received notice (in accordance with the notice requirements set forth in **Section 1.5.A.**) from Client informing Bank otherwise and Bank has had a reasonable amount of time to act upon such notice.

## Section 5 Accounts Payable Automation Service

This **Section 5** sets forth the terms and conditions of Bank’s Accounts Payable Automation Service. Clients who wish to receive Accounts Payable Automation must have a deposit Account at Bank and execute an Enrollment Form for the Service.

### 5.1 Service Description

Accounts Payable Automation generally refers to the suite of accounts payable processing products and/or services offered by the Bank. Accounts Payable Automation includes the Accounts Payable Automation Service and Integrated Payables Service, as more fully described below (collectively, the “Accounts Payable Automation Services”). Client’s usage of Accounts Payable Automation or any of its services and/or functionality is subject to Bank’s approval and periodic modification of the services, in Bank’s sole discretion. Further, any use of

Accounts Payable Automation is subject to the terms of the Client’s applicable Account agreements.

### 5.2 Accounts Payable Automation Service

- A. **Description.** The Accounts Payable Automation Service provides Client with the ability to:
  - i. Automate the receipt, review, approval, and payment of Client’s vendor (“Client Vendor”) invoices, and the generation and delivery of Request Files (defined below) to Bank for settlement against Client-designated Account(s); email remittance materials to the applicable Client Vendor providing the details Client Vendors need to post payments in their accounts receivable systems (“Remittance Materials”), and (if the Client uses Bank’s Positive Pay Services) deliver files to the Bank containing data regarding issued checks generated through Pinnacle Payables, and
  - ii. Generate scheduled and/or ad hoc reporting and analytics.
- B. **APIs.** Usage of the Accounts Payable Automation Service requires implementation of an application program interface (“API”) between the accounting software used by Client and the Accounts Payable Automation Service. Bank maintains, and periodically updates as new software is added, a list of the accounting software supported through the Accounts Payable Automation Service. In the event Client’s accounting software is not currently supported, Client may request consideration for development of a custom API; however, nothing herein obligates Bank to grant such request. In the event the parties decide to develop a custom API, fees may apply and will vary based on the complexity of the APIs needed.
- C. **Client Vendor Invoices.** Bank shall not be responsible for the content, veracity or correctness of any Client Vendor invoice or other document directed by a Client Vendor to you, or whether an invoice or other document is misdirected or not received within the Accounts Payable Automation Service.

### **5.3 Integrated Payables Service**

Subject to Bank's prior approval and periodic modifications of available services/functionality, the Integrated Payables Service allows Client the ability to electronically submit Request Files containing payment requests via multiple payment methods directly into the system. Integrated Payables does not require usage of any API with Client's accounting software.

#### 5.4 Request Files

Request Files generated through Accounts Payable Automation are requests to initiate payment through one or more payment channels to Client-designated vendors ("Payment Requests"). Payment Requests generated through Accounts Payable Automation are subject to the applicable terms and conditions of the associated Bank service(s) used in conjunction with such payment methods (for example, your agreements with the Bank governing services including, but not limited to, ACH originations, business online banking, positive pay, deposit accounts, and/or credit cards, collectively, the "Service Agreements") including any relevant Security Procedures set forth in such Service Agreements as well as the Security Procedures set forth in this Agreement. By submitting a Payment Request through Pinnacle Payables, Client agrees to be bound by such Payment Request and liable to Bank for Bank acting on such Payment Request in accordance with the Security Procedures. In the event of a conflict between this Agreement and the Service Agreements applicable to the particular payment method, this Agreement (including, without limitation, the Security Procedures set forth herein) shall control. The Security Procedures governing ACH originations for Accounts Payable Automation are set forth in the Supplemental Documentation.

#### 5.5 Available Payment Methods

Subject to Bank's approval and/or applicable limits as well as all applicable Service Agreements, Client may be entitled to use the following payment methods through Pinnacle Payables: ACH, check, and credit card Accounts at the Bank. Payments using credit card accounts shall be effected through the use of virtual credit card transactions. ACH payments are originated from Client's Account and are directly transmitted through the Bank. Checks are issued directly from the Client's Account, printed with the Client name, address and Bank Account information, and mailed first class. Credit card payments are sent to designated Client Vendors. Bank may, at its

sole discretion, make additional payment methods available in the future.

#### 5.6 Account Access

Client will use Bank's business online banking service to view and/or access Account information and other Account-related services. If Client is unable to access Accounts Payable Automation or any functionality thereof, for any reason, Client should promptly contact Bank for support at the number provided by Bank in the Supplemental Documentation.

#### 5.7 User Setup and Maintenance

- a. To use Pinnacle Payables, Client must appoint at least one individual as an Accounting Manager and one individual as a Payment Authorizer (both roles generally described below and defined within the system) with the authority to manage and take certain actions on Client's behalf within Pinnacle Payables.
- b. To establish, modify, or delete Client's Accounts Payable Automation users ("Payables Users"), Client must complete and submit a Setup Form or other documents, as Bank may require.
- c. Generally, there are three (3) Payable User roles within Pinnacle Payables:
  - i. *Accounting Manager*. The key functions available to an Accounting Manager are:
    1. Management of:
      - a. Payment approval workflows, such as single approval and dual approval thresholds;
      - b. Invoice approval workflows, such as tiered approval rules, access privileges, invoice approval requirements, and invoice approval routing rules;
      - c. Payment-related, Client Vendor defaults such as email address to which Remittance Materials are to be sent, default payment method, banking information associated with default payment method, default general ledger ("GL") expense account to which this Client Vendor's approved invoices are posted;
      - d. Client's documents (i.e., management of Client's Accounts Payable Automation inbox where invoices are submitted and/or captured);
    2. Invoice GL account coding and review;

3. Approve invoices as valid for payment which automatically posts invoice to Client's accounting software (when appropriate);
4. Select valid invoices for payment; and
5. Research any paid or unpaid invoice.

ii. *Payment Authorizer.* Payment authorizers or "Approvers" are responsible for releasing payments selected by the Accounting Manager; however, payment authorizers do not have the ability to edit payment information.

iii. *Invoice Approver.* Payable Users who can only view, approve, or reject invoices as valid obligations of Client.

d. Once Payable Users are established or modified in accordance with Client's instructions, Bank does not monitor or oversee the actions of these Payable Users; therefore, Client should use extreme caution when selecting and authorizing the individuals to serve as Payable Users. Client agrees that all actions taken by its Payable Users are binding on Client, and all such persons are Client's agents for purposes of use of Pinnacle Payables, each authorized to act individually or in concert. Any access to Accounts Payable Automation through use of a valid user identification and authentication process shall be deemed to be duly authorized, and the Bank will carry out any instruction given regardless of the identity of the individual who is actually providing such instruction. You shall notify us at once in writing if any Payable User is no longer authorized to give instructions or confirmations and we shall not be liable or responsible to you until we receive written notice that the Payable User is no longer authorized and we have had time to act on the notice. In addition, (i) Bank shall not be liable to the extent Client receives the benefit of any Payment Request, even if such Payment Request is otherwise erroneous; and (ii) Bank shall not be liable if Client fails to timely report any error or discrepancy reflected in a periodic statement or if Client fails to report a breach of the Security Procedures.

e. The fact that Bank is aware of, or may be made aware of, or could have discovered, any limitation on access to Pinnacle Payables, does not make Bank obligated to enforce or attempt to enforce any limitation. Client understands that each Payable User may use Accounts Payable Automation without regard to any restrictions otherwise applicable to an Account, including without limitation, restrictions involving Account payments. For example, each Payable User will be able to use Accounts Payable Automation (i.e., generate Payment

Requests) regardless of whether they are also authorized signers on the applicable Account's signature card or authorized users of the Bank's ACH origination service.

## 5.8 Client Security

You are responsible to maintain the security of the Payable User identification and passwords of all persons authorized to access the designated Accounts through Pinnacle Payables. You are responsible to maintain the security of your equipment and to regularly update the current version of your software to maintain the level of security we may require and at least a commercially reasonable level of security. You are required to maintain commercially reasonable internal controls, including, but not limited to, segregation of duties, to protect your business. We shall not be liable to you for any loss arising by reason of your failure to maintain your software or your internal controls.

## 5.9 Processing Schedule

Each payment you initiate will have a "Send On" date, which represents the business date by which you want to initiate the payment. Upon payment initiation, Accounts Payable Automation will process the payment on the "Send On" date if possible or the next Business Day.

## 5.10 Data Accuracy and Account Number Processing

You are responsible for the accuracy of the data transmitted to us using Pinnacle Payables. You understand when using Accounts Payable Automation to initiate payment orders, you must identify the account number that will receive the funds from the order, each beneficiary of the order and each beneficiary's bank. We, any intermediary bank and the beneficiary bank may process a payment order solely on the basis of the account number even if that number does not correspond to the named beneficiary or the beneficiary's bank.

## 5.11 Compatibility and Client Systems

You understand that while we determine the third-party accounting systems and software compatible with Pinnacle Payables, we are not responsible for these systems, software, or computer hardware you choose.

## 5.12 Third Party Systems

We will not be liable or responsible to you for any errors or loss or unauthorized access to your Accounts attributable to the third-party accounting system or software or computer hardware.

## 5.13 Accessing Pinnacle Payables

To access Pinnacle Payables, Client must have high-speed Internet access from sufficiently powerful computer hardware and appropriate software, including Bank-supported Internet browsers.

## 5.14 Availability

Bank may cause Accounts Payable Automation to be temporarily unavailable to Client, either with or without prior notice, for site maintenance, security, or other reasons, in Bank's sole and absolute discretion, and Client acknowledges that factors beyond Bank's reasonable control, such as telecommunications failure or equipment failure, may also cause Accounts Payable Automation to be unavailable to Client. In such event, Client must make alternative arrangements for scheduled transactions and Client will be responsible for maintaining procedures and facilities to enable Client to do so if Accounts Payable Automation is unavailable to Client.

## Section 6 Wire Transfer Service

This **Section 6** sets forth the terms and conditions of Bank's Wire Transfer Services. Clients who wish to receive Wire Transfer Services must have a deposit Account at Bank and execute an Enrollment Form for the Service.

### 6.1 Access

A Client may submit Requests to Bank via the Online Banking Service (as defined in **Section 2**) or through other methods as set forth in this Section, on the Wire Transfer Service Enrollment Form and/or on the Online Banking Service Enrollment Form, subject to any applicable Supplemental Documentation relating to the Service. Bank may accept and process any and all wire transfer Requests that have been initiated in compliance with the applicable Security Procedures. All wire transfers are governed by this Agreement, Regulation J of the Federal Reserve Board, OFAC regulations, and all other Applicable Laws.

## 6.2 Scope

- A. **Terms and Conditions.** Client agrees to submit Requests to Bank in accordance with the terms and conditions of this Agreement. If there is a conflict between or among Sections of this Agreement applicable to the Wire Transfer Services, this **Section 6** shall control with respect to wire transfers.
- B. **Service Description.** Client authorizes Bank to transfer funds to and/or from any Designated Account(s). All wire transfer transactions involving Designated Accounts are subject to this Agreement. Bank, subject to its then current Security Procedures, will execute wire transfers in accordance with Requests, whether such Requests are delivered (i) in writing by an Authorized Offline Initiator (as defined in the Wire Transfer section of the Service Enrollment Form) at one of Bank's branches, or (ii) through Online Banking. Enrollment in the Online Banking Service is required for Online Requests. Sufficient funds must be immediately available in the Account specified in the Request at the time the Request is made. Bank will only transfer collected funds, and Bank reserves the right to refuse any transfer involving uncollected funds. Bank will not search for funds in Accounts other than the one(s) specified in the Request.
- C. **Fedwire Notice.** In connection with Client's use of Bank's wire transfer services under this Agreement, Client hereby agrees to the following: (i) Bank may use Fedwire when acting upon Client's Request; (ii) Any subsequent bank may use Fedwire when carrying out Client's Request; and (iii) The rights and obligations of Bank and Client in a wire transfer intended to carry out Client's Request, any part of which is carried out through the use of Fedwire, are governed by Fedwire Regulation.

## 6.3 Security Procedures

Requests may be initiated by Client in one of the following ways: (i) via Online Banking (an "Online Request"), after Client has enrolled in the Online Banking Service, (ii) via in person wire transfer Requests at a Bank

branch, (iii) via telephonic wire transfer Requests, (iv) via email wire transfer Requests, and (v) via faxed wire transfer Requests (each of (ii) through (v), an "Offline Request"). The Security Procedures set forth in **Section 1.7** of this Agreement and in the Supplemental Documentation shall govern Online Requests and the Security Procedures set forth in the Supplemental Documentation shall govern Offline Requests. Client agrees that such Security Procedures are commercially reasonable. Client agrees that Bank will use the relevant procedures prior to accepting Client's Request, including but not limited to Client furnishing to Bank the completed Enrollment Form which shall include the names of, and any limitations placed on the authority of, Authorized Representatives and Authorized Offline Initiators designated by Client to authorize (and, where applicable, to verify) Requests. Client may request assignment of substitute PINS or other security codes at any time in order to maintain the integrity of the authentication procedures. Client will furnish to Bank in writing the name of the person designated by Client ("Designated Representative") to receive and distribute authorization and security code information to the appropriate Authorized Representatives. Client agrees that Bank will be entitled to rely conclusively upon the authenticity of all wire transfer Requests that, if given telephonically, may include the PIN of Client's Authorized Representative, or if applicable, include other verification of Client's identity. Bank shall have no duty to obtain further verification of any such Request unless attached herein. Bank is hereby authorized to record any telephone conversations with Client involving a Request. The decision to record any telephone conversation shall be solely within the Bank's discretion and Bank shall have no liability for the failure to do so.

Client furthermore agrees that any Request acted upon by Bank in compliance with the relevant Security Procedures, whether or not authorized by Client, shall be deemed to be Client's authorized Request. If a Request (or request for cancellation or amendment of a Request) received by Bank was transmitted or authorized by Client, Client shall pay to Bank the amount of the Request, regardless of whether: (i) Bank complied with the Security Procedures referred to in this Agreement with respect to that Request, (ii) that Request was erroneous in any respect, or (iii) that error would have been detected if Bank had complied with such procedure.

#### 6.4 Responsibilities

- A. **Payment to Bank.** Unless otherwise agreed to in writing, Client must pay Bank the amount of the wire transfer, plus any applicable fees, before Bank will execute Client's Request. Fees applicable to wire transfers are set forth in Bank's Fee Schedule, and are subject to change from time to time at the sole discretion of Bank. If Bank accepts a Request, Bank may receive payment by automatically deducting from any Designated Account of the Client the amount of the payment order, plus the amount of any expenses and charges for Bank services in execution of such Request. Bank is entitled to payment on the payment or execution date. Unless the Request specifies otherwise, the payment or execution date is the Wire Transfer Business Day on which Bank receives the Request. The Request is completed upon acceptance by the beneficiary's bank. Client's obligation to pay the Request is excused if the funds transfer is not completed, but Client is still responsible to Bank for any expenses and charges for Bank services. However, if Client instructs Bank to route the wire transfer through an intermediate bank, and Bank is unable to obtain a refund because the intermediate bank that Client designated has suspended payments, then Client is still obligated to pay Bank for the Request. Client will not be entitled to interest on any refund Client receives because the beneficiary's bank does not accept the payment order. In the event there are not sufficient available funds in a Designated Account to cover the Client's obligations under this Agreement, the Client agrees that Bank may debit any Account maintained by the Client with Bank or any affiliate of Bank, or that Bank may set off against any amount it owes to the Client, in order to obtain payment of the Client's obligations under this Agreement.
- B. **Acceptance and Execution of Request by Bank.** Client's Request is considered accepted by Bank when Bank executes it. Client acknowledges that Bank maintains deadlines for accepting wire transfer Requests. If Client's Request is received prior to the applicable deadline, it will be executed by Bank that Wire Transfer Business Day. A Client's Request received after

the applicable deadline may be executed the next Wire Transfer Business Day. Wire transfer deadlines are subject to change from time to time at the sole discretion of Bank without notice to Client. No instructions or other restrictions limiting Bank's acceptance of Client's Request(s) shall be effective unless accepted and agreed to in writing by Bank. However, Bank at its option may elect to act consistently with such instructions or other restrictions which it believes in good faith were made by Client.

- C. **Rejection of Wire Transfer.** Bank has no responsibility to accept any incoming wire transfer for Client's benefit. Likewise, Bank has a right to reject Client's Request for an outgoing wire transfer for any reason whatsoever, including, but not limited to, (i) insufficient funds or insufficient collected funds in the Account specified in the Request, (ii) Bank's inability to execute the Request due it not receiving a properly executed or certified resolution or certificate of authority regarding an Account, or (iii) if Bank is unable to verify the authenticity of Client's Request. Bank will notify Client by phone, mail, or e-mail if it rejects the Client's Request. If Bank does not execute Client's Request, Bank shall not be liable to Client or any third party for any damages, losses, liabilities, expenses, or costs, whether direct or indirect, relating in any way to Bank's decision not to execute any such Request.
- D. **Cancellation or Amendment of Wire Transfer Request.** Client may not be able to cancel or amend a Request after it is received by Bank. However, Bank may in its sole discretion use reasonable efforts to act on Client's Request for cancellation or amendment. Bank shall have no liability if such cancellation or amendment is not effected. Furthermore, Client agrees to indemnify and hold Bank harmless from any and all damages, liabilities, costs, losses, and expenses Bank may incur in attempting to cancel or amend any wire transfer (including without limitation reasonable attorneys' fees and costs).

- E. **Repetitive Transfers.** If Client determines that Requests have become repetitive, the Client may set up a Repetitive Transfer template via Online Banking. The template is available to all Sub-Users that have been delegated the authority to initiate Requests. Client agrees that Bank may execute Requests stemming from the Repetitive Transfer template and such Requests shall be deemed to be authorized by Client, and Bank shall in no event be deemed negligent and Bank shall not be liable for any losses, damages or expenses incurred by Client resulting from Bank's implementation of any repetitive Request.
- F. **Erroneous Requests.** Client acknowledges and agrees that when Client provides Bank with a name and account number when requesting a wire transfer, that payment may be made solely on the basis of the account number, even if the account number identifies a beneficiary different from the beneficiary named by Client. Client furthermore agrees that its obligation to pay the amount of the wire transfer to Bank is not excused in such circumstances. Likewise, wire transfers received by Bank for Client's benefit may be paid by Bank solely on the basis of an account number. Client agrees that Bank shall not be responsible for any delay arising out of Bank's attempt to reconcile inconsistencies between name and account number, or otherwise investigate suspected irregularities.
- G. **Provisional Payment.** Any credit Bank gives to Client for a wire transfer is provisional until Bank receives final payment for the entire amount of the wire transfer. If Bank does not receive final payment for the wire transfer, Client agrees to refund to Bank the amount of the transfer.
- H. **Erroneous Execution.** If Bank receives an order to pay Client, and Bank erroneously pays Client more than the amount of the payment order, Bank is entitled to recover from Client the amount in excess of the payment order, regardless of whether Client may have some claim to the excess amount against the Originator of the order.

**I. Account Statements.** All wire transfers will be reflected on Client's periodic Account statement. In some cases, Bank will also notify Client in writing, electronically, or by a report produced by one of Bank's information reporting services. Client should review each statement or other such Bank notice for any discrepancies in connection with wire transfers. If Client thinks a wire transfer is wrong or needs more information about a wire transfer, Client must promptly contact Bank in accordance with Client's applicable Account Disclosure Agreement.

**J. Objection to Payment.** If Bank gives Client notice that reasonably identifies a Request issued in Client's name as sender that Bank has accepted, executed, and received payment for, Client cannot claim that Bank is not entitled to retain such payment unless Client notifies Bank of its objection to the payment within fourteen (14) days of Bank's notice to Client.

**K. Method Used to Make the Wire Transfer.** Bank may select any means for the transmission of funds which it considers suitable, including but not limited to Bank's own internal systems, Fedwire, the Society for Worldwide Interbank Financial Telecommunication (SWIFT), correspondent banks, or intermediary banks

You may designate in an Online Request the particular electronic funds transfer system and the intermediary banks, if any, to be used by us in connection with the wire transfer transaction. If you do not so designate, we will choose the funds transfer system and intermediary banks, if necessary, to complete the wire transfer transaction. Notwithstanding your designation, we may use any funds transfer system to execute an Online Request, without prior notification to you, if we in good faith determine that (i) it is not feasible to follow your designation, or (ii) that following it would unduly delay completion of the wire transfer transaction.

Each funds-transfer system may be governed by its own operating rules and regulations, and wire transfer transactions under this Agreement shall be subject to the rules and regulations of the applicable funds transfer system, including all interbank compensation rules governing the settlement of claims for compensation or adjustments of errors between member banks. Each

funds transfer and/or communications system selected by us in executing a wire transfer instruction shall be deemed acceptable to Client and shall be considered the agent of Client.

## 6.5 Special Conditions for Transfers Outside the United States

- When providing wiring instructions for a foreign wire transfer, you represent and warrant that the transaction does not violate the Foreign Assets Control Regulations of the United States Treasury Department, any other laws of the United States, the regulations of any governmental agency, or any other Applicable Laws.
- If a wire transfer is to be made in United States dollars to an account outside the United States, then, unless otherwise expressly stated, our foreign correspondent may, in its sole discretion, make payment to or credit the account of the beneficiary of the funds transfer in local funds at the place of payment at the correspondent's rate of exchange on the date that payment is made or credited.
- If the wire transfer is to be made in a foreign currency, we will provide the necessary exchange into foreign currency required to effect the transfer. If the funds transfer is not effected, we will not be liable to refund to you any amount in dollars (i) in excess of our then current buying rate for such exchange which may be returned to and received by us from our correspondent, or (ii) in excess of the dollar amount actually recovered and received by us, less our fees and expenses.
- The Online Banking Service allows for future dating of domestic wire transfers; however, we do not permit foreign currency wire transfers to be future dated. We reserve the right to cancel any foreign currency wire transfer that is future dated at any time before the wire transfer is executed. If, in our discretion, we elect to process a foreign currency wire transfer that has been future dated, we reserve the right to modify the exchange rate applicable to the wire to equal the exchange rate in effect on the date the wire transfer is sent.
- Foreign currency wire transfers initiated after the daily wire transfer cut-off time will be dated on next Business Day. These will not be considered to be future dated; however, if the current day's exchange rate does not equal the next Business Day's exchange rate, we reserve the right to modify the exchange rate to equal the exchange rate in effect on the date the wire transfer is sent or to cancel the wire transfer.

- You understand and agree that intermediary correspondent banks may assess additional fees, which could affect the net amount received by the beneficiary of the wire transfer.

## 6.6 Liability

Bank shall not be liable for any damages arising from or relating to Client's use of Wire Transfer Services other than Client's lost interest and Client's expenses directly related to Client's Request only upon Bank's gross negligence or willful misconduct. Compensation for loss of interest will be, at Bank's option, in the form of an adjustment to Client's Account(s) to reflect the average balance on Client's Account Analysis that would have resulted had no error or delay occurred, or by a direct credit to Client's Account, not to exceed Bank's actual cost of funds for the period and amount in question. The adjustment will be computed on a daily basis. Client hereby agrees that Bank is not liable for the actions of any intermediary, regardless of whether or not Bank selected the intermediary.

## Section 7 Remote Deposit Capture Service

This **Section 7** sets forth the terms and conditions relating to the Remote Deposit Capture Service (the "RDC Service") and is applicable to Clients who have executed a Remote Deposit Service Enrollment Form. Clients who wish to receive the RDC Service must have a deposit Account at the Bank. The RDC Service allows the depositing of the Clients' Checks through the Internet through use of equipment leased from, purchased from or otherwise approved by Bank and software provided by Bank, based on information submitted by the Client to Bank. Clients may also utilize the RDC Service by sending electronic files to Bank using transmission methods specified in the Enrollment Form and formatted in the file format specified in the Enrollment Form (such files, "Transmission Files").

### 7.1 Use of Remote Deposit Capture Service

Subject to the terms and conditions of this Agreement, Bank grants to Clients enrolled in the RDC Service a non-exclusive right to utilize the RDC Service through the Internet and/or through use of software provided by Bank or its Vendor, and to use Bank's (or its Vendor's) proprietary materials for the term of this Agreement. The RDC Service activities include the ability to scan the Client's paper Checks to create electronic files (the

"Images") and electronically transmit such Images to Bank, and for Bank (in conjunction with its Vendor) to use electronic information, including images and MICR information, captured from these Images to process transactions as image replacement documents, as permitted under the Check Clearing for the 21st Century Act, or as check image exchange items ("CIE Items"). The RDC Service is provided by Bank and its Vendors for access and use by the Client, and as a condition of such provision by Bank, Client agrees to comply with all existing and future operating procedures used by Bank and/or its Vendors for processing of transactions and with all Applicable Laws and applicable clearing house rules affecting the use of checks, drafts, and ACH transactions, including without limitation the ACH Rules.

### 7.2 Transmission and Security

A. Using the Licensed Software provided by Bank and/or Transmission Files, as well as Equipment either leased from, purchased from, or approved by, Bank for use with the RDC Service (any of which, the "RDC Equipment"), Client shall create Images from the Checks and the associated MICR data and shall transmit such Images to Bank Client agrees that Bank is providing the RDC Equipment and Licensed Software on an "AS IS and WHERE IS" basis without any representations or warranty of any kind, including but not limited to any warranties for a particular purpose. Client agrees to be responsible for maintaining all Equipment.

B. The Bank shall provide the Client with an administrative and gateway user name and password and administrator instructions in a user's manual. The Client may appoint an individual ("RDC Administrator") with the authority to: (a) determine who will be authorized to use the RDC Service; (b) establish separate passwords for each user (each an "RDC User"); and (c) establish limits on each RDC User's authority to access information and conduct transactions. The Client shall be responsible for the actions of its RDC Administrator, the authority the RDC Administrator gives others to act on its behalf, and the actions of the persons designated by the RDC Administrator to use the RDC Service. For Clients not using Transmission Files, such procedures, along with certain security protocols built into the Licensed Software and security provisions set forth in this Agreement, shall constitute Security Procedures for transmitting Images through the RDC Service, which Client recognizes and agrees are commercially reasonable. For Clients using Transmission Files, any

relevant security procedures contained in the Enrollment Form shall constitute Security Procedures for transmitting Images through the RDC Service, which Client recognizes and agrees are commercially reasonable. Client shall transmit Images only in accordance with the Security Procedures. Client will be bound by any transmission (whether or not actually authorized) which is transmitted through use of the RDC Equipment and Licensed Software or via Transmission Files. Bank may accept for deposit any Images transmitted to Bank through use of the Licensed Software or Transmission Files, and Bank shall have no liability to the extent that the transmission of the Images was not authorized. If Client exports data from the Licensed Software to another system or software, Client recognizes that the data retained in the copy will not be encrypted or stored in an encrypted form and Client shall be responsible for the security of such data.

### 7.3 Processing

Bank will process, encode, endorse, and deposit into the Account, Checks submitted by Client through the RDC Service on each Business Day up to the cut-off deadlines set forth in the Cut-Off Time Schedule. Such processing services shall be performed by Bank in accordance with Bank's internal procedures and all Applicable Laws.. Bank is making the Service available to the Client to allow the Client to create Images of the paper checks received from the Client's Customers and to then electronically transmit these Images, or the information removed from the Image as a source document, for the purpose of having remote deposit transactions initiated. As such, the Client's Customers will not receive their original cancelled paper checks through the check clearing system. Bank will not examine Checks and/or Images to verify any data or dates. Bank will process the imaged Check according to the amount entered by Client, if applicable, or by the numeric amount shown. If the numeric amount is unclear, Bank may process the imaged Check according to the written amount, and Bank may correct the amount entered by the Client, but is not required to do so.

Checks made payable to the Client or any reasonable derivation thereof are acceptable for deposit. Certain checks are not supported through the remote deposit capture channel. These items include but are not limited to: third party checks, foreign checks, substitute checks, government bonds, checks payable in a medium other than U.S. Dollars, U.S. State or other savings bonds. If the

Check is ambiguous or does not have the necessary information to be processed by Bank, Bank will treat the check as an exception. If a Check is treated as an exception, it will be forwarded by Bank to the Client, and not deposited or otherwise reflected in the Client's Account. Bank will disregard any notation on a Check containing "paid in full" or other restrictive notation, whether preprinted or handwritten, and treat any such Check as though such notation did not appear thereon.

### 7.4 Provisional Settlement

Images are not deposited until accepted for deposit by Bank. Deposits of Images are provisional, and may be returned for insufficient funds or other reasons, including, without limitation, claims that the substitute check created from the transmitted data does not meet legal equivalence requirements under Applicable Law, or that the transmitted data is incomplete or inaccurate. Bank shall have no responsibility for the delayed return of a substitute check that includes any message text or other information added by Client in the depository bank endorsement area on the Image. Images transmitted to Bank for deposit and received by Bank on a day other than a Business Day or after established cutoff deadlines shall be treated by Bank as received on the next Business Day.

### 7.5 Reporting

Bank will make reports regarding the RDC Service available through a web portal (the "RDC Portal"). Specifically, Bank shall make available from time to time a report stating the total amount deposited into an Account, as well as a listing of individual items deposited, which the Client may access through the RDC Portal.

### 7.6 Use of Remote Deposit

If applicable, Client agrees to enter in the amount of the Check, using the written amount of the Check, into the relevant data field associated with the RDC Service. Client agrees to abide by all procedures for using the RDC Service, including, but not limited to, the archiving and destruction of the original Check, as described herein below.

### 7.7 Check Retention and Destruction

A. **Check Retention.** After being processed through the RDC Equipment, the original paper

checks will remain with the Client, who shall use a commercially reasonable method to securely store all checks for a period of sixty (60) days after the date of deposit.

**B. Data Destruction.** Checks retained by the Client shall be destroyed between sixty (60) days and ninety (90) days after the date of deposit. After they have been securely retained for a period specified in this **Section 7.7.B** the Client, in an area limited to select personnel, and prior to discarding, shall destroy Checks in a manner rendering unreadable all data containing or relating to material containing account information. For physical documents such as Checks, such destruction shall include shredding the documents using a cross-cut shredder. For electronic data, destruction shall include methods such that the information cannot practically be read or reconstructed. For example, (i) "fixed" internal magnetic storage, such as computer hard drives, (ii) external "mini" and "micro" hard drive storage, (iii) USB "flash drive" devices and plug-in memories, and (iv) "write-many" optical media, such as CD-RWs and DVD-RWs, shall be cleaned by software that uses an over-writing or "wiping" process to over-write all usable storage locations. "Write once" optical media, such as CD-Rs and DVD-Rs, cannot be overwritten and shall therefore be physically destroyed by shredding or with scissors.

## 7.8 Software, Internet, and Hardware

The Client will comply with all software, Internet, and hardware requirements outlined in the Supplemental Documentation, as provided by Bank and as may be updated by Bank from time to time in its sole discretion. Equipment leased by Client for use with the RDC Service is the property of Bank, and therefore must be returned to Bank within fifteen (15) calendar days if the Client discontinues the RDC Service as outlined in this Agreement, or should this Service otherwise be terminated. In the event the leased Equipment (or any other Equipment provided by the Bank that Client has not purchased) has not been returned within fifteen (15) days of the date of termination, Client shall make payment to Bank in an amount equivalent to Bank's replacement cost for the Equipment as established by Bank. Client shall not, directly or indirectly, engage in any

of the following activities except as may be expressly permitted by Applicable Law: (a) modify, create derivative works of, rent, lease, or otherwise permit third parties to use the Licensed Software or Equipment; (b) input, upload, transmit or otherwise provide to or through the Licensed Software, any information or materials that are unlawful; (c) remove, delete, alter or obscure from any Licensed Software or Equipment: any trademarks, warranties or disclaimers, or any copyright, patent or other intellectual property or proprietary rights notices or (d) use the Licensed Software or Equipment other than in accordance with this Agreement and in compliance with all Applicable Laws.

## 7.9 Representations and Warranties

With respect to each and every Check that the Client uses to create an Image for use with the Service (each an "Underlying Check") and every Image that the Client delivers to Bank for credit to its Account (each a "Remote Item"), the Client represents and warrants to Bank that: (a) the Client shall be bound by and comply with all procedures and operating guidelines established by Bank, contained herein or subsequently created by Bank in its sole discretion; (b) the Client assumes responsibility for any Check or Image that is transmitted which for any reason is not paid; (c) the Client is a person or entity entitled to enforce the Check; (d) all signatures on the Check are authentic and authorized; (e) neither the Check nor the Image is counterfeit; (f) neither the Check nor the Image has been altered; (g) neither the Check nor any image of the Check has been paid; (h) no depository bank, drawee, drawer, or endorser will receive presentment or return of, or otherwise be charged for, an item transmitted as a Remote Item, or any Check or item derived from such Remote Item, such that said person will be asked to make a payment based on an item that it has already paid; (i) the Client shall properly endorse each Check and deposit said Check to an Account at Bank that matches the name of the Client; (j) the Client shall deposit only Checks as defined in Regulation CC of the Federal Reserve Board of the United States ("Regulation CC"); (k) the Client shall deposit only Checks made payable to the Client; (l) the Client shall not deposit Checks drawn on the Client's account; (m) neither the Check nor the Image thereof is subject to a defense or claim in recoupment that can be asserted against the Client; (n) the Client has no knowledge of any insolvency proceeding commenced with respect to the Client or in the case of an unaccepted Check, the drawer; (o) only Checks drawn on financial institutions in the

United States of America or Images of such Checks shall be deposited using the Service; (p) all Images meet any standards for image quality established by the American National Standards Institute, the Board of Governors of the Federal Reserve System, or any other regulatory agency, clearing house, or association that oversees funds settlements; (q) Bank will not sustain a loss because the Client has deposited an Image; (r) all information provided by the Client to Bank is complete, accurate, and true; (s) the Client has complied with all applicable rules, regulations, and laws with respect to deposit of the Check; (t) files submitted by the Client to Bank do not contain computer viruses; (u) the Remote Item is a digitized image of the front and back of the Underlying Check and accurately represents all of the information on the front and back of the Underlying Check as of the time Client converted the Underlying Check to a Remote Item; (v) the Remote Item has supporting documentation retained by you which shows the item is payable and authorizes the payee to charge and collect the monies owed; (w) the Remote Item contains all endorsements applied by parties that previously handled the Underlying Check in any form for forward collection or return; (x) only paper originals of genuine qualified items have been scanned for remote deposit; (y) Bank will not suffer any loss as a result of Client's retention or destruction of the paper originals of Remote Items; and (z) the Client has performed and will perform all of its obligations under this Agreement.

## 7.10 Image Quality

Client acknowledges that it is solely responsible for the quality of the image of each Check scanned for deposit to a Designated Account. Should Bank determine in its sole discretion that the image quality of any Check electronically transmitted by Client to Bank to be deposited to a Designated Account is such that such Check cannot be processed ("Rejected Check"), then Client may either re-image the Check and resubmit same for deposit to the Designated Account or Client may deposit the original of any such Rejected Check. In no event shall Bank be obligated to process any imaged Check for deposit to a Designated Account unless the image quality thereof is acceptable to Bank, regardless of the number of times Client may re-image and resubmit such re-imaged Check for deposit. Client acknowledges and agrees that Bank adheres to the policy that the "legal amount recognition," meaning the amount of the Check written in words, shall prevail over the "character amount recognition," meaning the amount written in

numbers, in determining the correct amount of any Check scanned and submitted electronically by Client for deposit in the Designated Account, and Client agrees to be bound by the amount as so determined.

## 7.11 Exposure Limits

Client shall comply with the monetary daily and/or weekly deposit file limits established by Bank from time to time in its sole discretion, based on its risk criteria (including, without limitation, any such limits as set forth in the Enrollment Form).

## 7.12 Liability

If Bank fails to credit any of Client's Accounts utilized in connection with the RDC Service in accordance with the terms of this Section as of the date such credit was earned, upon discovery or notification of such error, Bank will properly credit such Account, but Bank shall not incur any liability therefore, including any loss resulting from failure by Client to invest the amount of funds not properly credited to the Account. Further, Bank shall not be liable if:

- Through no fault of Bank, the Client's Customer does not have enough money in his or her account to make the transfer or payment.
- The RDC Equipment or the RDC Service is not working properly and the Client knew about the malfunction when the Client initiated use of the Service.
- The Client's Customer's depository institution mishandles or delays handling ACH Transactions or CIE Item transactions initiated by Bank.
- There is an error on the Client's Customer's paper check.

## 7.13 Indemnification

In addition to any indemnification obligations of Client set forth elsewhere in this Agreement, Client shall indemnify, reimburse, or otherwise hold harmless Bank, its affiliated companies, its employees, its directors, its shareholders, and its agents for any and all costs, losses, claims, taxes, expenses, liabilities, and damages (including reasonable attorneys' fees and costs) (collectively sometimes herein, "Losses") incurred or sustained by Bank in the following events, provided there has been no gross negligence or intentional misconduct by Bank with respect to same in connection with or related to this **Section 7**, including, but not limited to all Losses resulting directly or indirectly from (i) transmittal

or payment of any Image, without regard to whether Client actually authorized such transmittal, (ii) payment of a fraudulent Remote Item by Bank that would have been detected on the Underlying Check through the Underlying Check's security features, but otherwise could not be detected because the Underlying Check was transmitted to Bank via an Image, and (iii) a breach by Bank of its representations and warranties under Applicable Law that is caused, directly or indirectly, by an Image that would not have otherwise been breached had Client transmitted the Underlying Check to Bank without the use of RDC Services.

#### **7.14 Intermediaries**

Bank may act on any communication and provide the RDC Service using any payment system or intermediary organization it reasonably selects. Bank's performance of the RDC Service is subject to the rules and regulations of any such system or organization. Bank may engage third parties to provide the RDC Service. Bank shall have no obligation to disclose arrangements with third parties to Client or obtain Client's consent thereto. Client authorizes the transfer of Client information to its Vendors who are providing services and/or product in connection with the RDC Services, agents and representatives of Bank or agents of Client for use in connection with the RDC Service or as required by Applicable Law.

#### **7.15 Discrepancies**

Client shall immediately notify Bank via phone or e-mail of any error in connection with the RDC Service and any discrepancies between any records maintained by Client and any notice Client receives from Bank with respect to the RDC Service, and Client shall provide Bank with any information it may reasonably request in connection therewith. Client agrees that fourteen (14) calendar days after Client's receipt of the relevant notice is a reasonable time for Client to notify Bank of errors or discrepancies, unless any other agreements between Bank and Client or Applicable Laws provide for a shorter period. Failure of the Client to notify Bank within said time period of any such discrepancies shall preclude the Client from asserting any claims for damages or other liabilities of any nature against Bank based upon or arising in connection with such discrepancies. Bank shall have the right to correct the amount in the data field for any Check that has an incorrect amount to be consistent with the image of the Check. Notwithstanding the

foregoing, Client agrees that if Client has complied with its obligations under this Agreement and Bank at any time discovers that the legal amount of the Check is different than the amount that has been credited to Client's Account, Bank will make the necessary adjustment to the Account to correct the discrepancy.

#### **7.16 Inspection**

Upon reasonable notice from Bank to Client, Bank shall have the right to inspect Client's books and records and to make on-site visits to any and all Client locations with regard to all information deemed by Bank to be necessary or pertinent to Client's use of the RDC Service provided by Bank under this Agreement. Information subject to Bank's right of inspection shall include (but not be limited to) all information maintained by Client with respect to Client's Customers (which Client hereby represents and warrants to Bank that Client has received all necessary consents as may be required by Applicable Law to allow Bank to so inspect), vendors and processors (including audits) if, in the opinion of Bank, Client's relationship with such Client's Customers is materially related to Client's RDC transaction activity conducted through Bank under this Agreement. In addition, Bank, in its sole discretion, may from time to time require Client to provide a written acknowledgement of its compliance with the RDC Service requirements.

The following is a partial list of Client requirements, all of which are subject to audit by Bank:

- All RDC Service scanning equipment shall be maintained in a secure area and used only for the RDC Service.
- Computer equipment used to operate RDC Service software and/or prepare File Transmissions shall be regularly updated and patched for security (including use of and updating of firewall, virus protection, malware protection, anti-spam protection).
- Appropriate steps shall be taken to ensure that all RDC User identification information, passwords, authentication methods and any other applicable security procedures issued to Client's employees are protected and kept confidential.
- All checks scanned shall be original items, appropriately payable to the Client, and shall be properly endorsed prior to scanning.
- Images of each deposit made with RDC shall be reviewed internally prior to transmission to ensure high image quality.

- Original checks shall be properly secured after being scanned, and shall be physically destroyed after being held for at least 60 days, but not more than 90 days.
- All Client staff shall understand the need for proper user security, password controls and separation of duties.

### **7.17 Effect of Termination**

Any termination of RDC Services will not affect obligations arising prior to termination, such as the obligation to process any Checks or CIE Items, including returned items that were in the process of being transmitted or collected prior to the termination date. Within thirty (30) days after termination of this Service, Client will return or destroy all copies of the Licensed Software, as well as any documentation, manuals, and instructions relating to the RDC Service in its possession or under its control, and will, upon request, certify in writing that it has returned or destroyed all such copies. In addition, Client will keep its Account at Bank open until the later of (i) 60 days after the date of termination, or (ii) final payment with respect to all processing fees, and Client will keep in such Account an amount of immediately available funds sufficient to cover any remaining outstanding Checks or other items. If any such outstanding Checks or returned items exceed the amount immediately available in the Account, Client will promptly pay such excess to Bank upon demand. Client will also continue to retain Underlying Checks deposited in Client's Account by means of the RDC Service for the proper retention period. Client shall forward such Checks to Bank upon request, provided such Checks have not been destroyed pursuant to **Section 7.7**.

## **Section 8 Lockbox Services**

Bank may agree to provide Lockbox Services to assist clients in expediting receipt of checks and other payment instruments ("Remittances"). If so, Client will have its clients or client forward items to a special post office box designated by Bank ("Lockbox"). Prior to initiation of any Lockbox Service, Client must establish and maintain a demand deposit account with Bank ("Lockbox Account"). Some Lockbox Services are common to all Lockbox clients and some are optional.

### **8.1 Lockbox Account**

Client understands and agrees that the Agreement covers the Lockbox Service and does not cover the handling or the processing of checks drawn on any accounts Client may have with Bank. Except as modified by the Agreement, Remittances processed through the Lockbox remain subject to the terms and conditions of the Deposit Agreement. (For example, Client remains subject to its obligations on Remittances to the same extent as would be the case if checks were delivered by Client to Bank for direct deposit to an account with Bank, and items returned to Bank or a third party services provider after Lockbox processing may be charged against Client's account in the same manner as set forth in that Deposit Agreement.)

### **8.2 Post Office Box**

Client shall direct Client Customers or Clientele to mail payments to a special post office box(es) designated by Bank (i.e., the Lockbox /post office box(es) listed in the Enrollment Form). "Clientele" refers to an account debtor or anyone contributing contents to the Lockbox or the Lockbox Account. Bank may change the name or address of the Lockbox Account post office box at its sole discretion. Bank may designate more than one post office box and designate the receivables that are to be deposited in one or more of the Lockbox post office boxes. Bank or its agent shall pick up the Lockbox contents each Business Day and administer such contents according to the Lockbox Processing Procedures.

### **8.3 Payee Designation**

The payee designation on Lockbox Account checks should be a reasonable variation of the Client's business name. (Example Jake's Bike Shop, Jake's or any reasonable variation). If payee is not a reasonable variation, the Check may not be deposited. Notwithstanding the foregoing, Client agrees that unless Client provides a listing of acceptable payee names and/or unacceptable payee names in the Enrollment Form: (i) any checks addressed to the Lockbox may be deposited by Bank regardless of the payee designated on the check; and (ii) if the payee is blank, Bank may stamp in Client's name and the check will be deposited in the Lockbox Account. Client should provide Bank with a list of reasonable variations of its business name, including formal corporate names or trade names that may be used to identify its business.

## 8.4 Lockbox Reporting

Bank will make images of deposited items and accompanying documents available to Client through Bank's Lockbox Service web portal, by transmission or by delivering to Client a CD-ROM or other agreed upon physical medium. Transmissions will be sent to Client on a periodic basis as specified in the Enrollment Form and formatted in the file format specified in the Enrollment Form. Bank will send back to Client original items that are unacceptable for deposit, and any accompanying documents and other miscellaneous items received through the Lockbox that are related to such items.

## 8.5 Fees

The fees for the Lockbox Service are set forth in the Bank's Fee Schedule. All charges of Bank for post office box, Lockbox Account and other services rendered pursuant to this Section will be billed to Client and debited from the Lockbox Account (unless the parties agree to debit another Account). Client will be responsible for postage charges associated with postage due items.

## 8.6 Account Records and Verification Privileges

Bank shall maintain an imaged copy of each check deposited into the Lockbox Account for up to seven years from the date the image is created. Client may access check images through the Bank's Lockbox Service web portal for up to two years. Except as otherwise provided in **Section 8.8** "Correspondence", all Lockbox contents delivered to the post office box will be retained in accordance with Bank record retention procedures.

Client shall at all times keep correct and accurate records regarding Clientele's accounts, including the financial and payment records of the Clientele's accounts. These records shall be available during the Client's regular business hours on demand to the Bank's authorized officers, employees, or agents. Bank's officers, authorized employees, or agents shall have the right to verify the validity, amount or any other matter relating to any Clientele's accounts by mail, telephone, electronic means, or otherwise.

## 8.7 Payment Acceptance and Endorsement

Client authorizes Bank to endorse Remittances in Client's name. Client authorizes Bank to open the

envelopes and determine whether they contain any Remittances, Remittance statements, invoices, correspondence, checks, cash, papers, documents or other items. If cash is sent to the Lockbox with any materials sent to the Lockbox ("Remittance Materials"), the cash will be removed from the envelope containing the Remittance Materials and credited to Client's Account Client authorizes Bank to rent the Lockbox at the appropriate postal facility, to have custody of the keys or combinations and unrestricted and exclusive access to such box, and to collect the mail therein to be processed by Bank as agreed by the parties.

Bank shall process Remittances in accordance with following procedures:

- At enrollment each Lockbox is assigned, at Bank's discretion or that of a Vendor, a cutoff time dependent on the Lockbox Processing Procedures. The cutoff time assigned dictates when on a Business Day the last USPS mail is opened, all Remittances are encoded and deposited and when images and transmission files are available.
- In processing Remittances and Remittance Materials, Bank will follow the processing procedures set forth in the Lockbox Services Supplemental Documentation made available to Client (the "Processing Procedures").

If any payee on an item deposited by Bank in accordance with **Section 8.3** is a legal entity other than Client, Client represents and warrants to Bank and its Vendors that Client has the proper authorization from such payee (or if the item has a blank payee, from the drawer) (a) to have such check endorsed for deposit, and deposited, into the applicable account; and (b) for Bank and any Vendor(s) to perform Lockbox Services under this Agreement for such acceptable payee. Client agrees to indemnify Bank and its Vendors, along with their officers, employees, agents, representatives and subcontractors (individually and collectively, the "Indemnified Parties") against, and hold the Indemnified Parties harmless from, any Losses incurred by any of the Indemnified Parties as a result of, or in connection with, Bank's or any Vendor's failure to have such authorization. The indemnification set forth in this Section shall be in addition to, and not in lieu of, indemnification and other rights of Bank under the Terms and Conditions.

## 8.8 Correspondence

Any written correspondence received with payments (as well as any coupons or other items accompanying payments in the same envelope) will be imaged and retained for 90 Days from the date the image is created ("Image Date"), accept as otherwise agreed by Bank and Client. Client may access such images through the Bank's Lockbox Service web portal for two (2) years following the Image Date. Correspondence can also be forwarded to the Client (at Client's sole risk) for an additional fee as set forth in the Fee Schedule. Envelopes are imaged by request only and other items received (such as advertisements, magazines, etc.) will be rejected and returned to Client.

#### **8.9    Return Items**

In the event a Check deposited into the Lockbox Account is returned unpaid because of insufficient funds or uncollected funds, the Bank may either redeposit the Check or return the Check to the Client. The Bank shall debit the designated Lockbox Account for the amount of the returned Check along with the Bank's normal returned deposit item fee shown in the Fee Schedule.

#### **8.10   Lockbox Online**

Client shall not disclose any confidential password, logon identification, identification code, personal or location identification number, repetitive code, or similar security device (any of which, a "Lockbox Password") assigned to Client for use in accessing the Bank's Lockbox Service web portal, except to employees or agents authorized to act for Client in connection with the Lockbox Service. Client understands it is Client's responsibility to safeguard and manage any and all Lockbox Passwords associated with this Service and Client will change/update the Lockbox Passwords should circumstances regarding authorized access to the system change. Client acknowledges that the Bank has advised Client to change Lockbox Passwords on a routine basis. Client also understands that the Bank reserves the right to require Client to change Lockbox Passwords and could be prompted to do so at any time.

#### **8.11   Document Test**

Client agrees that acceptance of the Enrollment Form and performance by Bank is dependent on the successful test of Client's documents and transmission of file to Client, if applicable. After the Enrollment Form is accepted by Bank, Client agrees that it will not change, in

any respect, the document or its contents without thirty (30) day minimum prior written notification to Bank and subsequent acceptance, testing and approval by Bank. Bank reserves the right to test Client's documents from time to time.

#### **8.12   Adjustments**

If the Bank at any time determines that there is an inaccuracy in the Lockbox Account, or that an entry previously posted to the Lockbox Account was revoked or did not become final (including but not limited to the return of deposited items unpaid), then the Bank may debit such amount against the Lockbox Account or, if the Bank cannot obtain payment of such amount by debiting the Lockbox Account, the Client agrees to pay such amount to the Bank immediately upon demand.

#### **8.13   Authorized Agent**

Client is aware and understands that the Bank may contract with Vendors and other third party(s) to carry out the functions of this Section including, without limitation, authorizing the Clientele's items to be first deposited in a third party bank account before being credited to Client's Lockbox Account. Client may be required to enter into an agreement with a Vendor with regard to the Lockbox Services. Bank is not responsible for the acts or omissions of its Vendors and other third parties, and Client holds Bank harmless from and against any losses arising from the acts or omissions of Vendors or other third parties.

#### **8.14   Healthcare Lockbox**

The Bank offers a specific Service known as "Healthcare Lockbox" pursuant to which the Bank provides a healthcare remittance service processing payments and documents related to healthcare services. When you utilize the Healthcare Lockbox Service, you represent and warrant that by entering into and engaging in the activities contemplated by this Agreement you are not in violation of and will not be violating any agreements with third parties, including but not limited to, contracts with payers and/or consents and directives of patients, or any federal or state laws. You agree to comply with all applicable federal and state law regarding the privacy of health information, including but not limited to, the provisions of the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder, as amended from time to time

("HIPAA"). You understand and agree that, as necessary for the delivery of the Healthcare Lockbox Service, we and our contractors and agents may have access to and use of Protected Health Information, as that term is defined in HIPAA, which is transmitted or otherwise made available to us. You represent and warrant that you have, and will continue to have, the authority to allow us and our contractors and agents to have access to and use of such Protected Health Information.

## Section 9 Armored Courier Service

This **Section 9** sets forth the terms and conditions relating to the Armored Courier Service and is applicable to Clients who have executed an Armored Courier Service Enrollment Form and have entered into a contract (the "Armored Courier Agreement") with a Courier (defined below). Clients who wish to receive the Armored Courier Service must have a deposit Account with the Bank. The Armored Courier Service enables the use of a courier ("Courier"), which will pick up deposits from Client's place of business (or other designated location) and carry such deposits to Bank as detailed in your Armored Courier Agreement.

### 9.1 Courier Service

The Courier will arrive on the Business Days and times, or from time to time and as provided below on an "as-needed" basis, and at the locations agreed upon by Bank and Client in the Enrollment Form, to pick up deposits from Client, which deposits will be delivered by the Courier to Bank for Deposit into Client's Account(s). Bank shall, and is hereby authorized to: (i) open the Courier Secure Package (as defined below); (ii) process the contents thereof for deposit into the Account in accordance with Bank's standard deposit policies, Client's Account Disclosure Agreement, and any written instructions and/or deposit ticket(s) enclosed in the Courier Secure Package; and (iii) to transact such other business on behalf of Client as may be incidental and proper in connection with the deposit.

### 9.2 Client's Responsibilities

In order to protect both Client and Bank, Client shall have the following responsibilities in using the Courier Service:

A. Items placed with the Courier by Client for delivery to Bank shall be (i) restrictively endorsed "for deposit only" to the Account, (ii) enclosed in a sealed,

tamper-evident, shipment secure package furnished by Bank ("Courier Secure Package"), and (iii) accompanied by a deposit ticket, in duplicate, which lists the contents thereof. If the contents of the Courier Secure Package do not conform to the itemized list on the accompanying deposit ticket prepared by Client, Bank may deposit into Client's Account such items as are found therein and shall report any discrepancy to Client in a reasonable time and manner. The record of Bank shall be final and conclusive as to the contents of the Courier Secure Package, and the risk of any loss or shortage is expressly assumed by Client, who agrees to indemnify and hold Bank harmless therefrom.

B. Client shall maintain adequate and complete records of all items placed with the Courier, including but not limited to photocopies or other forms of copies of all items and deposit tickets, which copies shall be maintained, along with a copy of the deposit ticket, until Client has confirmed the deposit with Bank. Client will continue to receive regular Account statements that describe all transactions for the Accounts including the deposits that Client has sent to Bank through the Courier Service. Client agrees to promptly review the Account statement and to notify Bank within fourteen (14) Days of receipt of such statement of any discrepancies between Client's records of deposits with the Courier and the deposits reflected on such statement. Statements sent by any reasonable method, are conclusively presumed to have been received by Client five (5) Days after such statement was sent by Bank. If Client fails to notify Bank of any discrepancy within the requisite time period, the Account statement shall be conclusively presumed to have correctly documented deposits sent through the Courier Service.

C. Client agrees that the responsibilities of Client set forth above establish reasonable standards to govern the conduct of Bank and Client with respect to the Courier Service and acknowledges that such standards and all Security Procedures established by the Bank are necessary for the protection of both Bank and Client. Client acknowledges that the failure by Client to comply with such responsibilities and other Bank Security Procedures may result in lost, misdirected or late deposits.

### 9.3 Pick-Up of Courier Secure packages

Client shall have sealed Courier Secure Package(s) ready for pick-up upon Courier's arrival. Courier will not accept

items for transport that are not sealed by Client in a Courier Secure Package and shall not be obligated, nor authorized by you, to open or inspect the contents of any Courier Secure Package prior to its delivery by Courier to Bank.

#### **9.4 Fees**

Client agrees to pay to Bank the fees listed in the Bank's Schedule of Fees for the Courier Service.

#### **9.5 Deadline for Crediting of Deposits**

Any items received by Bank from the Courier after 12 p.m. local time ("Courier Cut-Off Time") on any Business Day or at any time on a day in which Bank is not regularly open for business need not be, and at the option of Bank shall not be, opened, verified or credited by Bank until Bank's next regular Business Day. The Courier Cut-Off Time may be adjusted by Bank with prior written notice to Client.

#### **9.6 Standard of Care**

Client agrees that Bank's responsibility to Client under this Section is limited to the exercise of ordinary care. Client further agrees that the occasional unintentional deviation by Bank from the procedures set forth herein or deviation in accordance with the telephone instructions of Client will not be deemed the failure to exercise ordinary care exercise ordinary care. Nothing in this Section shall be construed to enlarge any of Bank's duties under the Tennessee Uniform Commercial Code.

#### **9.7 Independent Contractor/Limits on Liability**

Courier is your independent contractor and is not an agent or employee of Bank. Bank helps coordinates Courier's provision of service as a convenience to you and Bank shall not be liable for any acts or omissions of Courier. As between Bank and Client, Client shall be solely responsible for all deposits while such deposits are in Courier's custody. Bank is not and shall not be considered an insurer of any deposits placed with Courier and shall not be responsible for, or have any liability for, any deposits until such deposits are received by Bank at the Bank's office/branch.

This **Section 10** sets forth the terms and conditions relating to the Smart Safe Deposit Service and is applicable to Clients who have executed a Smart Safe Deposit Service Enrollment Form and have entered into a contract (the "Smart Safe Agreement") with a Courier (defined in **Section 9** above). Clients who wish to receive the Smart Safe Deposit Service must have a deposit Account with the Bank. The Smart Safe Deposit Service enables provisional credits to be made to Client's Account based on the amount of cash deposited in safes containing electronic currency validating components ("Smart Safes") at Client locations designated in the Supplemental Documentation ("Client Locations"). Such cash would be picked up by Courier periodically and transported to Courier's vaults (the "Smart Safe Cash Delivery Services"). Ownership of the cash contained in the Smart Safe(s) would transfer to Bank upon delivery to Courier's vaults, and such cash amount would be credited to Client's Account as a final (versus provisional) credit.

#### **10.1 Designated Account**

All provisional credit advanced by the Bank under Smart Safe Deposit Service shall be posted to the Designated Account. Unless Client specifies a different Account in the Supplemental Documentation, the Designated Account will also be used for debits involving fees, returns and/or adjustments.

#### **10.2 Equipment**

All communication lines, terminals, equipment, computer software, and interface devices required to access the Smart Safe Deposit Service (together with the Smart Safe Deposit Service, the "Smart Safe Deposit System") and to transmit and receive data and information between Client's location(s), Bank's service center(s), and/or other necessary location(s) (collectively, ("Client Equipment")) are subject to approval by Bank and shall be compatible with the Smart Safe Deposit System. Client understands and agrees that it is solely responsible for the operation, maintenance and updating of all equipment, software and services used in connection with the Smart Safe Deposit Service and the cost thereof.

#### **10.3 Input**

As between Bank and Client, Client shall be solely responsible for the input, transmission, or delivery to and

from Bank of all information and data required by Bank to perform the Service. Client shall determine and be responsible for the authenticity, accuracy, and completeness of all information, data, and instructions submitted to Bank. Bank is not obligated to check for errors or omissions in any such information, data, or instructions and/or to correct, cancel or amend any action in connection with the Service once Bank has received instructions to complete such action.

#### **10.4 Service**

The Smart Safe Deposit Service allows for advances of provisional credit to the Designated Account, based upon the amount of cash inserted into Smart Safes at Client Locations. The availability of the Service is contingent upon the existence of the Smart Safe Agreement and the Bank's ability to receive Client Smart Safe data (including, without limitation, electronic cash files) from Courier and/or Bank's vendor.

#### **10.5 Information Sharing**

Client hereby grants the Bank the authority to receive/retrieve information related to Smart Safe deposit activities and Courier cash deliveries and receipts from a web portal designated by Courier (the "Smart Safe Portal") as well as electronic cash files and other data files sent to Bank by Courier and/or Bank's vendor and to otherwise communicate with Courier and/or Bank's vendor regarding your cash levels, delivery schedules, validation reports and other information concerning your involvement in Courier's Smart Safe Cash Delivery Services. This data may be used by the Bank and shared with third parties (including without limitation the Bank's vendor(s)) and the Courier to deliver the Service (including, without limitation, to provide data for the Smart Safe Portal).

#### **10.6 Credit Advances**

Client will only place United States currency in the Smart Safe(s). Client may not remove currency from the Smart Safe once it has been inserted. In the event Smart Safe(s) at one or more Client Locations are used to generate an electronic cash file (a "Smart Safe Deposit File") by or before the cut-off time set forth in the Cut-Off Time Schedule on a Business Day, Bank shall make provisional credit advances to the Designated Account on the same Business Day in an amount equal to any new cash that has been deposited into the Smart Safe(s) since the last

Smart Safe Deposit File (each of which, a "Credit Advance"). If a Smart Safe Deposit File is generated after the cut-off time on a Business Day or on a non-Business Day, the Credit Advance may not be made until the next Business Day.

#### **10.7 Verification of Smart Safe Deposit Files**

After Courier has transported Client's cash to Courier's facility, Courier shall verify the amount of cash received. Courier's verification of cash amounts deposited in Smart Safe(s) and received at Courier's facility (or other facility as agreed by Client) shall be final and binding on Client under this Agreement (the "Verified Amount") and Client shall be responsible for any discrepancy between any Smart Safe Deposit File and the Verified Amount (including but not limited to, discrepancies stemming from damage to the Smart Safe, a missing Smart Safe, Courier's failure to perform, or theft of contents (whether directly from safe or during transit by Courier)). Client shall be responsible for repaying, without limitation, Credit Advance(s) regardless whether they exceed the cash amounts contained in any Smart Safe Deposit File(s). Provisional credit may be revoked if currency has not been received at Courier's facility within eight (8) Business Days from the related Credit Advance. In such case, the provisional credit that was initially provided will be reversed (i.e., the Designated Account will be debited in the amount of the provisional credit).

#### **10.8 Ownership of Cash**

As between Client and Bank, Client shall retain ownership and risk of loss of any cash in the Smart Safe(s) until delivery of such cash to Courier's facilities. Upon Courier's delivery of such cash to Courier's facilities (a "Cash Delivery"), ownership of all such cash shall transfer to Bank. Client agrees that Bank shall have the right, in its sole discretion, to transfer ownership of any cash in the Smart Safe(s) from Client to Bank immediately upon notice to Client and Courier ("Notice Transfer"). Client agrees that Bank shall have a priority lien with regard to any cash in the Smart Safe(s) (up to the amount of any outstanding balance in the Designated Account) to secure Client's obligations under this Agreement and/or any deposit account agreement covering such Designated Account.

#### **10.9 Application of Cash Credits to Designated Account**

Bank shall credit the Deposit Account for the amount of any cash transferred to Bank following each Cash Delivery or Notice Transfer (each a "Cash Credit"). (Such Cash Credits may take the form of finalizing provisional credits and/or new final/non-provisional credits.) Client agrees that Cash Credits may be adjusted up or down to reflect Verified Amounts. (For example, any mutilated currency and coins would be dealt with separately and would not be included in a Verified Amount.)

#### **10.10 Non-cash Items**

Bank shall have no obligations or liability under this Agreement with regard to any contents of the Smart Safe(s) other than cash, including without limitation checks, other negotiable items, or any other securities or personal property, regardless whether such property is transferred to Courier or retained by Client.

#### **10.11 Client Review; Responsibility for Accounts**

Client shall review all reports furnished by Bank for accuracy, and shall work with Bank to reconcile any out of balance conditions or discrepancies. As applicable, Client shall be responsible for balancing its accounts each Business Day and notifying Bank promptly of any errors or discrepancies. If Client so notifies Bank, Bank shall, at its expense, promptly re-compute accounts affected by discrepancies solely caused by the Bank or provide for another mutually agreeable resolution. Bank will use commercially reasonable efforts to correct errors attributable to Client or Client's other third party servicers. Reconstruction of error conditions attributable to Client or to third parties acting on Client's behalf will be done at Bank's then-current professional services rates.

#### **10.12 Client Systems; Client Notification**

Client shall ensure that Client's networks and computer systems ("Client Systems"): (i) are capable of passing and/or accepting data from and/or to the Smart Safe Deposit System, and (ii) include up-to-date anti-viral software designed to prevent viruses from reaching the Smart Safe Deposit System through Client Systems. Client agrees that it shall notify Bank as soon as possible upon becoming aware of any incident of unauthorized access to the Smart Safe Deposit System.

#### **10.13 Insurance; Liability**

Client shall obtain insurance protecting against any loss of cash in the Smart Safes at the Client Locations not otherwise guaranteed by Courier. You acknowledge and agree that you are fully responsible for the cash contained within the Smart Safes and (as between Bank and Client) bear the sole risk of theft, robbery, fire, or risks of loss involving the cash until such time as such cash is delivered to Courier's facility and ownership of such cash is transferred to Bank. You agree that the Courier is acting solely as your agent under this Agreement. Bank does not directly handle, store or transport any currency, and will not in the future handle, store or transport any currency, for or on behalf of the Client in connection with the Smart Safe Deposit Service. The Bank shall not be held liable for any malfunction or delay related to any equipment provided to Client by Bank, any other equipment provided to Client by Courier, Courier's web portal(s), or other issues related to mechanical or technical difficulties involving Courier or Client, in receiving or processing any information concerning Smart Safe Deposit Files, Verified Amounts, Credit Advances, Cash Deliveries or Cash Credits (whether such information is transmitted/processed by the Client, Courier and/or Bank's third party service provider).

#### **10.14 Termination**

Client will keep any Designated Account(s) at Bank open until the later of (i) 30 days after the date of termination of this Service, or (ii) final payment with respect to all fees, and will keep in such Account(s) an amount sufficient to cover any remaining outstanding obligations.

### **Section 11 Zero Balance Account Service**

This **Section 11** sets forth the terms and conditions relating to the Zero Balance Account Service and is applicable to Clients who have executed a Zero Balance Account Service Enrollment Form. Clients who wish to receive the Zero Balance Account Service must have at least two (2) deposit Accounts at the Bank. The Zero Balance Account Service allows clients to concentrate their funds in one, central business checking Account, called a Master Account. If the Target Balance for Subsidiary Accounts is set at zero, the Zero Balance Account Service will sweep all available funds from Subsidiary Accounts to the Master Account, and when an item is presented against a Subsidiary Account, funds are swept back from the Master Account to cover the item.

Unless otherwise provided in the Enrollment Form, if the Target Balance for a Subsidiary Account(s) is set above zero, funds will be transferred between the Subsidiary Account(s) and the Master Account to bring the respective balance(s) of the Subsidiary Account(s) to the Target Balance. Unless otherwise provided in the Enrollment Form, one or more Subsidiary Accounts may fall below the Target Balance in the event there are not enough funds in the Concentration and Subsidiary Account(s) to maintain the Target Balance for each Subsidiary Account.

### **11.1 Zero Balance Account Service**

By executing a Zero Balance Account Service Enrollment Form, Client will designate a Master Account and one or more Subsidiary Account(s), as well as a Target Balance for each Subsidiary Account. Client may make deposits, issue Checks and other debits drawn against any Account designated as a Subsidiary Account or Master Account, regardless of the then-current balance in that Account. At the end of each Business Day, Bank will engage in the Settlement Process to transfer funds as necessary so that at the end of the Settlement Process, each Subsidiary Account will contain the Target Balance designated for that Account. Funds will be transferred as necessary:

- from the Master Account to each Subsidiary Account, and/or
- from each Subsidiary Account to the Master Account, to cause the balance of the Subsidiary Account to contain the Target Balance.

Notwithstanding the language in this **Section 11** regarding maintenance of Target Balances and/or Account balances, in the event the Enrollment Form conflicts with such language, the Enrollment Form shall control.

### **11.2 Rejected and Dishonored Debits**

**A. Client Obligation.** Client shall not issue any items drawn on any Subsidiary Account or the Master Account if the aggregate amount of all such items would exceed the aggregate immediately available funds on deposit in the Master Account and Subsidiary Account(s).

**B. Master Account Overdrafts.** Bank is not required to honor any items drawn on any Subsidiary Account or the Master Account if the immediately available funds on deposit in the

Master Account and Subsidiary Account(s), in aggregate, would be insufficient to pay items.

### **11.3 Bank Options**

Bank may reverse the transfer of any funds in whole or in part between a Subsidiary Account and the Master Account and then reject any items not finally paid if, for any reason, any Subsidiary Account or the Master Account would have a negative balance at the end of the Settlement Process.

## **Section 12 Business Sweep Service**

This **Section 12** sets forth the terms and conditions relating to the Business Sweep Service and is applicable only to Clients who have executed an Enrollment Form requesting the Business Sweep Service. Clients who wish to receive the Business Sweep Service must have a deposit Account at the Bank. For Clients enrolled in the Zero Account Balance Service and Business Sweep Service, the Zero Account Balance Service will be performed before the Business Sweep Service for the relevant Accounts.

The Business Sweep Service is an integrated financial service in which excess collected funds above Client's Target Balance in the Designated Account specified on the Enrollment Form (the "Operating Account") shall be transferred by the Bank daily from the Operating Account and into an investment and/or credit line sweep selection designated by Client in such Enrollment Form.

Client authorizes Bank to debit and credit the Account(s) in accordance with the sweep arrangement selected and described in the Enrollment Form, including, without limitation, as may be needed from time to time to cover Checks and other charges to the Operating Account and to maintain in the Operating Account a collected balance of no less than the Target Balance designated in the Enrollment Form. Bank reserves the right to change from time to time the amount of the Target Balance.

### **12.1 Service Features**

On each Business Day, Bank will determine the collected balance (i.e., the ending ledger balance minus provisional credits for which final payment has not been received by the Bank) in the Operating Account for the previous Business Day (the "Collected Balance") and conduct sweep transactions as follows:

- a. Three Way Sweep: If the “Three Way Sweep” is selected, sweep transactions will be handled as follows:
  - i. Collected Balances in the Operating Account in excess of the Target Balance will be swept to the interest bearing account or Repurchase Investment Account designated in the Enrollment Form (either of which, the “Investment Account”). If there is an outstanding principal balance on the Client’s line of credit designated on the Enrollment Form (“LOC”), however, excess funds from the Operating Account will first be used to reduce the outstanding principal balance.
  - ii. If the Collected Balance in the Operating Account is less than the Target Balance, the Bank will sweep funds from the Investment Account and deposit them into the Operating Account to restore the Collected Balance in the Operating Account to the Target Balance.
  - iii. If the Collected Balance in the Operating Account is less than the Target Balance and there are insufficient funds available in the Investment Account, the Bank is authorized and directed to advance funds, up to the line availability, from the LOC (if any) in an amount sufficient to restore the Collected Balance in the Operating Account to the Target Balance.
- b. Investment Sweep: If “Investment Only Sweep” is selected, sweep transactions will be handled as follows:
  - i. Collected Balances in the Operating Account in excess of the Target Balance will be swept into the Investment Account designated in the Enrollment Form.
  - ii. When the Collected Balance in the Operating Account is less than the Target Balance, the Bank will sweep funds from the Investment Account and deposit the funds into the Operating Account to restore the Collected Balance in the Operating Account to the Target Balance.
- c. Loan Sweep: If “Loan Only Sweep” is selected, the Bank is authorized and directed to handle sweep transactions as follows:
  - i. Collected Balances in the Operating Account in excess of the Target Balance are used to reduce the outstanding principal balance, if any, on the Client’s LOC designated during enrollment. When the outstanding principal balance on the LOC is paid in full, Collected Balances in the Operating Account in excess of the Target Balance will remain in the Operating Account.

- ii. In the event that the Collected Balance in the Operating Account is less than the Target Balance, the Bank is authorized and directed to advance funds, up to the line availability, from the Client’s LOC in an amount sufficient to restore the Operating Account to the Target Balance.

## 12.2 Line of Credit Requirements

LOC principal payments and advances are subject to the terms and conditions of the LOC documents between Client and Bank. There are restrictions on the types of loans that are eligible for the Sweep Service.

Client acknowledges that participation in the Business Sweep Service is not a condition of Client’s LOC and that Client may terminate the Business Sweep Service and thereafter make requests in such other manner as Bank may choose to accept for each advance.

Bank may delay or discontinue, without notice, advances from the LOC pursuant to the Business Sweep Service in the event of any one or more of the following circumstances: (i) any insufficiency of Client’s available credit under the LOC or any other circumstances which would excuse Bank from advancing funds under LOC; (ii) termination of the Operating Account or LOC, or (iii) pursuant to any other applicable termination provisions set forth in this Agreement.

## 12.3 Termination of Service

Bank or Client may terminate the Business Sweep Service effective upon three (3) Business Days’ written notice to the other party.

## 12.4 Service Fees

The Client agrees to pay a monthly fee to Bank for the Business Sweep Service in an amount as set forth in the Bank’s Fee Schedule. Client acknowledges that the fee is intended to compensate the Bank, in whole or part, for checking services and not as compensation for the line of credit (if any). Bank may collect all fees and charges not otherwise paid to it by deducting them as they are due from the Sweep Account or Operating Account, from any principal or interest being credited to such Accounts, from any other deposit Account maintained by Client with Bank, or through an Account Analysis charge.

## Section 13 Overnight Repurchase Transactions

This **Section 13** sets forth the terms and conditions relating to overnight repurchase investment transactions and is applicable only to Clients who execute an Enrollment Form for the Business Sweep Service and select the option for the Repurchase Investment Account ("Repurchase Sweep Service"). Clients who wish to receive the Repurchase Sweep Service must have a deposit Account at the Bank. By signing the Business Sweep Service Enrollment Form for the Repurchase Investment Account, Client requests Bank to apply certain cash balances in the Designated Account at the end of each Business Day to a Repurchase Investment Account established at the Bank on behalf of the Client. The Repurchase Investment Account shall reflect the value of the Client's investment made in accordance with the terms of this Section.

### 13.1 Investment Authorization

As part of the Repurchase Sweep Service, Client and Bank agree to enter into transactions from time to time under which Bank agrees to transfer to Client an interest in securities within the meaning of the Government Securities Act of 1986 (such securities hereinafter "Securities" and such interest a "Repurchase Investment") against the transfer of funds by Client, with a simultaneous agreement by Client to re-transfer to Bank such interest in such Securities at a date certain or on demand, against the transfer of funds by Bank. Each such transfer shall be referred to in this Agreement as a "Repurchase Transaction" and shall be governed by this Section.

The Client authorizes the Bank on each Business Day to debit and credit (i) the Designated Account listed on the Enrollment Form and (ii) the Repurchase Investment Account in accordance with the arrangements described in this Section. On each Business Day, Bank will determine the collected balance (which may not coincide with the ledger balance, nor the time by which Bank actually receives provisional or final credit for Checks or similar items deposited into the Designated Account) in the Designated Account for the previous Business Day and deduct any amounts in excess of the Target Balance specified in the Enrollment Form. Such amounts will be used for Repurchase Investments (the "Repurchase Investment Account Collected Balance"). Client may be required to maintain a compensating balance (i.e., a minimum balance). This compensating balance may not

be eligible for earnings credit on Client's Account Analysis.

Repurchase Investments mature on the first Business Day following the date Bank makes such investment. Upon the maturity of each Repurchase Investment, Bank will automatically apply the proceeds thereof, including the principal amount of the investment, plus any interest (calculated as set forth in **Section 13.5** below), to the Designated Account. Such interest shall be (i) simple interest, not compounded, (ii) calculated based on a 360-day year, considering the Repurchase Investment Account Collected Balance as principal, to include any such collected balance in excess of the Maximum Investment Amount, and (iii) paid monthly or at maturity. Client's Account Analysis balance will be adjusted accordingly, if applicable.

### 13.2 Presumption of Receipt of Communications

Account statements and other communications may be sent to the address in the Bank's records for Client's deposit Account(s) or at such other address as Client may later specify in writing pursuant to **Section 1.5.A**. Client agrees to notify Bank immediately of any errors or discrepancies between Client's records and the information Bank provides concerning Client's accounts or transactions. If Client does not notify Bank of any errors within a reasonable time (not to exceed 14 days) of the statement mailing date, the statement shall be deemed to be correct.

### 13.3 Statements and Confirmations

A Repurchase Investment Account statement will be sent to Client each month, and in addition, Bank will send Client a daily confirmation notice for any Repurchase Investment made setting forth the specific terms of the transaction ("Confirmation"). Client acknowledges that delivery of the confirmations and statements by U.S. mail, overnight delivery services, fax, or e-mail is acceptable.

The Confirmation shall describe the purchased Securities for that Repurchase Transaction (including CUSIP number, if any, the issuer, maturity date, coupon rate, par amount and market value), shall identify the buyer (i.e., the Client) and the Bank, and shall set forth (i) the purchase date (ii) the purchase price, (iii) the repurchase date unless the Repurchase Transaction is to be terminable on demand of either party, in which case the

Confirmation shall state “on demand,” “EFN” (until further notice) or other suitable abbreviation indicating that the Repurchase Transaction is terminable on demand, (vi) the annual percentage rate applicable to the Repurchase Transaction (as determined pursuant to this **Section 13**), and (v) any additional terms or conditions of the Repurchase Transaction not inconsistent with this **Section 13**. The Confirmation, together with this **Section 13**, shall constitute conclusive evidence of the terms agreed between the Client and the Bank with respect to the Repurchase Transaction to which the Confirmation relates, unless specific objection is promptly made in writing concerning the terms of the Confirmation after the Client’s receipt of the Confirmation. In the event of any conflict between the terms of such confirmation and this Agreement, this Agreement shall prevail.

#### **13.4 Nature of Repurchase Transactions**

The parties intend that all Repurchase Transactions be considered sales and purchases and not loans. However, in the event any Repurchase Transaction is deemed to be a loan, the parties intend that Bank shall be deemed to have granted to Client a security interest in the Securities described in the applicable Confirmation for the purpose of securing payment of the repurchase price. Client shall not sell, transfer, pledge, hypothecate or assign its interest or rights with respect to this Section or any Repurchase Transaction. Bank shall be entitled to receive and retain all principal, interest, dividends, distributions and other income payable with respect to the purchased Securities, whether or not made or becoming due during the term of the Repurchase Transaction.

#### **13.5 Maturity**

Repurchase Investments mature on the first Business Day following the date Bank made such investment. Upon the maturity or earlier termination of a Repurchase Transaction, all right, title and interest of Client in and entitlement to the purchased Securities subject to such Repurchase Transaction shall be deemed re-transferred to Bank, and Bank shall pay Client the repurchase price in accordance with the terms of this Section.

The “repurchase price” with respect to a Repurchase Transaction means the purchase price for such Repurchase Transaction plus the aggregate amount obtained by daily application of the applicable interest rate selected by the Bank for such Repurchase

Transaction (the “Repurchase Rate”) to the purchase price considering the ending collected balance for the Repurchase Investment Account as principal, to include any balance in excess of the Maximum Investment Amount. Client acknowledges that Bank may establish varying Repurchase Rates for Repurchase Transactions of varying denominations. Interest will be calculated as simple interest using a 360 day per year basis for the actual number of days in the period beginning on and including the purchase date for such Repurchase Transaction and ending on but excluding the repurchase date for such Repurchase Transaction.

#### **13.6 Collateral**

Repurchase Investments shall be collateralized, up to the amount, if any, specified in the Enrollment Form (the “Maximum Investment Amount”), by securities issued by the U.S. Treasury, or by agencies sponsored by the U.S. Government, such as “Fannie Mae,” “Freddie Mac,” “Federal Home Loan Bank,” and other comparable issuers. In the event the Repurchase Investment exceeds the Maximum Investment Amount, any amount above the Maximum Investment Amount shall not be collateralized.

#### **13.7 Payment**

All payments shall be made in immediately available funds. Client authorizes Bank to charge against any of Client’s deposits or other Accounts held by Bank the purchase price of Repurchase Transactions initiated under the Repurchase Sweep Service and to credit thereto the repurchase price due to Client upon the maturity or earlier termination of any Repurchase Transaction. Client will at all times be liable for the payment upon demand of any debit balance in, or other obligation relating to, the Designated Account and/or Repurchase Investment Account. If after demand, Client fails to pay any amounts owing, Bank may close the Designated Account and/or Repurchase Investment Account and liquidate the assets in an amount sufficient to pay Client’s indebtedness. Client authorizes Bank to apply or set off at any time and without further notice, any Repurchase Investment and the proceeds thereof to or against any indebtedness, whether now existing or hereinafter created and whether direct or indirect, which at any time may be owed by Client to Bank.

#### **13.8 Use of Employee Plan Assets**

If assets of an employee benefit plan subject to any provision of the Employee Retirement Income Security Act of 1974 ("ERISA") are intended to be used by either party hereto (the "Plan Party") in a Repurchase Transaction, the Plan Party shall so notify the other party prior to the Repurchase Transaction. The Plan Party shall represent in writing to the other party that the Repurchase Transaction does not constitute a prohibited transaction under ERISA or is otherwise exempt therefore, and the other party may proceed in reliance thereon but shall not be required so to proceed.

### **13.9 Segregation of Purchased Securities**

Client shall not receive legal title to or actual possession of the purchased Securities and shall not receive or have a right to the benefit of any increase in market value of the purchased Securities, which value will vary from day to day. Until the maturity or earlier termination of a Repurchase Transaction, Bank (or its agent) shall retain custody and possession of all purchased Securities. To the extent required by Applicable Law, Bank (or its agent) shall segregate all purchased Securities from other Securities in its possession and shall identify Client's interest in such purchased Securities. Segregation may be accomplished by appropriate identification on Bank's (or its agent's) books and records.

### **13.10 Required Disclosure for Repurchase Transactions in Which Bank Retains Custody of Purchased Securities**

BANK IS NOT PERMITTED TO SUBSTITUTE OTHER SECURITIES FOR THE PURCHASED SECURITIES AND THEREFORE MUST KEEP CLIENT'S SECURITIES SEGREGATED AT ALL TIMES, UNLESS IN THIS AGREEMENT CLIENT GRANTS BANK THE RIGHT TO SUBSTITUTE OTHER SECURITIES. IF CLIENT GRANTS THE RIGHT TO SUBSTITUTE, THIS MEANS THAT CLIENT'S SECURITIES WILL LIKELY BE COMMINGLED WITH BANK'S OWN SECURITIES DURING THE TRADING DAY. CLIENT IS ADVISED THAT DURING ANY TRADING DAY THAT CLIENT'S SECURITIES ARE COMMINGLED WITH BANK'S SECURITIES, THEY MAY BE SUBJECT TO LIENS GRANTED BY BANK TO THIRD PARTIES AND MAY BE USED BY BANK FOR DELIVERIES ON OTHER SECURITY TRANSACTIONS. WHENEVER THE SECURITIES ARE COMMINGLED, BANK'S ABILITY TO RESEGREGATE SUBSTITUTE SECURITIES FOR CLIENT WILL BE SUBJECT TO BANK'S ABILITY TO SATISFY ANY LIEN OR TO OBTAIN SUBSTITUTE SECURITIES.

### **13.11 Substitution**

The parties expressly agree that Bank shall be deemed, for purposes of **Section 13.10**, to have agreed to and accepted substitution by Bank of other Securities for purchased Securities (i.e., Securities transferred by the Bank on its books to the Client as part of a Repurchase Transaction); provided, however, that such other Securities shall have a market value at least equal to the market value of the purchased Securities for which they are substituted.

### **13.12 Disclosures and Acknowledgments**

1. CLIENT ACKNOWLEDGES THAT THE FUNDS HELD BY BANK PURSUANT TO A REPURCHASE TRANSACTION ARE NOT A DEPOSIT AND THEREFORE ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE UNITED STATES GOVERNMENT OR ANY OTHER GOVERNMENTAL AGENCY.

2. The parties agree and acknowledge that each Repurchase Transaction is a "repurchase agreement" as that term is defined in Section 101 of Title 11 of the United States Code, as amended (except insofar as the type of Securities subject to such Repurchase Transaction or the term of such Repurchase Transaction would render such definition inapplicable), and a "securities contract" as that term is defined in Section 741 of Title 11 of the United States Code, as amended (except insofar as the type of assets subject to such Repurchase Transaction would render such definition inapplicable).

3. The parties agree and acknowledge that each Repurchase Transaction hereunder is a "qualified financial contract," as that term is defined in Federal Deposit Insurance Act and any rules, orders or policy statements thereunder (except insofar as the type of assets subject to such Repurchase Transaction would render such definition inapplicable).

4. Client further understands that Client's funds held in a Repurchase Investment:

- **are not insured or guaranteed by the FDIC or any other governmental agency;**
  - **are not deposits in or obligations of Bank or any affiliate;**
  - **are not guaranteed by Bank, or any other affiliate;**
  - **In the event the FDIC were appointed receiver for the Bank in conjunction with a failure of the Bank:**

- i. **Client funds held in the Client's deposit Account as of the Cutoff Point (defined herein below) would be recognized by the FDIC as deposits belonging to the Client and would be insured by the FDIC subject to FDIC insurance rules and limits. "Cutoff Point" means the point in time established by the FDIC after it has been appointed receiver of a failed financial institution and takes control of the failed financial institution.**
- ii. **Client funds swept out of the Designated Account as of the Cutoff Point and used to purchase interests in Securities (as defined in this Section 13, which governs Repurchase Investments) pursuant to this Section 13 would be not be recognized by the FDIC as constituting a deposit at the Bank and would not be covered by FDIC insurance. Instead, the FDIC should recognize Client's perfected security interest in such Securities and would recognize the then-current market value of such Securities.**

## Section 14 Controlled Disbursement Service

This **Section 14** sets forth the terms and conditions relating to the Controlled Disbursement Service and is applicable only to Clients who have executed an Enrollment Form requesting the Controlled Disbursement Service. Clients who wish to receive the Controlled Disbursement Service must have a deposit Account at the Bank and shall designate one or more deposit Accounts used to pay Checks via the Controlled Disbursement Service (each a "Controlled Disbursement Account") as well as a deposit account (the "Master Funding Account") used to fund the Controlled Disbursement Account(s).

### 14.1 Controlled Disbursement Service Description

Bank's Controlled Disbursement Service captures data early each Business Day on incoming checks being presented for payment against your designated Controlled Disbursement Account, and compiles that information into a report which Bank provides to you, normally by 10:00 a.m. CT, 11:00 a.m. ET. Client may elect to receive the report via secured email which will show the amount of funds you need in the Controlled Disbursement Account to cover checks that will clear that Business Day.

Client understands and agrees that the information in the daily report Bank provides to Client with the

Controlled Disbursement Service is dependent upon Bank's capture of information from Checks presented by the Federal Reserve, other financial institutions, and individuals over the Bank's teller counters. Accordingly, in some instances Bank may be able to provide an estimated figure only, and Client should treat each Business Day's total as such. Bank cannot guarantee any amount or the finality thereof, or the time by which the report will be available to Client on a given Day. Client agrees that Bank will have no responsibility or liability to Client or any other person for any inaccuracies or incompleteness in information reported caused by circumstances beyond Bank's control or other reason other than Bank's gross negligence, willful misconduct, or criminal conduct.

### 14.2 Controlled Disbursement Funding Obligations

Bank will provide Client with a unique bank routing/transit number for use on Checks drawn on the Controlled Disbursement Account. The Controlled Disbursement Service reports only checks which are being presented for payment against the Controlled Disbursement Account. Any non-check transactions (ACH debits, wire transfers, or returned deposited items) will not be reported. If Client elects to use the Controlled Disbursement Account for any types of debits other than Checks, or for making deposits other than intended to satisfy your daily funding activity, Client is solely responsible for maintaining sufficient available funds to cover all debits posting to the Controlled Disbursement Account each day, beyond the daily funding amount necessary to cover checks. If any Bank or other fees are assessed directly against the Client's Controlled Disbursement Account, Client will be advised of such fees and Client will be responsible for ensuring that sufficient funds are in the Controlled Disbursement Account to cover them the date they are assessed.

If Client has the Controlled Disbursement Service with intraday funding, then Client will have one or more Controlled Disbursement Accounts and a Master Funding Account. Throughout the Business Day, debits and credits in the Controlled Disbursement Accounts build together a net debit or net credit balance. After the final Controlled Disbursement Account presentation, each Controlled Disbursement Account balance is automatically reviewed and returned to a zero balance by any internal debit or credit funds transfer, with an offsetting entry to the Master Funding

## Account.

Client shall fund the Master Funding Account no later than end of the Day we notify you to do so and in the amount of the Checks to be paid. If Client fails to so fund the Master Funding Account, Bank will not be obligated to create an overdraft and may return Checks unpaid.

Client agrees not to use the Controlled Disbursement Account for any of the following purposes, unless such is prefunded: payroll disbursement, tax payments or loan payments.

## Section 15 Integrated Receivables Service

This Section 15 sets forth the terms and conditions of Bank's Integrated Receivables Service ("Integrated Receivables"). Clients who wish to receive Integrated Receivables Service must have a deposit Account at Bank and execute an Enrollment Form for the Service.

### 15.1 Integrated Receivables Service Description

The Integrated Receivables Service consolidates and formats receivables information, facilitates the reconciliation of this receivables information with payments received from Client's payers that were credited to Client's deposit Account and provides outputs of electronic data reports regarding receivables and related payments. The term "receivables information" refers to information regarding Client's outstanding or paid receivables, invoices, remittance data, payment advices or other related data for which Client is to receive payment.

Bank shall deliver or provide access to Integrated Receivables for the ability to receive payments electronically that are initiated by Client or Client's customers through an online banking application or a bill payment service provider, according to the format, schedule and via the method of electronic transmission agreed upon by the parties. Any changes to the formats or methods shall only be made upon mutually acceptable terms and conditions and at Bank's then-current rates. Requests by Client for additional records and information are subject to the mutual agreement of the parties and Client will be responsible for Bank's costs in creating and delivering such additional records. Bank's obligation to perform any Integrated Receivables Service is subject to Client's timely performance of all activities on which Bank's performance depends. Bank will credit the designated Account in an amount equal to the payment received and debit the Account in an amount equal to any

returns or reversals.

- Client acknowledges that Bank's ability to process payments via Integrated Receivables in a timely and accurate manner is dependent upon data being provided by Client, Client's third party provider, or Client's customers. Bank has no obligation (i) to confirm or verify the accuracy, completeness, authenticity, validity or timeliness of the receivables information received from Client or its payers, or (ii) to confirm or to verify the identity of the sender of receivables information or a related payment.

- Client agrees that it will not include any Restricted Information with any receivables information submitted to Bank and that Client will instruct its payers that they must not include any Restricted Information with any receivables information that your payers submit to Bank. Client assumes all responsibility and liability for any Restricted Information which Client or its payers include in any submissions of receivables information. Client agrees to indemnify, hold harmless and defend Bank against any and all liabilities, claims, costs, expenses and damages of any nature (including legal expenses) arising out of or relating to the inclusion of any Restricted Information by Client or its payers in any submissions of Receivables Information.

We will have no responsibility or liability in connection with any damages as a result of any error made due to the actions taken by you through the use of Service or the website.

The reporting provided by this Service is not intended to be used as substitute for Client's review of its deposit Account bank statement, and Client's obligations under this Terms and Conditions and/or the Account agreements to alert Bank of any errors or discrepancies remain.

### 15.2 Service Instructions; Single Administrator Indemnification

Client authorizes Bank to act on any instruction regarding the Service that is provided to Bank by one of Client's users or that is provided by any other person where the instruction is communicated in a session verified with a user name and password issued to a Client users. Client acknowledges and agrees that by using the Service a Client user may submit an instruction for the Service, and Bank will act on such instruction, without a review, confirmation or approval by a second (different) user.

Client acknowledges that the Service does not offer Client

an option of dual administration or dual user authorization with respect to all Service related instructions sent to Bank. Client is requesting access to and use of the Service despite the absence of dual administration and dual user requirements, and Bank agrees to permit such access and use of the Service in this manner in consideration of the following agreements:

- Client agrees that Bank will have no responsibility or liability in connection with any use or misuse of the Service, or of services, accounts or information accessed via the Service, directly or indirectly, that would not have occurred had the Service offered dual administration and dual user requirements. For the avoidance of doubt, Client hereby waives any and all claims Client may have against Bank in connection with any loss, theft, misappropriation, cost, expense, damage or liability Client may suffer or incur as a result, directly or indirectly, of the absence of dual administration and dual user authorization for access to the Service.

Client agrees to indemnify Bank and hold Bank harmless from Bank any and all liabilities, claims, costs, expenses and damages of any nature (including Legal Expenses) ("Damages") arising out of or relating to disputes or legal actions by parties other than Client and Bank, in connection with any use or misuse of the Service, or of services, accounts or information accessed via the Service, directly or indirectly, in the absence of dual administration and dual user authorization for access to the Service. This indemnity will survive any termination of the Service.

Bank will have no responsibility or liability in connection with the completeness, accuracy or timeliness of any

receivables information provided to Bank or extracted by Bank from the submitted receivables. In the event that such receivables information is incomplete, unclear, incorrect, vague or ambiguous or provided in a form that is unacceptable to Bank, Bank is entitled to reject such information and/or not process it further within the Service.

Bank will have no responsibility or liability in connection with any damages arising from, or as a result of, any delay or failure on our part to provide the Service or any error, action, or omission on the part of Client in using the Service or Client payers in providing the receivables information.

Bank will have no responsibility or liability in connection with the accuracy, timeliness and reconciliation of the receivables information accessed in connection with the Service. Client expressly agrees that all features utilized, and all actions taken, by Client in connection with the Service are taken in Client's sole discretion and under Client's sole responsibility.

Client acknowledges and agrees that (i) Bank is making no representations or warranties of any kind regarding the content of any reports of receivables information provided through the Service, and (ii) Client and Client's payers are transmitting receivables information through the Service at Client's own risk. Bank disclaims any and all warranties of any kind (whether express or implied) including but not limited to any warranties of merchantability or fitness for a particular purpose in connection with the Service and the receivables information provided to Client through the Service.



## EXHIBIT A: PINNACLE BANK TREASURY MANAGEMENT AUTHORIZATION

### *Authorization Form to Add Additional Clients for Treasury Management Services*

The undersigned is an Authorized Representative of each organization specified below as well as the organization listed in the Treasury Management Authorization, for which this document is **Exhibit A** (each the "Company") and represents and warrants that no other signatories are required in order for this Authorization to be legally binding and enforceable. Each Company has received the Treasury Management Master Agreement ("Master Agreement") and agrees (i) to adhere to the Master Agreement and any applicable Supplemental Documentation and/or Information from Pinnacle Bank ("Bank") and (ii) that such Company shall be deemed to be a "Client" under the Master Agreement. Capitalized terms used in this Authorization Form, not otherwise defined, have the meanings given to them in the Master Agreement.

The execution of the signature block below by the undersigned is done on behalf of each Company listed herein, and any such Company may from time to time request Bank to provide any of the Services described in the Master Agreement. Such Company may begin to use any such Service once Bank has approved such use and has received all required and properly executed forms and Company has successfully completed any testing or training requirements.

The undersigned warrants that each Company has taken all action required by its organizational or constituent documents to authorize the undersigned to execute and deliver on behalf of each Company this Authorization Form and any other documents Bank may require with respect to a Service. The undersigned is authorized to enter into all transactions and/or obligations contemplated by the provision of Services to each Company. These may include, but are not limited to giving Bank instructions with regard to Services and designating employees or agents to act in the name and on behalf of each Company.

Each Company understands and agrees that a single, shared Online Banking profile ("Profile") may be used in accessing the present and future Bank accounts of each Company (collectively, the "Accounts"). The Profile may be in the name of one Company (the "Profile Entity"), which shall have the authority to designate one or more Administrative Users. Any Authorized Representative, Administrative User and/or Sub-User (any of which an "Authorized User") is authorized to use any of the Services in which any Company has enrolled with any of the Accounts of any other Company (and such enrolling Company shall be deemed the "Agent" of the other Companies listed herein under the Master Agreement), and may be given full access to each Company's Account information and funds through the Services, with full authority, without limitation, to withdraw and transfer funds from such Accounts. Any and all rights and protections the Bank has with regard to a Service provided to one Company shall apply with respect any such Service provided to any other Company or Companies.

Each Company acknowledges and agrees that:

- (a) The Bank has no obligation to ensure that the Company's funds are not commingled with the funds of any other Company;
- (b) The Bank has no obligation to monitor transactions performed by a Company to ensure that they are for the benefit of any other Company;
- (c) Each Company may enroll in any of the Services that the Bank may make available from time to time in connection with the Accounts;
- (d) The Bank may act upon any instruction that is made in accordance with any security procedure agreed upon by a Company and the Bank, whether or not the instruction is in accordance with any agreement between

such Company and another Company or the security procedures established between the Bank and another Company.

- (e) The Bank will not, and has no obligation to, review any agreements between the Companies and any such agreements are the sole responsibility of the parties to those agreements.
- (f) Except as otherwise provided in the Master Agreement, any costs and fees associated with the Services shall be borne by the Company whose Account is associated with such Services, under the terms of such Company's Agreements with the Bank.

This **Exhibit A** may be executed via “wet” signature or electronic mark and the relevant signature(s) may be delivered using .pdf or similar file type transmitted via electronic mail, cloud based server, e-signature technology or other similar electronic means (including, without limitation, use of an electronic signature service such as DocuSign).

**This Authorization Form must be signed on behalf of each Company listed below by an Authorized Representative.**

**IN WITNESS WHEREOF**, the Companies listed above have executed this Authorization Form through their Authorized Representative on the date indicated below.

**AUTHORIZED REPRESENTATIVE**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

Primary CIF: \_\_\_\_\_



## Resolution and Authorization for Treasury Management Services

I certify and declare that the Company has taken all action required by its organizational and constituent documents to authorize me to execute and deliver on behalf of the Company this Resolution and Authorization form and any other documents the Bank may require with respect to Bank services.

**Resolved that** the Company wishes to have services established with Pinnacle Bank ("Bank").

**Further resolved**, that the individuals listed below are hereby designated as "Authorized Treasury Management Representatives", and each are individually authorized to take the following actions for the Company: (i), execute the Bank's Treasury Management Services Master Agreement, online banking agreement, and any other agreements and documents executed in connection with a Bank account or a Bank service (including, without limitation, agreements for wire transfer services, ACH origination services, positive pay services, lockbox services, cash courier services and/or remote deposit capture services), (ii) provide Bank with instructions with regard to Bank services and designate employees or agents to act in the name and on behalf of Company with regard to Bank accounts and/or Bank services (including but not limited to designating one or more persons authorized to initiate, amend, cancel, confirm, or verify the authenticity of instructions to Bank regarding Bank services, and/or delegating such designation authority), and (iii) make amendments to the, Treasury Management Services Master Agreement, online banking agreement, and/or any other agreements or any exhibit thereto, associated with a Bank account and/or Bank services.

### Authorized Treasury Management Representatives

Printed First & Last Name	Email Address	Phone Number

**Further resolved**, that the signature of an Authorized Representative on this resolution is conclusive evidence of their authority to act on behalf of the Company. Any Authorized Representative, so long as they act in a representative capacity as an Authorized Representative of the Company, is authorized to make any and all other contracts, agreements, stipulations, and orders which they may deem advisable for the effective exercise of the powers induced on this page, from time to time with Bank, subject to any restrictions on this resolution or otherwise agreed to in writing.

**Further resolved**, that all transactions, if any, with respect to any deposits or withdrawals by or on behalf of the Company with Bank prior to the execution of this resolution are hereby ratified, approved, and confirmed.

**Further resolved**, that this resolution shall remain in full force and effect, and Bank shall be entitled to rely conclusively, without any further investigation or inquiry, on this resolution until Bank actually receives written notice to the contrary from a duly authorized officer of Company and has reasonable time thereafter to act, and any such notice shall not affect any action or inaction taken or not taken by Bank prior thereto. Any and all prior resolutions adopted by the Board of

Primary CIF: \_\_\_\_\_

Directors and certified to Bank as governing the operation of this corporation's account(s), are in full force and effect, until the Financial Institution receives and acknowledges an express written notice of its revocation, modification, or replacement. Any revocation, modification or replacement of a resolution must be accompanied by documentation, satisfactory to Bank, establishing the authority for the changes.

**Effect on Previous Resolution.** This Resolution and Authorization supersedes any prior Corporate Resolution and Certification for Treasury Management Services or Certification for Treasury Management Services by Sole Proprietor/General Proprietor/General Partnership/Limited Partnership/LLC/LLP between you and us with respect to Treasury Management Services.

**Treasury Management Authorization Introduction.** The terms "we", "us" and "our" refer to Pinnacle Bank (the "Bank"), a Tennessee bank with its principal office at 150 Third Avenue South, Nashville, TN 37201. The terms "you" and "your" refer to Client, as identified below. Any undefined terms in this Treasury Management Authorization ("Authorization") will have the meanings given to such terms in our Treasury Management General Terms and Conditions, if defined therein ("General Terms").

**Treasury Management Services.** You have requested that we approve you using one or more of our Treasury Management Services. We will notify you which Treasury Management Services we approve you using. You will be notified by letter, email, or such other means as we deem appropriate. We may request that you sign a written confirmation identifying the Treasury Management Services we approve you using. We also may request that you deliver to us, appropriately completed and with all necessary signatures, any additional documents required by us and that you provide us with all additional requested information. Our approval of you using any Treasury Management Services will be conditioned on, among other requirements, our receipt of all Supplemental Documentation, including but not limited to your Depositor Agreement.

**Master Agreement.** Your use of any and all of our Treasury Management Services will be subject to the terms and conditions of the Treasury Management Master Agreement ("Master Agreement") and all Supplemental Documentation. The Master Agreement consists of, among other documents, this Authorization, any applicable Treasury Management Enrollment Form, and the General Terms. All of the documents that make up the Master Agreement are incorporated into and are a part of each other. When you sign and return to us this Authorization, either in your capacity as an individual/sole proprietor or through one or more Authorized Representatives, (i) you will be acknowledging to us your receipt and review of the General Terms and your agreement to be bound by it, (ii) you will be agreeing with us that if we approve your use of any of our Treasury Management Services, the Master Agreement will be a legally binding agreement between you and us with respect to any and all Treasury Management Services we may furnish to you from time to time, and (iii) you will be agreeing to pay to us any reasonable fees and costs and expenses we incur, or others incur on our behalf, in connection with your request for any Treasury Management Services, if you withdraw this Authorization before we approve your use of any Treasury Management Services.

**Client Information.** When you sign and return to us this Resolution and Authorization, you will be certifying to us that the information below is complete and accurate. We may rely on this information until you notify us of any changes. Notices of any changes may only be given as provided in the General Terms, and any such notices will be effective as provided in the General Terms.

**Counterparts and Facsimile Signatures.** This Resolution and Authorization may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The counterparts of this Resolution and Authorization may be executed via "wet" signature or electronic mark and may be delivered using .pdf or similar file type transmitted via electronic mail, cloud based server, e-signature technology or other similar electronic means (including, without limitation, use of an electronic signature service such as DocuSign).

**Electronic Signatures.** You agree that your electronic signature on this Resolution and Authorization is intended to authenticate this writing and to have the same force and effect as a manual signature. An "electronic signature" means

Primary CIF: \_\_\_\_\_

any electronic sound, symbol (including selecting a radial button or checking a box), or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email signatures, pursuant to the Tennessee Uniform Electronic Transactions Act (T.C.A. §§ 47-10-101 et seq.).

If selected, see EXHIBIT A for Authorization Form to Add Additional Companies

**Signature Instructions:**

**Entity Type**

Corporation  
Limited Liability Company  
Partnership (general or limited)  
Limited Liability Partnership  
Sole Proprietorship  
Government entity

**Who Signs**

any authorized officer  
all members, or any authorized officer\*  
any general partner  
the managing partner\*  
the sole proprietor  
the Treasurer\*

\*Includes any individual under Client's charter or organizational or constituent documents. The legal name of any member, managing member, manager or general partner who is signing must appear in the signature block.

[Signature of Authorized Representative]

[Signature of Authorized Representative]

[Print Name of Authorized Representative]

[Print Name of Authorized Representative]

Dated: \_\_\_\_\_

Date: \_\_\_\_\_

Business Name: \_\_\_\_\_ Tax ID: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Phone: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

*Instructions: Please retain a signed copy of this Resolution and Authorization for Treasury Management Services for your records and return the signed original, or a facsimile, PDF, or other electronic version of the signed original, to your Treasury Management Advisor. If you have any questions regarding completion of this Treasury Management Resolution and Authorization or any questions regarding any of our Treasury Management Services, please contact your Treasury Management Advisor.*



# Disclosures and Deposit Account Agreement

## FACTS

### IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

#### Why?

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

#### What this means for you?

When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We will also ask to see your driver's license or other identifying documents.

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## I. LEGAL AGREEMENT

This Disclosures and Deposit Account Agreement ("Agreement") sets forth the terms and conditions which governs all of your accounts with us, Pinnacle Bank, a Tennessee bank (herein "Pinnacle Bank", "Pinnacle", "Bank", "us", "we", or "our"), including your checking, savings, and money market accounts (interchangeably, "Account" or "Accounts"). Although a Certificate of Deposit is excluded from the definition of Account, Certificates of Deposit, whether evidenced by a certificate or book-entry, are subject to the terms and conditions of this Agreement. Please read this Agreement carefully and retain it for future reference. When you sign your signature card or conduct a transaction on your Account after it is opened, you agree to be bound by the terms of this Agreement. You acknowledge and agree that the relationship between you and the Bank created by the opening of an Account covered by this Agreement, including one titled as a "trust account" or similar designation, is solely that of debtor and creditor, and that we are not acting as your fiduciary. An Account may not be transferred or assigned without our prior written consent.

If not included elsewhere in this Agreement, you will receive a separate and current schedule of interest rates and qualifying balances, ("Account Disclosures") and Disclosure of Fees and Service Charges ("Schedule of Charges") that apply to your Accounts. The Account Disclosures and Schedule of Charges are also part of this Agreement. When the laws governing your Account require the Bank to provide you written advance notification of a change to the rules and regulations, the Bank will provide such notice through a letter, account statement message or other written or electronic notice. The notice will explain what change has occurred and instruct you to obtain a current version of the Agreement at your local office or online at our website, [www.pnfp.com](http://www.pnfp.com). Continued use of your Account following a notice constitutes your acceptance of our changes. Unless otherwise prohibited or required by applicable law or regulation, the Bank may change from time-to-time other provisions of these terms and conditions with or without notice. Upon the effective date of a change, the current revised version of the Agreement will govern your Account, regardless of whether you actually obtained a copy from your office or online.

Unless stated differently in this Agreement, each of your Accounts and this Agreement are subject to the substantive laws of the state where the respective Account is opened without regard for choice of law principles. In the case of Accounts opened online in states where Pinnacle Bank does not have a branch presence, the applicable state law will be Tennessee. Additionally, the Account is subject to the Uniform Commercial Code, except as specifically amended herein, applicable federal laws and regulations, and Federal Reserve and clearing house rules and procedures in effect from time to time. If state and federal law are inconsistent, or if state law is preempted by federal law, federal law governs.

No term of this Agreement shall be deemed waived unless the waiver is in writing and signed by an authorized officer of the Bank. Any failure by the Bank to insist upon your strict performance of any of the terms of this Agreement shall not be deemed or construed as a waiver of these or any other terms. Unless otherwise provided herein, neither party shall, by mere lapse of time, be deemed to have waived any breach by the other party of any terms or provisions of this Agreement, and the waiver by either party of any breach shall not affect the right of the Bank to enforce any of its rights with respect to other customers, to enforce any of its rights with respect to later transactions with you, and is not sufficient to modify the terms and conditions of this Agreement. Further, if the Bank waives any of its rights as to you or your Account on one or more occasions, the same shall not constitute a waiver of the Bank's rights on any other occasion.

This Agreement, as supplemented by the Account Disclosures and other documentation provided to you at Account opening or thereafter, including but not limited to the Online Banking, Bill Payment, Zelle Payment Service Terms of Service, and My Spending Terms of Use (collectively, "Account Documentation"), constitutes a single, integrated written contract, and contains all the rights and obligations of you and us relating to your Accounts. You acknowledge and agree that no statements, promises, agreements, representations, or warranties of any kind have been made by you or us concerning your Accounts except as set out in this Agreement.

As used in this Agreement: (a) the words "we," "our," and "us" mean Pinnacle Bank; and (b) the words "you" and "your" mean Account holders and each and every other person with authority to transact business on your Account; and unless specifically otherwise defined within the applicable regulatory disclosures included within this Agreement (c) the words "day" or "days" mean calendar day or days, and (d) the words "business days" or "banking days" mean Monday through Friday, except for federal holidays.

Whenever we are authorized, directed, enabled, allowed or otherwise permitted to make a decision or determination about the scope, application, interpretation or any other aspect of this Agreement (including all documents and agreements incorporated herein or supplemented by); your Account(s); or your business relationship with us, we may make such decision or determination using our business judgment and in our sole and absolute discretion without regard to or consideration of any good faith or other standard. We may make such a decision or determination even if the result of that decision or determination is, or you consider it to be, of benefit only to us and / or the result of that decision or determination is, or you consider it to be, detrimental to you.

If any provision of this Agreement is to any extent contrary to law, otherwise invalid, or incapable of being enforced, that provision shall be excluded to the extent of that invalidity or unenforceability. All other provisions will remain in full force and effect.

Please use telephone number 1-800-264-3613 when calling us with any telephone inquiries, notice of possible errors, or other questions about your Accounts. Also, as used in this Agreement, written notice to us is not effective until the day we receive it and does not extend any notification time period while in transit. Any mailed written notice should be addressed to:

**Pinnacle Bank, a Tennessee bank**  
150 3rd Avenue South, Suite 900  
Nashville, TN 37201

## II. ARBITRATION AGREEMENT

1. **Mandatory Arbitration of Disputes:** The "Arbitration Contract" means the provisions of this Section II. Capitalized terms contained in this Arbitration Contract shall have the meanings set forth in the Disclosures and Deposit Account Agreement (the "Agreement") unless otherwise defined herein. As used in this Arbitration Contract, any "Dispute" must, at the election of either Party, be resolved by a neutral, binding arbitration and not by a court of law, unless the Agreement states otherwise. A "Dispute" means any action, dispute, claim or controversy of any kind that is in any way related to: (i) the Account ; (ii) any part or all of the Agreement, including its Arbitration Contract and the arbitrability of any issue, except that only an appropriate court may, if necessary, determine whether you or we waived any right to bring or participate in a class action hereunder; or (iii) any other aspect of your or our past, present, or future relationship or conduct.

**FACTS ABOUT ARBITRATION:** Arbitration is a process in which a neutral arbitrator, instead or a judge or jury, decides a dispute. Arbitration proceedings are private and less formal than court trials. Each side has an opportunity to present some evidence to the arbitrator. Your ability and our ability to discover details may be limited. Other rights that the Parties might have in court may not be available in arbitration. An arbitrator issues an award. A court may then enforce the arbitrator's award like a court judgment.

**3. Rules:** A Party must give every other Party written notice of any Dispute. Notice of a Dispute must be sent to us by first class mail at the address we provided for billing errors on your most recent Statement. Notice of a Dispute must be sent to you by first class mail at the most recent mailing address we maintain for you in our business records. If a Party elects to have a Dispute resolved by arbitration, that Party's notice to the other Party must describe the nature and factual basis of the Dispute, the names and addresses of all other Parties, the amount involved, and the specific relief requested. The Party that responds to such a notice may answer and set forth any counterclaims. The arbitration will be conducted by one neutral and impartial arbitrator mutually agreed upon by the Parties. The arbitrator must be a practicing or retired attorney or judge. If the Parties cannot agree on an arbitrator, the Parties agree that a court may appoint an arbitrator in accordance with the Federal Arbitration Act (9 U.S.C. §1 et seq.; the "FAA"). For consumer accounts, the arbitration must be conducted in the federal judicial district where you live at the time of the arbitration, unless the Parties agree to have the arbitration conducted in another location. The arbitrator may conduct all necessary preliminary proceedings, provide for the exchange of information and/or discovery, and set the time, date and place of any hearing, after reasonable notice to and consultation with the Parties. The award shall be issued without a written opinion no later than 30 days from the date any hearing is completed.

**4. Standards and Law:** The Parties agree that the Agreement and the Account involve interstate commerce and that this Arbitration Contract is governed by the FAA. The arbitrator shall apply applicable substantive law, statutes of limitation, and honor claims of privilege that are recognized by law. Judgment based on any arbitrator's award may be entered by any court with competent jurisdiction.

**5. Class Action Waiver:** The Parties agree to waive and give up: (i) any right they may have to bring a class arbitration, or to participate in a class arbitration as a claimant; (ii) any right to consolidate or join any arbitration proceeding with the arbitration of others; and (iii) any right to serve as a private attorney general. If a court of competent jurisdiction determines that this waiver (the "Class Waiver") is illegal, invalid, or unenforceable, the Parties agree that this Arbitration Contract shall be void in its entirety.

**6. Jury Trial Waiver:** If either Party chooses to have a Dispute resolved by arbitration, the Parties agree there will be no right have that Dispute tried in any court and, to the fullest extent permitted under applicable law, the Parties agree there will be no right to have a jury trial of that Dispute.

**7. Fees and Costs:** For consumer accounts, if you file for arbitration first, you will pay the first \$250 of the arbitrator's fees and expenses and we will pay any additional fees or expenses of the arbitrator. We will pay all of the arbitrator's fees and expenses if we file arbitration first. For business or commercial accounts, you will pay all arbitrator's fees and expenses if you file first. The Parties shall be responsible for paying their own attorneys' fees in connection with any arbitration, unless otherwise allowed for under applicable substantive law and awarded by the arbitrator.

**8. Survival of Arbitration Contract:** This Arbitration Contract will survive and continue in full force and effect, notwithstanding any cancellation, termination, amendment, payment in full, discharge in bankruptcy, or other expiration or conclusion of the Agreement or any other contract or transaction between the Parties, unless otherwise agreed in writing. In addition, you understand and agree that the rights and responsibilities afforded to us under this Arbitration Contract survive any assignment of the Agreement by us and that we can enforce this Arbitration Contract in the event a Dispute arises after the assignment of the Agreement.

**9. Severability:** If it is determined that any paragraph or provision in this Arbitration Contract is illegal, invalid, or unenforceable, such illegality, invalidity or unenforceability shall not affect the other paragraphs and provisions of this Arbitration Contract. The remainder of this Arbitration Contract shall continue in full force and effect as if the severed paragraph or provision had not been included. Notwithstanding this severability provision, if a court of competent jurisdiction determines the Class Waiver to be illegal, invalid, or unenforceable, the Parties agree that such waiver shall not be severed and that this Arbitration Contract shall be void in its entirety.

**10. Right to Reject Arbitration:** If you do not want this Arbitration Contract to apply, you may reject it by mailing us a written notice to Pinnacle Bank, 150 3rd Avenue South, Suite 900, Nashville, TN 37201, that describes the Agreement and your Account and states that you are rejecting the Arbitration Contract. A rejection notice is effective only if it is signed by each of you and the envelope containing any rejection notice is postmarked no more than thirty (30) calendar days after your Account is opened. Even if you reject this Arbitration Contract, paragraphs 5 and 6 of the Arbitration Contract shall remain valid and effective and will be incorporated into the Agreement. If you reject this Arbitration Contract, it will not affect any other provisions of the Agreement or your obligations under the Agreement. If you do not properly reject this Arbitration Contract, it will be effective as of the date of this transaction.

THE TERMS OF THIS ARBITRATION CONTRACT AFFECT YOUR LEGAL RIGHTS. IF YOU DO NOT UNDERSTAND ANY TERMS OF THIS PROVISION, SEEK INDEPENDENT ADVICE BEFORE SIGNING THIS AGREEMENT. BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE THAT YOU HAVE READ, UNDERSTAND AND AGREE TO BE BOUND BY EACH OF THE PROVISIONS, COVENANTS, STIPULATIONS AND CONTRACTS SET FORTH ABOVE.

### III. JURY TRIAL AND CLASS ACTION WAIVER

YOU AND WE AGREE THAT, TO THE MAXIMUM EXTENT PERMITTED BY LAW, AND UNLESS A DISPUTE IS DECIDED BY MANDATORY ARBITRATION UNDER SECTION II ABOVE, EACH AND EVERY ACTION TO INTERPRET OR ENFORCE ANY PROVISION OF THIS AGREEMENT, OR RELATED TO THE RIGHTS OR OBLIGATIONS CONCERNING YOUR ACCOUNTS, WILL BE DECIDED AND RESOLVED BY A COURT OF COMPETENT JURISDICTION SITTING WITHOUT A JURY, AND EXPRESSLY AND KNOWINGLY WAIVE ANY RIGHT TO A JURY TRIAL OF ALL SUCH ACTIONS.

YOU AND WE AGREE THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW EACH AND EVERY ACTION TO INTERPRET OR ENFORCE ANY PROVISION OF THIS AGREEMENT OR RELATED TO THE RIGHTS OR OBLIGATIONS CONCERNING YOUR ACCOUNTS, WILL BE BROUGHT

ON AN INDIVIDUAL BASIS ONLY, AND NOT AS A PURPORTED CLASS OR COLLECTIVE PROCEEDING. YOU AND WE EXPRESSLY WAIVE ANY RIGHT TO BRING ANY OR ALL OF SUCH ACTIONS ON A CLASS OR COLLECTIVE BASIS. YOU AND WE ALSO AGREE THAT NO ARBITRATOR SHALL HAVE AUTHORITY TO CONDUCT ANY ARBITRATION IN VIOLATION OF THIS CLASS ACTION WAIVER OR TO ISSUE ANY RELIEF THAT APPLIES TO ANY PERSON OR ENTITY OTHER THAN THE ACCOUNT HOLDER WHO IS SPECIFICALLY NAMED AS A PARTY IN THE ARBITRATION. YOU AND WE ACKNOWLEDGE THAT THIS CLASS ACTION WAIVER IS MATERIAL AND ESSENTIAL TO THE ARBITRATION OF ANY CLAIMS AND IS NON-SEVERABLE FROM THE ARBITRATION CONTRACT REFERENCED HEREIN ABOVE. IF THIS CLASS ACTION WAIVER IS VOIDED, FOUND UNENFORCEABLE, OR LIMITED WITH RESPECT TO ANY CLAIM FOR WHICH CLASS-WIDE RELIEF IS SOUGHT, THEN THE ARBITRATION CONTRACT SHALL BE NULL AND VOID WITH RESPECT TO SUCH CLAIM. HOWEVER, THE ARBITRATION CONTRACT SHALL REMAIN VALID WITH RESPECT TO ALL OTHER CLAIMS AND DISPUTES. YOU AND WE ACKNOWLEDGE AND AGREE THAT UNDER NO CIRCUMSTANCES WILL A CLASS ACTION BE ARBITRATED.

### IV. LIMITATION OF LIABILITY

TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, YOU AND WE AGREE THAT PINNACLE SHALL IN NO EVENT BE LIABLE TO YOU OR ANY THIRD-PARTY(IES) FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, CONTINGENT OR CONSEQUENTIAL LOSS OF DAMAGES (INCLUDING, WITHOUT LIMITATION, ANY ATTORNEYS' FEES OR EXPENSES INCURRED) ARISING OUT OF, STEMMING FROM, OR IN CONNECTION WITH, THE ACCOUNT, THIS AGREEMENT, OR THE RELATIONSHIP OR TRANSACTIONS CONTEMPLATED HEREBY, REGARDLESS OF WHETHER SUCH LIABILITY ARISES FROM ANY CLAIM BASED UPON CONTRACT, WARRANTY, TORT, PRODUCT LIABILITY OR OTHERWISE, AND WHETHER OR NOT YOU OR SUCH OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE.

### V. ACCOUNT OPENING

**Required Information** - To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. When you open an account, we will ask for your name, permanent physical street address, social security number or taxpayer identification number, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license, state ID, passport, or other primary identifying documents. If you are a non-resident alien, we will record your passport number, the name of the country that issued the passport and your foreign address. We will accept a post office box only as a mailing address. You may also be asked to provide such information at other times (and on any qualifying Account) upon request of the Bank. You agree to assist the Bank in gathering information to meet any bank reporting requirements. You further agree to notify us immediately if there are any changes to the information you have provided so that we maintain the accuracy of this information. If at any time we determine that the information you provided to us was false, incorrect, or of concern to the Bank, or if you refuse to provide us with the information when requested, we may close or freeze any or all of your Accounts with or without notice, unless otherwise required by applicable law.

**Beneficial Ownership/Customer Due Diligence** - You agree to provide us the information necessary to identify and verify the identity of each person/entity; identify and verify the identity of beneficial owners of a legal entity (i.e., the natural persons who own or control legal entities); understand the nature and purpose of the business and conduct ongoing monitoring which may include but not limited to understanding the type and volume of transactions that are anticipated through the account opening process and/or customer reviews.

**IRS Requirements** - The Internal Revenue Service (IRS) requires the Bank to obtain the taxpayer identification number ("TIN") applicable to an Account. We require you to certify under penalty of perjury that the TIN provided is correct and whether you are subject to backup withholding. For a savings account established for the benefit of a minor, the parent or legal guardian must certify the TIN for the minor or the account will be subject to backup withholding. The certification is completed on the Bank's signature card, or on IRS Form W-9, Request for Taxpayer Identification Number and Certification. Federal law requires that the Bank withhold a statutory amount of interest payments or dividend payments (referred to as backup withholding) if you: (1) fail to furnish a TIN, (2) the IRS notifies us that you furnished an incorrect TIN, or (3) you or we are notified by the IRS that you are subject to backup withholding.

The TIN for a U.S. citizen or an eligible resident alien individual is a Social Security number. For resident or non-resident alien individuals who do not have, or are ineligible for, a Social Security number, the TIN is an IRS Individual Taxpayer Identification Number ("ITIN"). For legal entities, estates and trusts the TIN is their Employer Identification Number ("EIN"). For an account to be classified as a "non-resident alien account" all owners of the Account must certify their foreign status at the time the account is opened on a Form W-8. Non-resident aliens must recertify their foreign status every three (3) years.

**OFAC Compliance** - The Department of Treasury's Office of Foreign Asset Control ("OFAC") administers and enforces economic sanctions programs implemented by the government. We are required to comply with all OFAC sanctions, which may include rejecting or blocking transactions or funds of certain individuals and entities. By opening an Account with us, you agree and affirm that you are not a prohibited individual or entity under any of the sanctions programs administered or enforced by OFAC. You acknowledge and agree that we can freeze, block, and/or reject any transaction we reasonably believe violates any OFAC sanctions programs or Bank policy or procedure. You acknowledge and agree that any transaction to or from your Account may be delayed or suspended and that a hold may be placed on your Account while a transaction is reviewed for possible violation of any OFAC sanctions programs, and that we will have no liability for any such delays, suspensions, holds, rejections, blocking, and/or any resulting unavailability of funds.

**Unlawful Transactions** - You certify that you will not use your Account or any Bank service for any illegal transactions or activity including, but not limited to those activities prohibited by the Unlawful Internet Gambling Enforcement Act (Regulation GG). Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this Account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling. Transactions reasonably believed by the Bank to be used for or associated with unlawful activity may be rejected or stopped and the associated Account(s) closed immediately and without prior notice. Obligations owed before any improper transaction or Account closure will remain in full force. All liabilities and costs associated with rejected or stopped transactions or closed accounts are assumed by the Account holder.

**Consent to Receive Electronic Communications** - To provide you with the best possible service in our ongoing business relationship for your Account we may need to contact you about your Account from time to time by telephone, text messaging, instant messaging, or email. However, we must first obtain your consent to contact you about your Account pursuant to consumer protection provisions in

- Your consent is limited to this Account, and as authorized by applicable law and regulations.
- Your consent does not authorize us to contact you for telemarketing purposes.

With the above understandings, you authorize us to contact you regarding this Account throughout its existence using any telephone numbers or email addresses that you have previously provided to us or that you may subsequently provide to us. You understand and agree that text messages may not be encrypted and may contain personal or confidential information about you, such as your mobile phone number, the date, time, and content of any mobile banking messages, including account activity, balance, and status of your account and other information that you or we may provide. **NEITHER PINNACLE NOR PROVIDER ARE RESPONSIBLE FOR THE SECURITY OF TEXT MESSAGES AND THEIR CONTENT INCLUDING ANY DATA TO THE EXTENT THAT SUCH CONTENT OR DATA IS PROVIDED TO A MOBILE NETWORK CARRIER OR OTHER THIRD-PARTY PROVIDER AND NOT AT REST IN PINNACLE'S OR PROVIDER'S SYSTEM.**

This consent is regardless of whether the number we use to contact you is assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service or any other service for which you may be charged for the call. You further authorize us to contact you through the use of voice, voice mail, text messaging, and instant messaging, including the use of pre-recorded or artificial voice messages and an automated dialing device. If necessary, you may change or remove any of the telephone numbers or email addresses at any time using any reasonable means to notify us.

**Telephone Monitoring and Recording** - You agree that we may monitor and/or record any telephone conversation with you for any reason, including to monitor the quality of service you receive and to verify transaction related information. You agree that we are not required to remind you before or during each telephone call that the conversation is subject to being monitored and/or recorded unless otherwise required by applicable law.

## VI. OWNERSHIP OF ACCOUNTS

Subject to applicable state law, these rules apply to the Account depending on the form of ownership and beneficiary designation, if any, specified on the Account records. You agree that when you open an Account, the titling of the Account is proper and that the Bank has no responsibility to inform you as to how the titling may affect your legal interest and/or rights. If you have any questions relating to the titling of and ownership interest in an Account, you should consult with your own legal or tax advisor(s). You further agree that you are solely responsible for meeting all of the requirements for establishing and maintaining the type of Account you desire and ensuring that you have properly completed any applicable documents or forms. You agree to sign the documentation necessary to create the proper ownership of your Account. Federal regulations require that you provide us with information concerning the beneficial owners of a legal entity at Account opening. You may also be asked to provide such information at other times (and on any qualifying Account) upon request of the Bank. If at any time we determine that the beneficial ownership information you provided to us was false, incorrect, or of concern to the Bank, or if you refuse to provide us with the information when requested, we may close or freeze any or all of your Accounts, without notice, unless otherwise required by applicable law.

**Individual Account** is owned by one individual. Upon the death of that individual, the Account will belong to the owner's estate and will be administered by the person designated or appointed by court order. An additional authorized signatory can be designated and shall have the authority during your lifetime to withdraw moneys from the Account. We may release all funds in the Account to, or honor checks or orders drawn by, or withdrawal requests from, that authorized signatory until we are notified in writing of revocation of that authority or your death. By adding an authorized signer, you do not assign any ownership or beneficial rights in the Account to the designated authorized signatory. To the maximum extent permissible under applicable law, we have no responsibility or obligation to supervise or monitor the transactions consummated by any such authorized signatory.

**Joint Account with Survivorship** is owned by two or more individuals and not as "tenants in common" or "tenants by the entirety". Each of you intends that upon your death the balance in the Account (subject to any previous pledge to which we have consented) will belong to the survivor(s). If two or more of you survive, you will own the balance in the Account as joint tenants with survivorship and not as tenants in common. Each owner may withdraw, by any means we make available, any or all of the funds on deposit, close the Account, perform maintenance on the Account, enter into special agreements regarding the Account, including overdraft protection transfer agreements, and stop payment of any check or draft drawn on the Account. Each owner also authorizes the Bank to exercise its right of offset (setoff) and enforce Pinnacle's security interest in the entire Account, even though only one of the owners is the debtor; these rights exist irrespective of who contributed funds to the Account. Similarly, we can enforce overdraft liability in the Account against any owner individually, even where such liability results from the actions or inactions of only one owner. Garnishments against any joint owner(s) are subject to the Bank's right of offset and security interest. The Bank, within its sole discretion, may refuse to recognize an agent authorized to act on behalf of one of the owners without the consent of the other Joint Account owners. Any such authorization will be in a form acceptable to or provided by the Bank and will remain in effect until written notice of cancellation is received from any owner and the Bank has a reasonable opportunity to act upon it. Notice provided by us to any one joint owner shall be deemed notice to all joint owners.

**Joint Account No Survivorship (as Tenants in Common)** is owned by two or more individuals, but none of you intend (merely by opening this Account) to create any right of survivorship in any other individual. You must notify us in writing and provide the percentage of the deposit contributed by each of you at account opening and you must update this information if such percentages change. In the event of an account owner's death, this information will be used to determine what percentage of funds will pass to the decedent's estate. This information will not, however, affect the number of signatures necessary for withdrawal. Each owner may withdraw, by any means we make available, any or all of the funds on deposit, close the Account, perform maintenance on the Account, enter into special agreements regarding the Account, including overdraft protection transfer agreements, and stop payment of any check or draft drawn on the Account. Each owner also authorizes the Bank to exercise its right of offset (setoff) and enforce Pinnacle's security interest in the entire Account even though only one of the owners is the debtor; these rights exist irrespective of who contributed funds to the Account. Similarly, we can enforce overdraft liability in the Account against any owner individually, even where such liability results from the actions or inactions of only one owner. Garnishments against any joint owner(s) are subject to the Bank's right of offset and security interest. The Bank, within its sole discretion, unless otherwise prohibited under applicable law, may refuse to recognize an agent authorized to act on behalf of one of the owners without the consent of the other joint owner(s). To the extent any such authorization is recognized by the Bank, such authorization must be in a form acceptable to or provided by the Bank and will remain in effect until

written notice of cancellation is received from any owner and the Bank has a reasonable opportunity to act upon it. Notice provided by us to any one joint owner shall be deemed notice to all joint owners.

**Joint Account – Tenants by the Entirety**, if recognized by applicable state law where the Account is opened, is a joint Account held by two legally married partners together. For signature withdrawal purposes, the title of the Account will reflect the connector "or" between the names of the two legally married partners. Upon the death of one of the legally married partner owners, the Account will belong to the surviving legally married partner owner. Each owner may withdraw, by any means we make available, any or all of the funds on deposit, close the Account, perform maintenance on the Account, enter into special agreements regarding the Account, including overdraft protection transfer agreements, and stop payment of any check or draft drawn on the Account. Each owner also authorizes the Bank to exercise its right of offset (setoff) and enforce Pinnacle's security interest in the entire Account, even though only one of the owners is the debtor; these rights exist irrespective of who contributed funds to the Account. Similarly, we can enforce overdraft liability in the Account against any owner individually, even where such liability results from the actions or inactions of only one owner. Notice provided by us to any one joint owner shall be deemed notice to all joint owners.

**Revocable Trust (ITF) or Pay-On-Death (POD)** is an Account in which one or more individuals may designate one or more beneficiaries to receive the Account's funds upon the death of the Account owner or last surviving Account co-owner. If two or more of you create such an Account, you own the Account jointly with survivorship. The beneficiaries acquire the right to withdraw only if: (1) all individuals creating the Account die, and (2) one or more of the beneficiaries are then living. If two or more beneficiaries are named and survive the death of all individuals creating the Account, those beneficiaries will own this Account in equal shares, without right of survivorship. Each of the individuals creating either of these account types reserves the right to: (1) change beneficiaries, (2) change account types, (3) close the account, and (4) withdraw all or part of the deposit at any time.

**Personal Agency Account** is a North Carolina individual Account designated on the signature card or other written contract as a "Personal Agency Account". The signature card or other written contract shall name an agent who shall have authority on behalf of the depositor to make, sign, or execute checks drawn on the Account or otherwise make withdrawals or transfers from the Account; endorse checks made payable to the depositor for deposit only into the Account; and deposit cash or negotiable instruments, including instruments endorsed by the depositor, into the Account. No ownership rights or interest in the Account is granted to the agent. In addition, you may elect to extend the authority of your agent so your agent may act notwithstanding your subsequent incapacity or mental incompetence. Your agent's authority would then end at such time as the agent receives notification from a qualified guardian or duly appointed attorney-in-fact. If you do not extend the authority of your agent, then your subsequent incapacity or mental incompetence will terminate the authority of your agent. At the death of the depositor, there is no right of survivorship to the Account and the funds remaining in the account will become part of the depositor's estate.

**Uniform Transfers/Gifts to Minors (UTMA/UGMA)** is an Account opened for a minor beneficiary by a custodian in accordance with the Uniform Transfers to Minors Act or Uniform Gift to Minors Act of the state in which the Account is established (the "Act"). Withdrawals from the Account may only be made by the custodian. No ownership rights or interest in the account is granted to the custodian. The custodian must notify the Bank in writing immediately upon the earlier of the death of the minor or the time the minor attains the age of majority. Before it receives such notice, the Bank may honor any checks or drafts written on the Account without incurring any liability to the minor or any third party and the custodian will be liable to the Bank for any loss or expense it incurs because of failure to give prompt notice. The Bank may rely on the custodian's authority to act on behalf of the minor until the Bank has received written notice that a successor custodian has been duly appointed or that the custodian's authority has been otherwise terminated in accordance with applicable state law. Upon reaching the age of majority, the minor will be entitled to the funds in the account consistent with applicable state law. The Act provides that an UTMA/UGMA may only be established for the benefit of a single minor. The Bank reserves the right to limit the Account to one custodian.

**Trust** is an Account opened under a valid, written agreement or will which creates a trust that performs transactions through its trustee or co-trustees. You represent that you are authorized under applicable law and the trust agreement, will, or other governing documents to open the Account in the name and manner requested. The Bank reserves the right to require any trustee or co-trustee to provide documentation to establish the existence of the trust, the authority of the trustee or co-trustee to act on behalf of the trust, and related information. Except to the extent necessary to confirm that the trustee or co-trustee has authority to open, manage, and/or close an Account on behalf of the trust, the Bank will not read or attempt to interpret trust documents for, or provide any legal advice regarding the same to any party. The Bank has no duty to monitor the Accounts of the trustee and assumes no liability for the administration of the trust and/or the actions taken by any trustee or co-trustee.

**Fiduciary** is an Account opened by a court appointed individual. To the maximum extent permissible under applicable law, we have no responsibility or obligation to supervise or monitor the transactions within fiduciary Accounts (including, but not limited to, estates, guardianships, and conservatorships) or to inquire as to the powers or duties of the fiduciary. The fiduciary's capacity must be designated as such on the signature card. The Bank is authorized to follow the directions of the fiduciary regarding the Account until it receives written notice that the fiduciary's authority has been terminated in such a manner as is satisfactory to the Bank and the Bank has had reasonable time to act upon that notice. The terms of any trust agreement, court order, or other document under which the Account is opened govern the titling of the Account and signatory authority, and the Bank has the right, but not the obligation, to review any such document. The Bank assumes no liability for the administration of any trust or fiduciary relationship whether or not the Bank has been provided with a copy of such document, and we will not be liable to anyone for the misapplication of funds from an account by an agent, fiduciary, trustee, or custodian.

**Corporation, Partnership, Limited Liability Company, Sole Proprietorship, and other Organizational Accounts** - We may rely on the classification and form of ownership for a business account, as set forth on the signature card, for all purposes relating to the Account. You represent and agree that (a) you have taken all actions necessary to open and maintain the Account, (b) all resolutions or other authorizations given by you to us are true, accurate and complete in all respects, (c) all assumed or fictitious names have been registered or filed with the appropriate governmental authorities, and (d) unless expressly limited as set forth on the signature card, each person whose name is written or printed on the signature card has complete authority involving the Account. We will usually require a separate authorization form designating the person(s) permitted and conditions required for withdrawals from any Account in the name of a legal entity. We will honor such authorization according to its terms until it is amended or terminated in writing by the governing body of such organization. If there is a dispute between authorized persons on the Account or if one of the authorized persons demands that we allow any other authorized person(s) to withdraw money from the Account, or if there is a dispute about who is authorized to make withdrawals from or give instructions with respect to the Account, or if the Bank receives a notice from a party who purports to

be an officer, director, incorporator, shareholder, member, or partner or a business or organization disputing the rights of any existing authorized person(s) to make withdrawals or handle account transactions, we may (but are not required to) refuse to allow any withdrawals or other action by anyone until we are satisfied that the dispute is resolved or the demand or notice is withdrawn, or we may in our sole discretion interplead the funds with a court of competent jurisdiction, and in such event Pinnacle shall be entitled to reimbursement of all court costs and reasonable attorneys' fees. We will not be responsible for any damages, direct or indirect, you may suffer because of our allowing or refusing to allow you to withdraw money due to the dispute, demand or notice.

## VII. ACCOUNT RULES

Unless this Agreement indicates otherwise: the term "item" includes, without limitation, a check, draft, negotiable order of withdrawal, note, withdrawal slip, oral payment, transfer or withdrawal order made by telephone or in person, and/or withdrawal, payment or transfer order initiated through an automated teller machine (ATM) or point of sale (POS) terminal or any other electronic device, means or network, and/or a check or draft you have authorized a third party to charge to your account, whether by any manual or electronic means. The term "available balance" refers to the money in your checking or savings account that is currently available to you to make purchases, withdrawals, etc. The available balance reflects any processed and pending transactions, and any holds. It does not include any checks you have written that have not posted. Checks are processed during the nightly posting and will be reflected the next day. Checks cashed by a Pinnacle associate will be reflected in the available balance. The available balance is **updated throughout the day** with transactions you make. The term "current (ledger) balance" is the actual amount in your account and **does not change throughout the day**. It does not include holds or pending transactions. The term "collected balance" is the same as the current (ledger) balance, except that it **does not include any checks you have deposited for which the Bank has not received credit**.

1. **STATEMENTS** – Statements for your Account, notices, or other information regarding your Account will be mailed, sent electronically, or otherwise be available to you at regular intervals depending on your Account type and/or selected delivery method. The statement or other Account information will be delivered to the postal mailing address and/or the online banking service of the Account owner requesting electronic delivery as reflected in our records or per written instructions you have provided to us. Mailed statements shall be deemed received by you on the earlier of the actual date of receipt or within ten (10) calendar days of the date appearing on the statement. Electronic statements shall be deemed received on the date the statement is provided within your online banking service and notification of availability is delivered to the electronic address of the requesting Account owner.

You agree to notify us immediately of any change in your contact information, including address, e-mail address, and/or telephone number. The Bank may rely on any instructions purportedly made by you, or on your behalf, to change your contact information without liability. You also agree that we may rely on an address change notification received by us from a third-party vendor or the U.S. Postal Service and other governmental sources to update your address on our records. The bank will have no liability to you for changing your address based on such information, even if such information is in error. If any of your statements or Account information is returned to us because of an incorrect postal address or an incorrect, changed, or expired e-mail address, we may stop delivering statement or account information until a valid address is provided. If your Account is classified as dormant, we may elect not to provide further Account statements. Copies of such statements can be reproduced upon your request, subject to applicable fees, availability, and the Bank's then-current retention policies. Any statement or Account information that is returned as undelivered shall be destroyed without notice.

You shall notify the Bank if you have not received your first statement within thirty (30) calendar days of Account opening or within ten (10) calendar days of your regular statement date. The Bank will not be liable to you for any damages as a result of your failure to promptly notify us of a change in your address, your failure to notify us that you did not receive your statement, or your failure to make arrangements to receive your statement. You are responsible for the accuracy of your statement whether or not reviewed and it shall be deemed final and correct upon thirty (30) calendar days from the statement date.

2. **DEPOSIT OF ITEMS** - You may make deposits in person, by mail, or by any other method we make available. We are not responsible for deposits made by mail or night depository until we actually receive the deposits and record the receipt of those deposits on our books and records. If you fail to endorse an item that you submit for deposit, we have the right, but are not obligated, to supply the missing endorsement. We may require that certain government checks, insurance company items, or other instruments be endorsed by each of the payees. You agree to reimburse and indemnify us for any loss or expense we incur because you fail to endorse an item exactly as it is drawn. All transactions received on a day in which we are not open for business will be treated and recorded as if initiated on the next following business day we are open. At our option, we may take an item for collection rather than for deposit which means we will credit your Account only after we have received payment for the item from the paying bank. We are under no obligation to accept any item, wire, electronic fund transfers, or other transaction for deposit to your Account or for collection, and we may refuse to cash or give value for any such item.

You agree that any deposit is subject to verification and confirmation notwithstanding your possession of a deposit receipt or acknowledgement. In the case where a deposited item is lost, stolen, or destroyed before presentation to the paying bank, you agree to fully assist the Bank in obtaining a replacement or reconstruction of such item. Failure to cooperate may result in the credit to your Account being revoked or, if deposited but not credited, the credit withheld.

**Verification and Correction of Deposits** - The Bank relies upon the information you provide on your deposit slip when initially processing your deposit. The Bank has no duty to compare for accuracy the items listed on the deposit slip with the items accompanying the slip when the deposit is received by the Bank. Therefore, you have a duty to accurately record cash, each item being deposited, and the total amount of your deposit on your deposit slip. If an error in your deposit greater than one dollar (\$1) is later detected, whether the error is in your favor or ours, it will be corrected by the Bank unless otherwise agreed. Final credit to your Account is based on the total sum of the cash and items actually received by the Bank.

You will be sent a notice of any adjustment we make to your deposit that is more than one dollar (\$1). You may confirm the final credit amount of your deposit and your Account balance at any time. Under this Agreement, you are required to review your bank statement and report any errors within thirty (30) days from the statement date. Your statement will be deemed final and correct on the thirtieth (30th) day from the date of the statement.

**Collection of Items** – In receiving items for deposit or collection, we act as your collection agent and assume no responsibility beyond the exercise of ordinary care. Any items, other than cash, accepted for deposit will be given provisional credit only until collection is final, including checks drawn on the Bank. Without prior notice to you, we may charge back any item at any time if an item is lost, misplaced, destroyed or stolen in the collection process, if it is returned unpaid or if it was improperly paid, regardless of whether the item is physically returned, and even if the funds have already been made available to you or have been withdrawn, used or committed by you. You agree to pay the Bank a fee for any such item that is returned. You will be liable for any overdraft created by the charge back, including applicable overdraft fees. If an item is returned to us under a breach of warranty claim or claim that the item was forged, altered, unauthorized or should not have been paid for any reason, we may accept the return and debit the item back to your Account, regardless of whether the item was promptly returned to us or was returned prior to any deadline. Such a debit may occur regardless of the amount of time since an item was presented by you, whether you were notified that the funds for such item were available or had been previously collected, or whether you had withdrawn or otherwise made use of the funds previously credited to your Account. Items and their proceeds may be handled in accordance with applicable Federal Reserve rules, clearinghouse rules, fund transfer system rules, and contractual agreements with other financial institutions.

When you accept an item in payment or otherwise and deposit or negotiate the item, you are liable for the entire amount of the item if it is returned for any reason, even if you paid to a third party a portion of the funds or the difference between the amount of the item and the amount owed to you. If you cash an item that is later returned, you are liable for this item in the same manner as if the item had been deposited to your Account and we will charge back the item to your Account. In the event a check you write and deliver to the payee is lost at any time after the check is deposited at a bank or other financial institution, you authorize the Bank to charge your Account with a photocopy of said check unless you have followed all necessary stop payment requirements (see below).

You acknowledge and agree that the Bank cannot determine whether an item that you previously deposited or negotiated has been paid or will be returned. Therefore, you acknowledge and agree that neither the Bank nor any of its employees or agents will be liable for any statement to you that an item, including a check, has been paid, has cleared, or will not be returned or that such item or check is or was "good" or any other statement of a similar nature.

**Foreign Checks or Items** – The processing and collection of foreign checks or items are not subject to United States laws or regulations, including collection or return time periods. We will accept checks payable in foreign currencies or drawn on foreign banks on a collections basis only. Items accepted for collection are normally credited to your Account only after we have received payment for them. If we do agree to credit your Account in advance and then do not receive payment for the item, we will debit your Account for the amount of the item. Fees for processing collection items apply even if the collection item is returned unpaid.

If we accept a foreign check for deposit or collection, you assume all risks associated with the collection process and foreign currency fluctuation. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. A foreign check may be returned unpaid much later (in some cases, several months later) than items drawn on U.S. banks. You assume all risks of a late return of a foreign item. If a foreign check is sent for collection and paid, then returned later for fraud or any other reason, we will debit your Account at our then-current exchange rate, including fees assessed by the foreign bank.

If you deposit an item that we later determine is a foreign item and must be sent for collection, we may reverse any provisional credit given for the item and send the item for collection or mail the item back to you. If we return the foreign item to you, you may then ask us to send the item for collection.

**Return of Direct Deposits** – If, for any reason, we are required to reimburse the payer for all or any portion of any payment deposited into your Account through a direct deposit plan, you agree that we may, without prior notice to you, deduct the amount to be returned from your Account or from any other Account you have with us, unless the deduction is prohibited by law. This right is in addition to any other rights the Bank has under these rules and regulations, including the right of offset and its security interest in your Account.

3. **WITHDRAWALS** - Unless otherwise clearly indicated to the contrary, any one of you who signs in the space designated for signatures on the signature card, including authorized signers, may withdraw or transfer all or any part of the Account balance at any time on forms approved by us. Each of you (until we receive written notice to the contrary) authorizes each other person signing the signature card to endorse any item payable to you or your order for deposit to this Account or any other transaction with us. Using the word "and" to connect the names of co-owners or co-fiduciaries in the Account title or elsewhere in Account records does not require more than one of you to authorize a withdrawal. Such a restriction must be explicit.

**Payment of Items** – For purposes of this subsection, an "item" is a debit to your Account which includes a check, substitute check, purported substitute check, electronic item or transaction, draft, demand draft, remotely created item, image replacement document, indemnified copy, ATM withdrawal or transfer, PIN-based point of sale transaction, signature-based point of sale transaction, preauthorized payment, automated transfer, telephone-initiated transfer, ACH transaction, Online Banking transfer or bill payment instruction, withdrawal slip, in-person transfer or withdrawal, cash ticket, deposit adjustment, any other instruction or order for the payment, transfer, or withdrawal of funds, and an image or photocopy of any of the foregoing.

Transactions are processed collectively at the end of each business day during nightly processing. Your transactions may not be processed in the order in which they occurred. Once your transactions are processed, the results are posted to your Account. Your transactions may not be posted to your Account in the order in which they occurred.

We will post items to your Account based on your available balance. The available balance can be impacted by pending transactions. Examples of common pending transactions include the following but is not an exhaustive list, and there may be other pending transactions that have not been included.

- Authorization holds affect the availability of funds by reducing the available balance. We deduct authorized holds from the funds you have available to cover any outstanding items, including checks drawn on your Account as well as other withdrawals such as ACH transactions. Your Account history reflects the current (ledger) balance, not the available balance.

- If you use your debit card to purchase goods and services, including internet purchases (point-of-sale transactions), you authorize us to debit your Account, and you agree that your authorization may result in an immediate memo debit reducing the Account's available balance, even though the transaction may not be finally posted to your Account until a later date. You also understand and agree that you may incur an overdraft if you make a withdrawal, write checks, or make point-of-sale purchases against funds that are needed to pay debit card transactions that have been authorized but not yet posted to your account. Please see the Electronic Fund Transfer Agreement & Disclosure section for full details.
- Overdraft fees are charged when the available balance in your Account is not sufficient to cover all pending transactions and items being posted, debit card transactions being posted, or outstanding checks, ACH, transfers, and all other withdrawals when transactions post during nightly processing. Pinnacle does not charge an NSF/Overdraft Paid Item Fee for one-time Debit Card and ATM transactions to clients who are Opted Out of Pinnacle's Overdraft Coverage. However, fees apply to all Checks, ACH, and all other Transfers and/or Withdrawals being posted against a non-sufficient available balance.
- It remains very important to keep records of all payments you have authorized from your Account. Authorization holds will help track your debit card purchases and reserve the funds before they post to your Account. However, we have no record of outstanding checks or ACH transactions you have authorized.

Once the available balance is determined, transactions will post in order according to the groupings below. Items within categories 2. – 5. will be paid smallest to largest, with the exception of checks, which are paid in sequential check number order.

1. **Deposits and Credits** – Deposits and credits are posted to your Account in lowest to highest dollar amount order. This includes cash, check deposits, and incoming transfers received before the cutoff time.
2. **Bank-initiated transactions** – These include, but are not limited to, rejected items from the previous business day, such as paid/returned items, returned deposited items, and associated fees.
3. **Client-initiated withdrawals and debits** – These include, but are not limited to, teller cashed items at Pinnacle offices, ATM withdrawals, debit card transactions, in-person withdrawals, transfers, and checks.
4. **Client-initiated ACH (automated payments)** – These include, but are not limited to, bills you pay by authorizing a third party to withdraw funds directly from your Account.
5. **Bank Fees** – Fees, such as monthly maintenance fees, that will post to your Account last. Please note that some fees will be posted to your Account at the time they are incurred and others, like maintenance fees, will post last.

The transactions listed above include the most common categories and common types of transactions and are not inclusive of all transactions. We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your Account. Deposits and payments not made on a business day or made after our offices are closed on a business day, will be processed the next business day as if they occurred that next business day, and will be processed collectively with all other deposits and payments to be processed that next business day, in the order set out in paragraphs 1. – 5. above.

A non-sufficient funds balance may result from: A) the payment of checks, electronic fund transfers, or other withdrawal requests; B) payments authorized by you; C) the return of unpaid items deposited by you; D) the imposition of bank service charges; or E) the deposit of items which, according to the Bank's Funds Availability Policy, are treated as not yet "available" or finally paid. We will consider for authorization and payment overdrafts for the following types of transactions: withdrawals at Pinnacle offices, checks, transfers, recurring debit card transactions, automatic bill payments and other transactions made using your checking account number.

**Your responsibility when your Account has an overdraft** – You are in the only position to ensure that your Account has sufficient funds to cover all of your checks, debits and fees by maintaining an accurate record of your outstanding credits and debits. Checks or other items drawn against non-sufficient funds in your Account, which have not been covered by Overdraft Protection, are subject to a fee, set forth in the Bank's then current Schedule of Charges. We may determine whether your Account contains sufficient funds to pay a check or other item at any time between the time the check or other item is received by us and our return deadline, using any means we choose in our sole, unilateral and absolute discretion. Only one determination of the account balance is required. If that determination reveals non-sufficient funds to pay the check or other item, we will not be required to honor the check or other item and may return it. Alternatively, we may honor the check or other item and create an overdraft. However, honoring one or more overdrafts does not obligate us to honor any future overdrafts, and you should not rely on us to honor an overdraft. The Bank is not required to examine or consider balances which you may maintain in your other Accounts.

The amount of the overdraft shall constitute an indebtedness to the Bank and shall be due and payable immediately, without notice or demand. We are not required to send you prior notice on checks returned for non-sufficient funds. You agree to deposit sufficient funds immediately to cover any overdraft and any penalties assessed. You also agree to reimburse us for any costs, including but not limited to reasonable attorney's fees, we incur in collecting any overdraft from you.

If sufficient funds are not present to cover all presented transactions, Pinnacle will:

**Determine if Overdraft Protection is available:** Overdraft Protection is an optional service you can add to your Account by linking one eligible Account. [See Overdraft Protection below.] Any overdraft protection source that has sufficient availability to cover the presented transactions will be transferred to cover the presented transactions.

**If no Overdraft Protection Source is available:** We can cover your overdrafts using Overdraft Privilege. [See Overdraft Privilege below.] Overdraft Privilege is an optional overdraft service intended to assist you if you make an error on your Account that would otherwise result in returned items and requires no action on your part. Checks, ACH, bill payments, and other recurring debit card transactions are automatically considered for authorization and payment of overdrafts. If the transaction is paid into overdraft, it will incur an NSF/Overdraft Paid Item Fee. We do not guarantee that we will always pay any item or any type of transaction.

**If no Overdraft Protection or Overdraft Privilege is available:** We can cover your overdrafts using the standard overdraft practices that come with your Account. The Bank may, in exercise of its discretion, pay a check or automatic payment in

overdraft, rather than returning it unpaid. If the transaction is paid into overdraft, it will incur an NSF/Overdraft Paid Item Fee. We do not guarantee that we will always pay any item or any type of transaction.

**Overdraft Protection (Overview)** – Overdraft protection is an optional service you can add to your checking Account by linking one eligible Account. We will use available funds in your linked Account, (the "protector" Account), to authorize or pay your transactions if you don't have enough money in your checking Account (the "protected" Account). You can enroll in Overdraft Protection by visiting a Pinnacle office or calling 800-264-3613.

Eligible protected accounts include a Pinnacle checking, savings, or money market account. Eligible protector accounts include a Pinnacle deposit account or Pinnacle Line of Credit.

If your protector Account is a deposit account, it can provide Overdraft Protection for more than one deposit account. Likewise, a protected account can have multiple deposit protector accounts. If a Pinnacle Line of Credit is used as a protector account, it can only protect a single deposit account. We may cancel your Overdraft Protection service at any time by sending you notice.

Any owner of both the protected account AND the protector account may enroll in Overdraft Protection without the consent of other owners. Any owner of the protected account OR the protector account may cancel Overdraft Protection without the consent of other owners. If you link a jointly owned account, you authorize us to share information about your Account with each owner of the other linked account, such as type of protector account and partial protector account number.

**Overdraft Protection from Another Deposit Account** – allows you to link your checking or money market account (the "protected" account) to another Pinnacle deposit account (the "protector" account), for Overdraft Protection. The protector account can be a second checking account, savings account, or money market account. When you do not have enough available funds in your protected account to cover a debit item, we may automatically transfer funds from the available balance in your protector account to your protected account. Transfers will be made in \$100 increments. If the balance in the protector account is not sufficient to cover a debit item, no transfer from the protector account will occur and the debit item may be paid or returned, and an NSF/Overdraft Paid or Returned Item fee, for each debit item will be charged, as disclosed in the Schedule of Charges.

**Overdraft Protection from your Line of Credit** – allows you to link your checking or money market Account (the "protected" account) to an eligible Pinnacle line of credit (the "protector" account) for Overdraft Protection. When you do not have enough available funds in your protected account to cover a debit item, we may automatically advance funds from your protector account and transfer the funds to your protected account. Transfers will be made in \$100 increments from the protector account to your protected account. If the available credit on the protector account is not sufficient to cover a debit item, no transfer from the protector account will occur and the debit item may be paid or returned, and an NSF/Overdraft Paid or Returned Item fee, for each debit item will be charged, as disclosed in the Schedule of Charges. The Overdraft Protection advance is made under, and is subject to, the terms and conditions described in the line of credit agreement. We ordinarily make the advance as long as you are not in default under the line of credit agreement and as long as the advance does not cause you to exceed the amount of your available credit on your line of credit. The funds advanced are subject to fees and finance charges under the line of credit agreement. Overdraft Protection advances do not have a grace period and will begin accruing finance charges from the date the advance is posted to your line of credit account. Please see your line of credit agreement for more information about Overdraft Protection from your line of credit.

**Overdraft Privilege ("ODP")** is an overdraft service intended to assist you if you make an error on your Account that would otherwise result in returned items and requires no action on your part. Checks, ACH, bill payments, and other recurring debit card transactions are automatically considered for authorization and payment of overdrafts.

As long as you maintain your Account in good standing, Pinnacle may approve your overdrafts within your then current discretionary Overdraft Privilege limit. However, whether your overdraft will be paid is discretionary and we reserve the right in our sole and absolute discretion not to pay. Your Account is in good standing if you (1) are not in default on any loan obligation to Pinnacle Bank; (2) make a deposit to your Account at least once every fifteen (15) days after an overdraft occurs; (3) demonstrate responsible account management by continuing to make appropriate deposits to your Account to return the Account to a positive balance (not overdrawn) at least once every thirty-five (35) days (including the payment of all bank fees and charges); (4) avoid "excessive overdrafts" suggesting the use of Overdraft Privilege as a continuing line of credit; and (5) your Account is not the subject of any legal orders, levies or liens.

"Excessive overdrafts" is defined as being repeatedly overdrawn. An account is considered repeatedly overdrawn if (1) on six or more banking days (any business day on which an office is open to the public) during the previous six months the account had a negative balance or would have had a negative balance had checks and charges been paid, or (2) on two or more banking days during the previous six months the account balance was negative in the amount of \$5,525 or more or would have been negative in the amount of \$5,525 or more had checks and charges been paid. We reserve the right to suspend Overdraft Privilege from any Account if, in our sole judgment, the likelihood exists that an overdraft will not be repaid. Per Regulation E, for consumers to receive ODP for ATM and one-time debit card transactions, you must affirmatively opt-in. You may revoke your opt-in at any time.

All bank fees, including and without limitation our NSF/Overdraft Paid and/or Returned Item Fees will be deducted from your ODP limit. Please consult the current Schedule of Charges for the amount of the NSF/Overdraft Paid or Returned Item Fees. For consumer Accounts only, any item that will result in an overdrawn amount of \$15 or less if paid will not incur an NSF/Overdraft Paid Item fee. Consumer Accounts will not be charged an NSF/Overdraft Paid Item fee until payment of the first item that causes the Account to be overdrawn by more than \$15. No more than three (3) NSF/Overdraft Paid Item fees will be charged per day regardless of the number of items presented for payment. Per Regulation E, Pinnacle does not assess overdraft fees of any type against ATM or one time debit card transactions on consumer Accounts without the affirmative opt-in of the client for these types of transactions.

For business accounts with a debit card and ODP limit, no more than five (5) NSF/Overdraft Returned and/or Paid Item fees will be charged per day regardless of the number of items presented for payment.

ivory market, Estates, Representative Payee, and Fiduciary accounts are exempt from participation in the Overdraft Privilege program. All accounts that are eligible for Overdraft Privilege consideration will receive a \$100 limit applied the first business day after account opening. Assuming your Account remains in "good standing" as defined above, you will be notified by mail at some point thereafter if your initial ODP limit is increased. If your ODP limit is increased, it will vary by account type. Locate your Account type below to determine your potential discretionary ODP limit. Generally, only one Overdraft Privilege limit may be allowed per household or business entity.

Consumer Checking		Business Checking	
Average Ledger Balance	ODP Limit	Average Ledger Balance	ODP Limit
> \$100 and < \$500	\$300	> \$500 and < \$1,000	\$1,000
>= \$500	\$700	>= \$1,000	\$1,500

In our sole discretion, we may refuse to pay an overdraft item for you at any time, even though your Account is in good standing and even though we may have previously paid overdrafts for you. Overdrafts over your established Overdraft Privilege limit may result in checks or other items being returned to the payee. You will be notified by mail of any non-sufficient funds items paid or returned you may have; however, we have no obligation to notify you before we pay or return any item. The amount of any overdraft plus our NSF/Overdraft Paid and/or Returned Item fee(s) that you owe us shall be due and payable upon demand. If your Account is overdrawn more than fifteen (15) days as a result of the ODP program and no deposit is made, your discretionary ODP limit will be removed. Also, regardless of any deposit, if your Account is not brought to a positive balance within thirty-five (35) days of the first negative balance your Overdraft Privilege limit will be removed. If there is an overdraft paid by us on an account with more than one (1) owner on the signature card, each owner, signatory, and agent, if applicable, drawing/presenting the item creating the overdraft, shall be jointly and severally liable for the overdraft, plus our NSF/Overdraft Paid and/or Returned Item fee(s).

Please note that your Overdraft Privilege limit will not be reflected in your balance provided at the ATM, whether owned by Pinnacle or not, Pinnacle Anytime, or Online Banking. Overdraft Privilege should not be viewed as an encouragement to overdraw your account. If you would like to have this service removed from your account, please call (800) 264-3613.

The Overdraft Privilege Service does not constitute an actual or implied agreement between you and the Bank, nor does it constitute an actual or implied obligation of or by the Bank. This service represents a purely discretionary courtesy or privilege that the Bank may provide to you from time to time and which may be withdrawn or withheld by the Bank at any time without prior notice, reason, or cause.

**Deduction of Fees** – Fees may be deducted from your Account without prior notice to you. Maintenance and activity fees and fees for returned deposited checks, returned items, overdrafts, stop payment orders, charges for check printing, and other service charges made in accordance with the rules of the Bank in effect at the time of such charge shall be deducted from your Account and may be posted prior to other debits. The Bank shall not be liable for refusing to honor items presented for payment because of non-sufficient funds as a result of deducting such fees. Fees are subject to change from time to time at the Bank's discretion. The current Schedule of Charges is available at [www.pnfp.com](http://www.pnfp.com).

Consumer Accounts will be charged no more than three (3) NSF/Overdraft Paid Item fees per day regardless of the number of items presented for payment. In addition, consumer Accounts can be overdrawn by up to \$15 before an NSF/Overdraft Paid Item fee is charged. Consumer Accounts will not be charged an NSF/Overdraft Paid Item fee until payment of the first item that causes the Account to be overdrawn by more than \$15.

Business Accounts with a debit card and an ODP limit will be charged no more than five (5) NSF/Overdraft Returned and/or Paid Item Fees per day regardless of the number of items presented for payment.

**Stale Dated Items** – The Bank maintains the option to either pay or dishonor any stale dated item, which is an item more than six months old, upon presentation to the Bank. We shall have no liability to you for taking either such action.

**Prauthorized Demand Drafts** – A prauuthorized demand is a type of bank draft used by telemarketers and sales representatives who sell goods and services through the telephone, mail, or other electronic means. Drafts are used to obtain funds from your Account without you issuing a check or getting your signature on the draft. In lieu of a signature, a legend such as "Payment Authorized" or "No Signature Required" may appear on the draft. If you give a telemarketer or any other party information about your Account or Account number, and the information is thereafter used to debit your Account, the Bank is authorized to pay such item. If you wish to stop payment on the draft, you must revoke your authorization by giving notice to the telemarketer or the third-party.

**Remotely Created Checks** – A remotely created check is an item that appears to authorize payment to be made but which is not actually signed by the drawer. You agree that if you cash, negotiate or deposit a remotely created check, you warrant to us that the check is authentic and is authorized by the drawer according to the terms contained on the check. If a remotely created check is returned to us at any time and for any reason, we may debit the amount of the check from your Account.

**Death or Incompetence** – Neither a depositor's death nor a legal adjudication of incompetence revokes the Bank's authority to accept, pay, or collect items until the Bank is notified of the fact of death or of an adjudication of incompetence and has a reasonable opportunity to act on it. Even with knowledge the Bank may, for ten (10) days after the date of death, or adjudication of incompetence, pay checks drawn on or before said date unless ordered to stop payment by a person claiming an interest in the Account.

If a deposit or credit is made to an Account (such as Social Security, pension or veteran's benefits) payable to an individual who is or becomes deceased, we may return or refund the deposit and debit the Account.

**Delayed Return of Item** – The Bank will not be liable if an item deposited into your Account is returned after the time set by applicable law if the delay is caused by an improper endorsement. You will be liable to the Bank for any loss or expense we incur because we are unable to timely return an item drawn on your Account caused by any markings or damage to the item.

**Postdated Items** - If an item presented for payment against your Account is postdated, we may pay the item when presented or return it, at our option, and we shall have no liability to you for taking either such action.

**Conditional Items** – You agree not to issue a check that is conditional. For example, you may not issue a check with the notation "void after 30 days." The Bank has the right, however, to pay or reject an item where payment is conditional, and the condition has not been satisfied and we shall have no liability to you for taking any such action. For example, we may pay a check which says "void after 30 days" even though the check is presented more than thirty (30) days after its date.

**Large Cash Withdrawals** – For security reasons and for us to properly prepare for such requests, we require advance notice for large cash withdrawals. Any amount of cash withdrawal over \$10,000 is subject to availability, and we can refuse an order to withdraw funds in cash or to cash an item if we believe that the request is a security risk or will result in a hardship on the Bank. We may require you to accept a Cashier's Check or electronic transfer to receive the funds. If we agree to a large cash withdrawal, you may be required to employ a courier service acceptable to us and at your risk and expense.

**Non-Sufficient Funds (NSF)** – An overdraft is created when you have non-sufficient funds in your Account to cover a check, withdrawal, automatic transfer, electronic transaction (e.g., ATM or point-of-sale purchase), returned deposited item, or any other electronic purchase, payment, or debit when it is presented for payment. If your Account is linked to Overdraft Protection, the overdraft will be paid, pursuant to the terms of the Overdraft Protection Service section stated in this Agreement (and subject to the funds available in your Overdraft Protection protector account). You may have both Overdraft Privilege and Overdraft Protection on your Account as they are not mutually exclusive.

**Representation of Items** – Items, such as an ACH debit or a check, can be presented for payment multiple times. Each time an item is presented for payment and returned, a Non-Sufficient Funds (NSF)/Overdraft Returned Item Fee, as reflected in the current Schedule of Charges, may be charged to a business account. Consumer accounts will not incur an NSF/Overdraft Returned Item Fee. A previously returned item that is represented and subsequently paid by the Bank, regardless if the Account is a consumer or business Account, may be subject to an NSF/Overdraft Paid Item Fee as outlined in the current Schedule of Charges.

We will send you a notice in the mail to notify you of items paid and/or returned. The notice will show the check number, if applicable, amount of the item, and the amount and type of any applicable fee. You will need to subtract the total fees, if any, when reconciling your Account statement to your Account records.

#### 4. FRAUD AND UNAUTHORIZED TRANSACTIONS

**Duty to Safeguard Account** – You have a duty to safeguard access to your Account (including any credit accounts), account information, checks, signature stamps, account security codes, passwords, or personal identification numbers ("PIN"), and personal identification. If there are any unauthorized transactions or suspicious activity on your Account, including unauthorized checks or debits on your Account or lost, stolen or missing checks, we strongly advise that you close your current Account and open a new one. If you do not close your Account, you agree that the Bank is not liable to you for any subsequent debit, unauthorized transactions, losses, or damages that occur on your Account.

You agree to report any lost or stolen checks or any unauthorized transactions on your Account immediately upon discovery. We may require that you close the Account and open a new Account. If you fail to report such a theft or loss, you will assume full responsibility if the Bank should pay such items. If you permit any person to have access to any place in which you store your checks, you agree that the failure to keep your checks locked and secure shall constitute negligence and the Bank shall not be responsible for any such checks that are subsequently stolen and forged.

To guard against the disclosure and unauthorized use of personal information, you agree not to pre-print or write your Social Security Number, date of birth, driver's license number or other personal information on your checks or other items issued on your Account. If such information is included on your checks or other items drawn on your Account, you agree that the Bank will not be liable for the improper use of any such information by an individual or entity, regardless of how the individual or entity obtained or used the information.

You agree to place a stop payment on any lost or stolen check if such item has not already been paid utilizing procedures established by the Bank, as set forth below. The Bank shall not be responsible for paying any such item had you reported or stopped payment in a timely manner.

You agree to keep any Account information, security code, password, PIN, or personal identification used to access your deposit or credit Account(s) secure and strictly confidential and not to disclose such information to any other person. You must notify the Bank immediately if this information is lost or has become known to, or been used by, an unauthorized person. You acknowledge that the Bank has no method to determine whether a transaction conducted with use of a valid name, account number, and security code or personal identification was proper, and therefore authorize the Bank to complete any transaction involving your Account made with the use of such information. Subject to applicable law, you agree to be responsible for any transaction initiated with the use of a valid name, account number, security code, or personal identification, and agree that the Bank shall have no liability for any loss, claim, or damage you sustain as a result of the use of your security code or personal information described above whether such transaction was authorized or not. These rules apply to all checking, savings, or credit accounts in which a check, draft, or other item is used to withdraw or transfer funds. The rules governing electronic fund transfers are contained in Section VIII of this Agreement.

**Duty to Review Account Statement** – You agree to review your Account statement within thirty (30) days from the statement date. Because you are in the best position to discover an unauthorized signature or endorsement, a missing endorsement, any alterations or counterfeit item, or other error on the statement itself (including any item improperly charged to your Account, any deposit not credited to your Account, or any incorrect or improper amount, fee or interest calculation) you agree that, without regard to care or lack of care by you or the Bank, we will not be liable for any such items and you will be precluded from any recovery from the Bank if you have not reported such items in writing to the Bank within thirty (30) days from the statement date of the earliest statement containing those items. The Bank will also not be liable for forgeries on your Account committed by the same person if you fail to report the first forgery within thirty (30) days from the statement date containing the first forgery. If you choose not to receive your paper statements, you remain responsible to review and report any errors within thirty (30) days from the statement date. If you are absent from your Account mailing address, you are responsible to make arrangements to have your statements reviewed for errors and report them in a timely manner.

Electronic fund transfers are subject to different time periods for notification or unauthorized transfers, as described in Section VIII of this Agreement ("Electronic Fund Transfer Agreement & Disclosures"). Common examples of electronic fund transfers include, but are not limited to, debit card and ATM transactions, preauthorized deposits and payments, telephone transfers, transfers initiated through a personal computer, and transfers initiated through a "mobile wallet" (which includes transactions initiated through a smart phone or other mobile device).

**Duty of Care** – You agree that you will exercise ordinary care in handling your Account. In exercising ordinary care, you shall have the duty to: carefully examine your bank statements and any other notice(s) for fraudulent or unauthorized transactions and promptly notify the Bank of fraudulent or unauthorized transactions; timely reconcile your bank statement to detect any other account discrepancies including any missing or diverted deposits; implement security precautions regarding the use and access to your Account by use of any access device including checks, drafts or security codes, passwords, or other personal identification numbers; implement security precautions regarding the use and access to any signature stamp; conduct background checks on any individual who has authority to prepare your checks or reconcile your bank statements; independently review the work of any person who is responsible for reconciling your bank statement and preparing checks on a monthly basis; and comply with all other duties imposed on you under this Agreement or under applicable state law. Your failure to exercise ordinary care will constitute negligence and will preclude you from asserting against the Bank any unauthorized transaction on your Account.

You acknowledge that the Bank processes its checks by automated means and is under no duty to examine each item presented for payment. You acknowledge that the Bank's automated check payment and notification procedure applies to all items presented for payment against your Account, including checks or other withdrawal orders presented directly over the counter at any office location. You agree that such automated check payment and notification procedure is commercially reasonable. You and the Bank, pursuant to applicable law, therefore, agree that the Bank shall be deemed to have exercised ordinary care if it adheres to a standard of manual or mechanical examination of a random sampling of items being processed for payment. These items may represent a sampling or selection of items drawn on all accounts, or items which meet certain minimum criteria established by the Bank for manual or mechanical inspection (such as large amounts). The Bank shall be deemed to have acted in good faith and in accordance with reasonable commercial standards in paying any items forged or altered (as by unauthorized use of a signature stamp, facsimile machine or otherwise) that the unauthorized signature, endorsement, or alteration would not be detected by a reasonable person.

The Bank's policies and procedures are general internal guidelines for the sole benefit of the Bank and do not establish a higher standard of care for the Bank than is otherwise established by the laws governing your Account. A clerical error or honest mistake will not be considered a failure of the Bank to perform any of its obligations.

**Limitation to File Claim** – You agree that no legal proceeding or action may be commenced against the Bank to recover any amounts alleged to have been improperly paid out of the Account due to any unauthorized signature or endorsement, any alteration, or any other fraudulent or unauthorized transaction unless: (a) you have timely provided the written notices as required above, and (b) such proceeding or action shall have been commenced within one year from the date the statement containing the unauthorized transaction was made available to you. As used herein, a proceeding or action is commenced when you file suit in a court of competent jurisdiction, or if the action is subject to arbitration, when you give the Bank written notice of such action. Any proceeding or action not brought within one year from the date of the first statement containing the unauthorized transaction, or related series of transactions, is forever barred.

**Duty to Cooperate** – If you report any unauthorized transaction on your Account, you agree to cooperate with the Bank in its investigation of the claim. This includes preparing or signing an affidavit or statement containing whatever information the Bank requires concerning the Account, the transaction, and the circumstances surrounding the loss. You also agree to file a criminal report and, upon our request, to provide us with a copy of the report, and testify against any suspected wrongdoer. Failure to do so, or your entry into any settlement, compromise, or restitution agreement with the wrongdoer without the consent of the Bank, waives any claims you have against the Bank. Finally, you agree that upon request from the relevant law enforcement agency(ies), the Bank may provide information relating to the Account, the transaction, and the circumstances surrounding the loss to law enforcement. The Bank may reverse any credit or reimbursement should you fail to file the criminal report or refuse to testify against the wrongdoer.

You agree that you will not bring any legal action or arbitration claim against us unless you have first provided the affidavit or statement described within this section.

**Duty of Insurance** – You agree to pursue all rights under any insurance policy you maintain before making a claim against the Bank in connection with any unauthorized banking transaction. You agree to provide the Bank with all reasonable information about any insurance coverage, including the name of the insurance carrier, the policy number, policy limits, and applicable deductibles. The Bank's liability, if any, will be reduced by the amount of any insurance proceeds you are entitled to receive. At the Bank's request, you agree to assign your rights under any insurance policy to the Bank.

**Limitation of Liability for Fraud and Unauthorized Transactions** – You agree that the Bank has a reasonable time to investigate the facts and circumstances surrounding any claimed loss and that the Bank has no obligation to provisionally credit your Account before or during the investigation, unless required by law. You also agree the Bank will not be liable for any items that are forged or altered in such a way that such forgery could not be reasonably detected. If we do credit your Account, you agree that such credit is not considered final payment. If a credit is given to your Account at any time and the Bank determines that the original debit to your Account was proper, you agree that the Bank may reverse the credit to you at any time whether it originally advised that the credit was provisional. **THE BANK'S MAXIMUM LIABILITY IS THE LESSER OF ACTUAL DAMAGES PROVED OR THE AMOUNT OF THE UNAUTHORIZED WITHDRAWALS, REDUCED BY AN AMOUNT WHICH COULD NOT HAVE BEEN REALIZED BY THE USE OF ORDINARY CARE; HOWEVER, AS INDICATED ABOVE (IN SECTION III) THE BANK SHALL IN NO EVENT BE LIABLE TO YOU OR ANYONE ELSE FOR SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, CONTINGENT OR CONSEQUENTIAL LOSS OR DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY ATTORNEYS' FEES OR EXPENSES. WITHOUT IN ANY WAY LIMITING THE FOREGOING, THE BANK WILL NOT BE LIABLE FOR ANY ITEMS THAT ARE FORGED OR ALTERED IN SUCH A WAY THAT SUCH FORGERY COULD NOT BE REASONABLY DETECTED.**

If you request a stop payment on a check that is presented to us for payment electronically (such as a substitute check, converted check, remotely created check, or imaged check) that does not contain the check number, we will attempt to stop payment

based on the information you provided. We will have no liability for our inability to stop payment on such an electronic item as our stop payment process is dependent upon the ability to read a check number. You may be charged a stop payment fee even if we are unable to affect your stop payment order.

**Facsimile Signatures** – The Bank may refuse to accept a request from you to use a machine or "facsimile signature" on your Account except to the extent the Bank is required to make accommodations for you as a person protected under the Americans Disabilities Act of 1990 (as amended, the "ADA"). If we do agree, you must provide us with a specimen of any machine or facsimile signature and your name must be listed on the signature card for the Account. Regardless of whether you have provided a specimen of the facsimile signature, if you use a machine or facsimile signature, you are responsible for any check, draft, item or other written order when bearing or purporting to bear a machine or facsimile signature of any of the authorized signers, regardless of by whom or by what means the item was created. You assume all liability for and indemnify us from the unauthorized use of any machine or facsimile signature. You acknowledge and agree we may require your execution of a hold harmless, indemnification, and/or waiver as a condition precedent to our consent to the use of a machine or facsimile signature. If you use any type of machine or facsimile endorsement on any item, you agree that we may accept any future machine or facsimile endorsement on an item as your endorsement regardless of by who or by what means the actual or purported machine or facsimile endorsement may have been affixed.

**Bookkeepers** – In the event you authorize any third person, such as a bookkeeping service, an employee, or agent of yours to retain possession of or prepare items or make deposits, issue payments, wires or other transfers, you agree to assume full responsibility for any errors or wrongdoing by such third party or any of their employees, including if the Bank should pay such items or allow the negotiation of any part of a deposit, including receiving any cash back. The Bank shall have no liability due to forged, altered or unauthorized checks, endorsements or unauthorized payments, wires or other transfers if you fail to follow these procedures.

5. **BANK'S STIPULATIONS/RIGHT TO CLOSE ACCOUNT** – We may at any time, in our discretion, refuse to open an account, refuse any deposit, refuse to cash a check, limit the amount which may be deposited, or return all or any part of a deposit. Further the Bank may discontinue or refuse to offer you any account, service or product at any time. In addition, we may close your Account at any time, for any reason or for no reason, without the necessity of prior notice. Your Account will be closed automatically if we do not receive your completed Account documentation (i.e., signature card, resolution, identification documents, etc.) within thirty (30) days of the date on which your Account is opened or a revision is made. If a determination by the Bank is made to close your Account, a hold may be placed on the Account until the funds are released to you. If we close your Account, we will notify you by mail, email, or telephone that we have closed your Account. Written notice that the Account has been closed and a check, if any, will be sent to any address on our records for you or, if the Account is a multiple party or joint account, any depositor to whom we elect to send it. We may deliver the remaining balance in any business or organization Account to any authorized representative listed on our records for the business or organization. Once we have closed your Account, we can, without any liability to us: (a) refuse to honor any items you have written that are presented to us for payment after we have closed your Account; (b) refuse to collect any item you have deposited in the Account; (c) assess any service charge otherwise applicable against any remaining balance in your Account; and (d) retain all funds in the Account until we are reasonably satisfied that the time for items to be returned to us has lapsed and that all remaining funds are collected. We, however, may accept deposits to an Account after it is closed in order to pay any service charges due and any amounts outstanding and unpaid. Acceptance of any deposit does not require us to reactivate the Account. If you close your Account and transactions that we cannot return unpaid (for example, a previously approved/authorized point-of-sale debit card purchase or ATM transaction) are later presented against your Account, you authorize us to apply the transactions that were authorized prior to Account closure.

You agree that the Bank may report your Account to ChexSystems or other consumer reporting agencies if it is closed due to a negative balance, fraud, or other inappropriate activity. If we close your Account because the account has an overdrawn balance, which we charged off, you agree we may report this closure. Such reporting may adversely affect your ability to open an account at another financial institution or to write or negotiate checks at retailers or merchants.

6. **RIGHT TO FREEZE ACCOUNT** - We may suspend payment and/or place a hold on your Account in our sole discretion and under any circumstance including, but not limited to: (a) if the Bank determines that the ownership of funds or the right to debit or make withdrawals from your Account is in dispute (for purposes of this section, "dispute" may include such disputes between you and the Bank involving the Account, disputes between you and an authorized signer or other joint owner, or any situation where a third party takes action or gives notice to the Bank of any claim on the Account or funds contained therein, regardless of whether the Bank is involved in such dispute, as well as any other situation in which there is an allegation of fraud or mistake or the Bank is uncertain as to the ownership or payment of funds); (b) you owe the Bank or any of its affiliates money, or the Bank or any of its affiliates has a claim against you for the payment of money, regardless of whether such claim is disputed, unliquidated, or contingent; (c) we detect or suspect any unauthorized, unlawful or irregular activity related to your Account including but not limited to transactions prohibited by any law, rule or regulation, such as the Unlawful Internet Enforcement Act; (d) you have committed or are suspected of committing an allegedly fraudulent act, or, if any claim, whether oral or written, has been made upon the Bank due to your actions; or (e) upon notice of a bankruptcy filing. Payment will be suspended and/or a hold will remain on your Account until the dispute, allegation, or problem is resolved or determined to the Bank's satisfaction. The Bank will not be liable for any delay or refusal to follow instructions or for returning items unpaid that occur as a result of a dispute or uncertainty over the ownership or control of your Account or the suspension or freezing of your Account for any of the reasons stated above. In the event we receive a documented claim for a forged, irregular, altered (including payee and dollar amounts), or unauthorized endorsement on a check or draft deposited into your Account, the Bank is authorized to debit your Account for the amount of the claim without prior notice to you. The bank will have no liability for honoring the claim.

You agree to be liable to the Bank for any loss, costs, or expenses including but not limited to reasonable attorney's fees, to the extent permitted by law that we incur as a result of any dispute brought by a third party involving your Account, as well as any garnishment, levy, writ of attachment, or other execution served on the Bank with regard to the Account(s), or any interpleader action commenced by the Bank with regard to the same. You authorize us to deduct any such loss, costs, or expenses from your Account without prior notice to you.

7. **RIGHT OF SETOFF** – You hereby assign and grant to the Bank a security interest in all Accounts as security for your obligations to the Bank existing now or in the future. You each agree that we may, without prior notice and when permitted by law, set off the

funds in this Account against any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, up to the extent of your right to withdraw. This means that we have the right to apply part or all of the funds in your Account for the satisfaction of any debt you or any co-owner of the Account owes us. If you open a new deposit account, we may use any funds in this new account to offset balances previously owed to us. Debts subject to our right of setoff include those owed by you from another joint account in which you are a co-owner even though the debt may not have been directly incurred by you, as well as debts for which you are only secondarily liable. Our security interest and our right of setoff also applies: (i) when we give you credit for or cash a third-party check which is returned to us unpaid for any reason or is counterfeit regardless of the timing of said return; (ii) to cover overdrafts created in any Account held by you or in which you have an interest whether or not you consented to the overdraft or are otherwise responsible for it; (iii) to recover service charges or fees owed by you or any joint owner of your Account; and (iv) to reimburse the Bank for any costs or expenses in enforcing its rights, including, without limitation, reasonable attorneys' fees and the costs of litigation to the extent permitted by law. You agree we will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this Account and agree to hold us harmless from any claim arising because we exercised our right of set-off. Our right of setoff or security interest may be exercised before or after the death of an account holder and can follow the proceeds to any other account held at the Bank.

You agree that our right of setoff includes the Bank's right to use proceeds from all funds deposited into your Account, including funds received from the Social Security Administration and other federal or state agencies, to pay such debts, including overdrafts and account fees. By continuing to deposit these funds into your Account you agree to allow the Bank to exercise its right of setoff against these funds, and not to assert any claim or defense that these deposits are exempt from setoff based on any federal or state law, rule, or regulation. If the debt arises from a note, "any due and payable debt" includes the total amount to which we are entitled to demand payment under the terms of the note at the time we set off, including any balance for which we properly accelerate the due date.

This right of set-off does not apply to this Account if: (1) it is an Individual Retirement Account, Keough account, or other tax deferred retirement account; (2) the debt is created by a consumer credit transaction under a credit card plan; (3) the debtor's right of withdrawal arises only in a representative capacity; or (4) setoff is prohibited by the Military Lending Act or its implementing regulations.

**8. STOP-PAYMENTS** – If a check, instrument, or other draft you have drawn on your Account (a "Check") has not already been paid, you may ask us to stop payment. You may also request a stop payment on an Automated Clearing House (ACH) debit to your Account if the item has not already been paid. You are responsible for notifying the originator/sender that you have revoked your previous authorization for ACH debits. Please refer to Section VIII Electronic Fund Transfer Agreement & Disclosures for more details.

A stop payment order must be given in the manner prescribed by us, must be received in time to give us a reasonable opportunity to act on it, and must precisely identify the number, date and amount of the Check, and the payee. If you do not provide the check number, payee, and the exact amount of the item, we will not be liable for misidentification of payment of the item and failure to honor the stop payment order. We will honor a stop payment request by the person who signed the particular Check, and by any other person, even though such other person did not sign the Check, if such other person has an equal or greater right to withdraw from the Account than the person who signed the Check in question. A release of the stop payment request may be made only by the person who initiated the stop payment. Each stop payment order is effective for six (6) months. A fee for the stop payment order will be charged against the Account to which the stop payment order applies. If you want the stop payment order to continue after the initial six (6) month period, you will need to place a new stop payment order for an additional six (6) months and pay the stop payment fee.

You may not stop payment on a Debit Card point-of-sale transaction, ATM transaction or a transaction that you initiate by check, which a merchant converts to an electronic transfer at the point of sale.

**You do not have the right to stop payment on a cashier's check you have purchased from us.** These are instruments on which the Bank itself is or may be obligated. However, if a cashier's check you purchased is lost or stolen, you may obtain a replacement instrument if we have not already paid the lost cashier's check. To obtain a replacement or get your money back, you must file a claim, and execute such affidavits and indemnification agreements and/or furnish such bonds as we may require in our discretion. In general, your claim will become enforceable in ninety (90) days. Once it becomes enforceable, we will issue a replacement cashier's check or refund your money if we have not already paid the lost cashier's check.

**9. LEGAL PROCESS ON YOUR ACCOUNT** - You acknowledge and agree that because the Bank has offices in multiple states, if any legal process is served upon the Bank, we may honor such service and charge your Account, regardless of jurisdiction or where or how served. You agree that we may accept any legal process we believe to be valid without any liability to you and that we may, in our discretion, waive such service and accept legal process by mail, electronic mail, facsimile or other means. If we receive any court order or similar process, or if we are required to suspend payment by any law or regulation, including, but not limited to, those issued by the Office of Foreign Assets Control, we may suspend payment or comply with the terms of the order or similar process on any Account that we believe to be affected by the order. Payment will be suspended until final resolution of such court order or similar process or until the applicable law or regulation authorizes resumption of payments, even though such suspension or compliance may be due to inadvertency or error because of the similarity of names of depositors or other mistakes. If your Account is attached, garnished, or otherwise subject to levy by legal action, we will not be liable to you for any sums we pay or freeze because of such attachment, garnishment, or other levy, even if paying or freezing the money from your Account leaves non sufficient funds to pay a check you have written. After receiving legal process, we may freeze or remove the funds at issue from your Account and you agree that we are not required to pay interest on such funds. If we incur any expenses including, without limitation, reasonable attorney's fees in responding to a court order or similar process that is not otherwise reimbursed, we may charge such expenses to your Account without prior notice to you. Any attachment, garnishment or other levy against your Account is subject to the Bank's right of setoff and security interest. The Bank's fees for garnishment, levy, or other attachment against your Account are due when the garnishment, levy or other process is issued, and the Bank may offset these fees from your Account prior to honoring any garnishment, levy, or other attachment. To the fullest extent permitted under applicable law, you agree that the Bank will not be liable for any hold or freeze placed on your Account, including any items returned unpaid because of such a hold or freeze, even if some or all of the funds in the Account are exempt from garnishment, levy, or other attachment. All funds held in a joint account can be used to satisfy any legal process against you, any joint owner of your Account, or your Account notwithstanding any claim or assertion of actual ownership of the funds in the Account.

**10. POWER OF ATTORNEY** – To the maximum extent permitted under applicable law, the Bank may in its sole discretion refuse to honor or accept a Power of Attorney to open, close, deposit, or withdraw funds from your Account or to supply endorsements on checks or any other item or to take any other action with respect to your Account. We may require the agent or attorney-in-fact to confirm in an affidavit that the power has not been revoked or terminated or that you are not deceased. We may continue to recognize the authority of your agent or attorney-in-fact until we receive and have a reasonable opportunity to act upon notice of your death or written notice of revocation or termination of the Power of Attorney. We may require that you register the Power of Attorney with the appropriate recording authorities. As may be permitted, we reserve the right to restrict the nature or size of the transactions the agent or attorney-in-fact may conduct on your behalf, and we may require that you personally authorize such transactions. The Bank may permit the principal or an authorized signer to conduct transactions against the Account even if the Bank has recognized a Power of Attorney to the Account. The principal shall have access to an Account opened in his/her name under a Power of Attorney despite not having signed a signature card. The Bank in its sole discretion may refuse to recognize a Power of Attorney executed by one joint owner of a joint Account without the consent of the other joint Account owner(s). You agree to indemnify and hold Bank harmless for accepting and/or honoring any Power of Attorney, or copy thereof, which Bank accepts in good faith and believes is valid and authorized by you.

**11. RESOLUTION OF DISPUTES** - To the extent eligible, and except as otherwise required by state or federal law, you and we agree that each and every action to interpret or enforce any provision of this Agreement, or related to the rights or obligations concerning your Accounts:

1. If subject to the substantive laws of Tennessee, action will be brought exclusively in or transferred to the "Business Court" established by Orders of the Tennessee Supreme Court;
2. If subject to the substantive laws of North Carolina, action will be brought exclusively in or transferred to the "Business Court" as established and governed by N.C. Gen. Stat. § 7A-45.4;
3. If subject to the substantive laws of South Carolina, action will be brought exclusively in or transferred to the "Business Court" established by Orders of the South Carolina Supreme Court; or
4. If subject to the substantive laws of any other state, will be brought exclusively in or transferred to that state's equivalent (if any, whether now in existence or hereafter established) of the aforementioned business courts; or
5. Venue otherwise shall lie in the same state as the law governing your Account exclusive of any other state or jurisdiction.

**12. LIABILITY** - Each of you agrees, for yourself, and the person or entity you represent if you sign as a representative of another, to the terms of this Agreement, the Account Disclosures, and the Schedule of Charges that may be imposed. You authorize us to deduct these charges, without notice to you, directly from the Account balance as accrued. You also agree to pay additional reasonable charges we may impose for services you request which are not specifically stated in this Agreement.

Each of you also agrees to be jointly and severally liable for any Account deficit resulting from charges or overdrafts, whether caused by you or another signer authorized to withdraw from this Account, and the costs and expenses, including, but not limited to attorneys' fees. You are liable regardless of whether you signed the item or benefited from the charge or overdraft. In the case of a joint account where one account owner is a minor, the adult owner will be liable for all debts incurred by the minor through the use of the Account.

Our liability for losses you incur in connection with your Account is limited to actual damages proved that are proximately caused by our failure to exercise ordinary care. Notwithstanding, if we make an error in your favor by excessively crediting or insufficiently debiting your Account for any reason, including, but not limited to, the giving of cash or credit in excess of a corresponding Account debit, you agree that you immediately owe us the amount in error, whether you relied on the error or not.

**13. CONTACTS AND ALERTS** – For us to service your Account, we may contact you by phone, text, email or mail. You give the Bank and its agents express consent to contact you at any telephone number, email address or physical address that you have provided to us. When we call you, you agree that we may leave prerecorded or artificial voice messages. You also agree that we may use automatic telephone dialing systems in connection with calls or text messages sent to any telephone number you give us, including wireless numbers that may result in charges to you.

**14. DORMANT ACCOUNTS** - We may, after twelve (12) months of inactivity, consider your Account dormant. Dormant accounts will be subject to a monthly dormant account fee as shown on the Schedule of Charges and any debit/ATM cards associated with the Account will be closed. We reserve the right not to send statements on Accounts we consider dormant. Accounts which have been dormant for the applicable statutory number of years will be transferred in accordance with state law where your Account is opened. In that case, we will have no further liability to you for these funds.

**15. AUTHORIZATION OF TRANSFERS** - You authorize the Bank to make transfers of funds from time to time from any deposit or credit account upon instruction of any individual using a correct account name, account number, security code, confidential identification number, or other information the Bank has on file about you, your Account or any other authorized signer on your Account, and whether given orally, by telephone, in person, in writing, through an ATM, point-of-sale terminal, or any other method. Any such transfers may also be governed by separate agreement with the Bank pertaining to such services. You acknowledge that the Bank has no method to determine whether a transaction conducted with the use of a valid account name, account number security code or other information which the Bank has on file about you or your Account was proper and therefore authorize the Bank to complete any such transaction in which the Bank receives such identifying information.

**16. COMMERCIAL ACH TRANSACTIONS** - The following rules and regulations apply to Automated Clearing House (ACH) transactions received by commercial depositors for non-personal purposes, which are not covered by the Electronic Fund Transfer Act as implemented by Regulation E.

**Provisional Payment** – Credit given by us to you with respect to an ACH credit entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e., the originator of the entry) shall not be deemed to have paid you in the amount of such entry.

**Notice of Receipt of ACH Items** – Under the Operating Rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your Account, we are not required to give next day notice to you of receipt of an ACH

item and we will not do so. However, we will continue to notify you of the receipt or payments in the periodic statements we provide to you.

**Choice of Law** – We may accept on your behalf payments to your Account which have been transmitted through one or more Automated Clearing Houses and which are not subject to the Electronic Fund Transfer Act. Your rights and obligations with respect to such payments shall be construed in accordance with and governed by the substantive laws of the state of Tennessee.

## VIII. ELECTRONIC FUND TRANSFER AGREEMENT & DISCLOSURES

This Electronic Fund Transfer Agreement & Disclosures governs the transfer of funds initiated through an electronic terminal, telephone, computer, or magnetic tape for the purpose of instructing the Bank to debit or credit your consumer Account(s). This Electronic Fund Transfer Agreement & Disclosures also contains the disclosures required by the Electronic Fund Transfer Act and its promulgating regulations. This information only applies to Accounts held for personal, family or household purposes and is therefore not applicable to business, trust accounts, fiduciary accounts, or any such account held for non-personal purposes. If there is any inconsistency between provisions in this Agreement concerning transactions covered by this section VIII Electronic Fund Transfer Agreement & Disclosures, this section VIII Electronic Fund Transfer Agreement & Disclosures will govern.

- ELECTRONIC FUND TRANSFERS** – Electronic fund transfers include, but are not limited to, debit card and ATM transactions, preauthorized deposits and payments, telephone transfers, transfers initiated through a personal computer, transfers initiated through a “mobile wallet” (which includes transactions initiated through a smart phone or other mobile device), and transfers initiated by third parties. Examples of transfers initiated by third parties include, but are not limited to, electronic check conversions and electronic returned check charges. An electronic check conversion occurs when you authorize a third party to initiate an electronic fund transfer from your Account using information from the check you provide to the third party. This may occur at the point of sale or when you send a check by mail or deliver a check to a third party’s lockbox location. In addition, an electronic fund transfer may be initiated to collect a fee if your check or electronic fund transfer is returned or declined for non-sufficient funds. Your authorization for such transfers can occur in a number of ways. In some cases, your authorization can occur when the third party posts a sign or otherwise informs you of their policy.
- ACCESS DEVICES** – An access device is a card or personal identification code that provides access to a consumer’s deposit account, which may be used to initiate electronic fund transfers. Access devices include, but are not limited to, your Pinnacle automated teller machine card (“ATM Card”), Pinnacle Debit Card (“Debit Card”), and personal identification number (“PIN”). You may use your ATM Card and PIN to access your checking account to purchase goods (in person) and get cash from a merchant (if the merchant permits), or from a participating financial institution. You may use your Debit Card to access your checking account to purchase goods (in person, by phone, by internet or by mail), pay for services (in person, by phone, by internet, or by mail), get cash from a participating financial institution, and do anything that can be done with a credit card (that a participating merchant will accept with a credit card). A check is not an access device; however, an electronic fund transfer initiated by using information obtained from a check is governed by this Agreement. You may, verbally or by other authorized means, request an access device to conduct electronic fund transfers to or from your consumer accounts. We may refuse to issue an access device to any customer, and we may terminate, suspend or modify access device privileges, immediately and without cause or notice, unless otherwise required by law.
- APPLICABLE AGREEMENTS** – You agree to conduct all electronic fund transfers in accordance with this Electronic Fund Transfer Agreement & Disclosures, any separate agreement(s) and/or disclosure(s) provided in connection with the issuance of any particular access device, and any agreement(s) governing your account(s). Please refer to the Pinnacle Online Banking Terms of Use, as amended, for important additional information concerning electronic fund transfers initiated using a personal computer or wireless device.
- VERIFICATION OF TRANSACTION** – Transaction records issued with respect to an electronic fund transfer will be subject to verification and adjustment in accordance with the terms and conditions of the Bank and applicable law. Where there is a conflict between a transaction record and the Bank’s record, the Bank’s record shall control.
- POINT OF SALE TRANSACTIONS/PREAUTHORIZED HOLDS** – If you use your ATM Card or Debit Card to purchase goods and services, including Internet purchases (a point-of-sale “POS” transaction), you authorize us to debit your Account, which may result in an immediate withdrawal of funds even though the transaction may post to your Account at a later date. When you initiate a POS transaction, the merchant will submit to the Bank a pre-authorization for either the actual amount of the transaction or for an amount that is estimated. For example, restaurants, hotels and motels, car rental agencies, and gas stations regularly submit pre-authorization estimates which may be for more or less than the final transaction amount that posts to your Account. If we approve the pre-authorization, a hold will be placed on your Account for the pre-authorization amount, which reduces your available balance. The Bank cannot determine in advance whether the pre-authorization amount will be sufficient to cover the final transaction total when it is submitted by the merchant for payment. Because a hold is placed only on the pre-authorization amount, you must maintain sufficient funds in your Account to cover the full amount of the transaction until it is paid by the Bank, or you may incur an overdraft even though the pre-authorization was approved by the Bank. The length and amount of the hold is determined by the merchant and expires upon posting of the transaction to your Account or in three (3) business days, whichever first occurs. A merchant can submit a POS transaction for payment after the hold on the funds in your Account has expired, and if you have opted in to Overdraft Coverage for one-time or everyday debit card transactions and ATM withdrawals, you may incur an overdraft and may be assessed overdraft fees if you do not have sufficient funds in your Account at the time the POS transaction was authorized for payment by the merchant.

When a pre-authorization hold expires before the POS transaction posts to your Account, the funds that were held are added back into the calculation of your available balance (the amount of money available for making payments and withdrawals). The recalculated available balance will be used to authorize subsequent POS transactions, and you are responsible for maintaining sufficient funds in your Account to cover the initial POS transaction, any subsequently authorized POS transactions, and all outstanding checks you may have written or other electronic transactions you have authorized. A merchant may also reverse a pre-authorization at your request, and/or extend or modify the amount of the pre-authorization in certain circumstances, such as an extended hotel stay. If an extension or modification is submitted by a merchant, the hold on your Account will be extended or modified, which will also affect the calculation of your available balance.

A pre-authorization hold will also affect your available balance by reducing the amount of funds in your Account that are available to pay checks that you have written and electronic transactions you have initiated. As a result, those outstanding checks or pending electronic debits may be declined, dishonored, or not paid. We are not responsible if we do not authorize or pay electronic fund transfers, or if we dishonor checks drawn on your Account while a pre-authorization hold is on your Account. You may incur an overdraft if the funds for a pre-authorized POS transaction are no longer available for settlement because other checks, debits or fees posted to your Account before the POS purchase was submitted by the merchant for payment; however, no overdraft fees will be assessed if the Bank had authorized the POS transaction based on sufficient funds at the time of authorization.

No cash refunds will be made to you by the Bank on ATM Card or Debit Card purchases. Disputes regarding the quality of goods or services received from a merchant are not considered electronic fund transfer errors or unauthorized transactions. Any claim or dispute regarding goods or services purchased with your ATM Card or Debit Card or pre-authorizations submitted by merchants should first be directed to the merchant or other business establishment at which you made the purchase. We may pursue such claims on your behalf only as a courtesy. We may attempt to recover your money with the merchant’s bank, but we do not guarantee the outcome of the claim. These types of claims can take an extended period of time to be concluded. If a recovery is made, we will credit your Account for the amount recovered. The amount of the credit, if any, will be reflected on your periodic account statement. You do not have the right to stop payment on any ATM withdrawal or one-time POS debit card transaction.

- CANCELING YOUR ACCESS DEVICE** – You may cancel your access device at any time by notifying us in writing and no longer using it. Canceling your access device will not affect your obligations under this Agreement, even if we allow any transaction to be completed with your access device after this Agreement has been terminated.
- UNAUTHORIZED USE OF MASTERCARD DEBIT CARD** – Certain rights and obligations concerning your use of a MasterCard Debit Card issued through us are set out in a separate MasterCard Guide to Benefits. If you believe your MasterCard Debit Card has been lost or stolen, call us at 1-800-264-3613. Telephoning is the best way of keeping your possible losses down. Provided you report your MasterCard Debit Card as lost or stolen within two (2) business days of when you discover or reasonably should have discovered the loss or theft, you will have no liability for any unauthorized use of your card. If you do not report the loss or theft of your MasterCard Debit Card within two (2) business days after you discover or reasonably should have discovered the loss or theft, you may be liable for \$50 for unauthorized transactions utilizing a PIN.
- UNAUTHORIZED TRANSFERS & YOUR LIABILITY** – Tell us AT ONCE if you believe your access device and/or PIN has been lost or stolen, or someone may have electronically transferred money from your Account without your permission, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all of the money in your Account (plus the maximum amount of your overdraft line of credit, if any). Except in situations governed by the zero-liability policy described in Section 7 of this Electronic Fund Transfer Agreement & Disclosures, if you tell us within two (2) business days after you learn of the loss or theft of your access device or the unauthorized transaction, you can lose no more than \$50 if someone makes electronic transfers without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your access device or the unauthorized transaction, and we can prove we could have stopped someone from making electronic transfers without your permission if you had told us, you can lose as much as \$500. Also, if your periodic statement shows transfers that you did not make, including those made by card, code, or other means, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed or made electronically available to you, you may not get back any money you lost after the sixty (60) days if we can prove that we could have stopped someone from taking the money if you had told us in time.
- TELEPHONE NUMBER AND ADDRESS TO BE NOTIFIED IN EVENT OF UNAUTHORIZED TRANSFER** – If you believe your access device has been lost or stolen, your PIN has been obtained by an unauthorized person, that someone has transferred or may transfer money from your Account, or a transfer has been made using information from your check without your permission, IMMEDIATELY call us at 1-800-264-3613 or write us at the address listed at the end of this disclosure. Any notice sent to us by mail shall not be effective until our actual receipt of the notice.
- BUSINESS DAYS OF INSTITUTION** – For purposes of these disclosures, our business days are Monday through Friday, except for federal holidays.
- TYPES OF AVAILABLE TRANSFERS**  
**Account Access** – You may perform the following types of transactions. Some of these services may not be available with every access device, or at every electronic terminal, and may be subject to restrictions contained in the agreement provided with that particular access device.
  - Account inquiry
  - Withdraw cash from your designated deposit accounts
  - Make deposits to your designated deposit accounts
  - Transfer funds between your designated deposit accounts
  - Make payments on designated loan accounts from designated deposit accounts
  - Pay for purchases at merchants who have agreed to accept the access device, or otherwise initiate electronic fund transfers to pay for purchases
  - Electronically pay bills directly from your deposit account
  - Make an electronic payment from your deposit account using information from your check
  - Make purchases and payments from a “mobile wallet”

**Online Banking** – If you have entered into a separate Online Banking Agreement with us, you may access your Account(s) through the internet using your access codes, to:

- Transfer funds between your Accounts
- Make payments to loan accounts
- Make payments to third parties
- Get information about your Accounts with us

**Automated Phone Banking** – You may transfer funds between your Accounts by using Pinnacle Anytime at 615-744-3800, 615-849-2265 or 866-755-5428.

12. **LIMITATIONS ON TRANSFERS** - In addition to those limitations on transfers elsewhere described, if any, the following limitations apply:

- You may withdraw from your checking or savings account up to \$500 daily using your Pinnacle ATM or Debit Card. Certain non-Pinnacle ATMs may impose a surcharge fee. Disclosure of this surcharge fee may be displayed at those participating ATMs.
- You may purchase up to \$2,500 worth of goods or services daily using your Pinnacle ATM or Debit Card in our point of-sale transfer service.

13. **CHARGES FOR ELECTRONIC FUND TRANSFERS** - We do not charge for direct deposits to any type of consumer Account. We do not charge for preauthorized withdrawals from any type of consumer Account. The number of preauthorized withdrawals allowed is limited on some savings accounts. Excessive withdrawals and transfers are subject to fees as disclosed in the Account Disclosures and Schedule of Charges. Except as indicated elsewhere, we do not charge for electronic fund transfers on consumer Accounts. If you use an automated teller machine that is not operated by us, you may be charged a fee by the operator of the machine and/or by an automated transfer network, including a fee for a balance inquiry even if you do not complete a fund transfer.

14. **RIGHTS TO DOCUMENTATION**

**Electronic Terminal Transfers.** You can get a receipt at the time you make any transfer to or from your Account using an ATM.

**Direct Deposits.** If you have arranged to have direct deposits made to your Account at least once every sixty (60) days from the same person or company, you can call us at 1-800-264-3613 to find out whether or not the deposit has been made.

**Periodic Statements.** You will receive a monthly account statement, either mailed or made electronically available.

15. **PREAUTHORIZED TRANSFERS/PAYMENTS**

**Right to Stop Payment** - If you have told us in advance to make regular payments out of your Account, you can stop any of these payments. Call or write us at the telephone number or address listed at the end of this disclosure in time for us to receive your request three (3) business days or more before the payment is scheduled to be made. Each stop payment order may be subject to a fee as disclosed in the Schedule of Charges.

**Notice of Varying Amounts** - If these regular payments vary in amount, the person you are going to pay will tell you, ten (10) days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

**Liability for Failure to Stop Payment of Preauthorized Transfer** - If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

16. **BANK'S LIABILITY FOR FAILURE TO MAKE TRANSFERS** - If we do not complete a transfer to or from your Account in time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will NOT be liable, for instance:

- If, through no fault of ours, you do not have enough money in your Account to make the transfer.
- If the transfer would go over the credit limit of your overdraft line.
- If the ATM where you are making the transfer does not have the capability to complete this transaction.
- If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions we have taken.

The foregoing is not exhaustive and there may be other exceptions.

17. **DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES** - We will disclose information to third parties about your Account or the transfers you make:

- Where it is necessary for completing transfers; or
- In order to verify the existence and condition of your Account for a third party, such as a credit bureau or merchant; or
- In order to comply with government agency, court orders, or other legal process; or
- If you give us written permission.

18. **ERROR RESOLUTION**

In case of errors or questions about your electronic transfers, if you think your statement or receipt is wrong, or if you need more information about a transfer listed on the statement or receipt, call or write us at the telephone number or address listed at the end of this disclosure as soon as you can.

- Tell us your name and Account number (if any).
- Describe the error or the transfer you are unsure about and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

We must hear from you no later than sixty (60) days after we send the FIRST statement on which the problem or error appeared. If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days.

We will determine whether an error occurred within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days to investigate your complaint or question. If we decide to do this, we will credit your Account within ten (10) business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your account.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your Account for the amount you think is in error.

If we decide that there was no error, we will send you a written explanation within three (3) business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation.

**Pinnacle Bank, a Tennessee bank**  
150 3rd Avenue South, Suite 900  
Nashville, TN 37201  
(800) 264-3613

**IX. FUNDS AVAILABILITY DISCLOSURE**

**Policy** - Our policy is to make funds from your deposits available to you on the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash, and we will use the funds to pay checks that you have written.

This policy statement applies to "transaction" accounts. Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Checking accounts are the most common transaction accounts. Feel free to ask us whether any of your other Accounts might also be under this policy. Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit during daily office hours on a business day we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after the office is closed or on a day we are not open, we will consider that the deposit was made on the next business day we are open. If you make a deposit through the Night Depository after 8:00 a.m. on a business day that we are open, or on a day when we are not open, we will consider the deposit made on the next business day that we are open.

**Longer Delays May Apply** - In some cases, we will not make all of the funds that you deposit by check available to you on the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. However, the first \$225 of your deposits will be available on the first business day after we receive your deposit.

If we are not going to make all of the funds from your deposit available on the day we receive your deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our associates, or if we decide to take this action after you have left the office, we will mail you a notice of this action by the next business day after we receive your deposit. If you will need the funds from a deposit right away, ask us when the funds will be available.

Funds you deposit by check may be delayed for a longer period under the following circumstances:

- The account is a new account.
- We believe a check you deposited will not be paid.
- You deposit checks totaling more than \$5,525 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your Account repeatedly in the last six months.
- There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. Funds will generally be available no later than the seventh business day after the day of your deposit.

**"COLLECTED" FUNDS AVAILABILITY FOR BUSINESS ACCOUNTS** - When you deposit a non-Pinnacle check into your Account, the Bank must collect the funds from the "paying bank". The check is sent to the Federal Reserve Bank (or another clearing bank) and the Bank receives provisional credit (pending final payment by the paying bank). The check is then presented to the paying bank. Once the presentation process is completed, the funds are deemed "collected." Use of these funds prior to this time is considered "drawing against uncollected funds." A charge may be assessed to your Account if you draw against uncollected funds. Non-Pinnacle checks that are deposited will be considered collected on the next business day after the day of deposit. Only collected funds can be used for wire transfers or commercial sweeps.

**FUNDS AVAILABILITY FOR MOBILE DEPOSITS** - If you make a deposit through Pinnacle's Mobile Banking Services (mobile deposit) before 6 p.m. CT on a business day that we are open, funds will generally be available on the next business day. Deposits made after 6 p.m. CT or on a day when we are not open, will generally be available on the second business day after the deposit.

We will notify you if we delay your ability to withdraw funds and we will tell you when the funds will be available. Funds will generally be available no later than the seventh business day after the day of your deposit.

**SPECIAL RULES FOR NEW ACCOUNTS** - If you are a new client, the following special rules could be applied during the first thirty (30) days your Account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of the day's total deposits of cashier's, certified, teller's, travelers, and federal, state, and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,525 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our associates, the first \$5,525 will not be available until the second business day after the day of your deposit.

# ICS Account Placement Request

## Sample ICS Account Placement Request & Agreement

### Section 1 – Client Information and General Order Information (All Information REQUIRED)

ICS Account Name(s):	CIF:
Street Address:	
City / State / Zip:	
Email Address: bill.jones@pnfp.com	
Contact Name (for non-personal accounts):	
Deposit Option: <input type="checkbox"/> ICS Money Market <input checked="" type="checkbox"/> ICS Demand Deposit	Phone Nbr: <input type="text"/> CIP Review Complete? Date <input type="checkbox"/>
Tax ID Number(s):	Tax ID Type: <input type="checkbox"/> SSN <input type="checkbox"/> TIN <input type="checkbox"/> Non-Resident SSN <input type="checkbox"/> Non-Resident without TIN
Client Class: <input type="checkbox"/> Individual / Joint / Revocable Trust <input type="checkbox"/> Estate / Irrevocable Trust <input type="checkbox"/> Corporation / Limited Liability Corp <input type="checkbox"/> Partnership / Limited Liability Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Non-Profit Institution <input type="checkbox"/> Clubs and Associations <input type="checkbox"/> Public Entity <input type="checkbox"/> Foreign Government <input type="checkbox"/> Savings Bank / Credit Union <input type="checkbox"/> Other Bank / Financial Institution	

### Section 2 – Order Amount

Funds may be submitted for placement only after entering into a ICS Placement Agreement with us.

Funding Source: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	Account # <input type="text"/>
Amount to be Funded:\$ <input type="text"/>	Rate: <input type="text"/>

**By signing below you are authorizing us to debit the funding source account for the order listed above.**

Client Signature

Date

Client Signature

Date

#### *Bank Use Only*

Officer #:	Officer Name: <input type="text"/>	Responsibility Center#: <input type="text"/>
Order Taken By: <input type="text"/>		

Leadership Team Approval: \_\_\_\_\_  
**(Required For Exceptions)** Signature Print



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## IntraFi Network Deposits DDA-MMDA Deposit Placement Agreement

You, the undersigned, enter into this IntraFi Network Deposits DDA-MMDA Deposit Placement Agreement ("Agreement") with the following financial institution ("we" or "us"):

This Agreement states the terms and conditions on which we will endeavor to place deposits for you at other financial institutions through the DDA-MMDA Option of IntraFi<sup>SM</sup> Network Deposits<sup>SM</sup>. IntraFi Network Deposits is a product of IntraFi Network LLC ("IntraFi") that encompasses services for placing deposits at depository institutions.

This Agreement is an amended version of the ICS Deposit Placement Agreement ("ICS DPA"). The DDA-MMDA Option of IntraFi Network Deposits ("DDA-MMDA Option") is the deposit placement functionality formerly known as part of ICS®, the Insured Cash Sweep® service. IntraFi is the entity formerly known as Promontory Interfinancial Network, LLC.

During a branding transition period, you may see references to ICS on statements or other documents. These references are to the DDA-MMDA Option of IntraFi Network Deposits.

### 1. Deposit Placement

#### 1.1. IntraFi Network Deposits DDA-MMDA Option

(a) **Schedule 1** describes the procedure by which we will place deposits for you through the DDA-MMDA Option. **Schedule 2** includes descriptions of the account type and placement feature that we will use.

(b) Each depository institution at which we place deposits for you through the DDA-MMDA Option ("Destination Institution") will be one at which deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to the FDIC standard maximum deposit insurance amount ("SMDIA") of \$250,000.

(c) Subject to the terms and conditions of this Agreement, when we place deposits in a deposit account at a Destination Institution for your funds placed through the DDA-MMDA Option ("Deposit Account"), the amount of our outstanding placements for you at the Destination Institution through the DDA-MMDA Option and through the CD Option of IntraFi Network Deposits, which is the deposit placement functionality formerly known as part of CDARS®, the Certificate of Deposit Account Registry Service®, will not exceed \$250,000.

(d) The Bank of New York Mellon ("BNY Mellon") provides services that support deposit placement through the DDA-MMDA Option. BNY Mellon's services include acting as our sub-custodian and settlement agent.

(e) You must be capable of using, and you agree to use, the Depositor Control Panel ("DCP"), an online tool, to review provisional allocations of deposits and for other purposes. You also agree to receive notices that may be posted on the DCP or sent to you by email.

### 1.2. Deposit Accounts

(a) Deposits that we place for you in Deposit Accounts will be "deposits," as defined by federal law, at the Destination Institutions.

(b) Each Deposit Account, including the principal balance and the accrued interest, will be a deposit obligation solely of the Destination Institution at which it is held. It will not be a deposit obligation of us or of IntraFi, BNY Mellon, or any other person or entity.

### 2. Your Relationship With Us

#### 2.1. Agency and Custodial Relationship

(a) We will act as your agent in placing deposits for you through the DDA-MMDA Option. Under a separate agreement with you that grants us custodial powers ("Custodial Agreement"), we will also act as your custodian for the Deposit Accounts.

(b) Each Deposit Account will be recorded (i) on the records of the Destination Institution in the name of BNY Mellon, as our sub-custodian, (ii) on the records of BNY Mellon in our name, as your custodian, and (iii) on our records in your name. The recording will occur in a manner that permits the Deposit Account to be FDIC-insured to the same extent as if it were recorded on the records of Destination Institution in your name.

(c) For purposes of Article 8 of the Uniform Commercial Code, we will act as your securities intermediary for, and will treat as financial assets, the Deposit Accounts and all your security entitlements and



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other related interests and assets with respect to the Deposit Accounts, and we will treat you as entitled to exercise the rights that constitute the Deposit Accounts.

(d) All interests that we hold for the Deposit Accounts will be held by us only as your securities intermediary and will not be our property. You will be the owner of the funds in the Deposit Accounts and any interest on those funds.

## 2.2. Termination of Custodial Relationship

(a) Either you or we may terminate the custodial relationship between you and us at any time. You may not transfer the Deposit Accounts to another custodian, but you may dismiss us as your custodian for a Deposit Account and request that it be recorded on the records of the Destination Institution in your name.

(b) We will endeavor to cause any request from you pursuant to Section 2.2(a) to be promptly forwarded to the Destination Institution. Each Destination Institution has agreed that it will promptly fulfill any such request, subject to its customer identification policies and other account opening terms and conditions.

(c) If a Deposit Account has been recorded on the records of a Destination Institution in your name pursuant to this Section 2, you will be able to enforce your rights in the Deposit Account directly against the Destination Institution, but we will no longer have any custodial responsibility for it and you will not be able to enforce any rights against the Destination Institution through us.

(d) If we were to become insolvent, our receiver or other successor in interest could transfer custody of the Deposit Accounts, and our rights and obligations under this Agreement, to a new custodian. Alternatively, you could exercise your right to have the Deposit Accounts recorded on the records of the Destination Institutions in your name pursuant to this Section 2.

## 3. Custodial Account and Interest Rate

### 3.1. Custodial Account

(a) As your custodian, we will open on our records, either directly or with the assistance of BNY Mellon, a custodial account in which we will hold your interests in the Deposit Accounts ("Custodial Account"). We may permit you to have multiple Custodial Accounts.

(b) On the signature page of this Agreement, you will enter a unique alphanumeric identifier for you ("Depositor Identifier"), which will be associated with the Custodial Account. You will enter as your Depositor

Identifier your federal taxpayer identification number ("TIN"), unless you do not have a TIN, in which case you will enter an alternate identifier that we approve.

(c) If you use an alternate identifier, you must use the same alternate identifier for all placements of deposits for you, by us or by any other financial institution, through the DDA-MMDA Option or through the CD Option of IntraFi Network Deposits. If you later obtain a TIN, you must promptly report it to us and to any such other institutions, and we may use it as your Depositor Identifier.

## 3.2. Interest Rate

(a) The interest rate for the Deposit Accounts at Destination Institutions on any day will be the then-current rate that we specify, which may be any rate (including zero) and which we may modify at any time ("Interest Rate"). Through your continued participation in the DDA-MMDA Option, you accept each applicable Interest Rate.

(b) If we permit you to have more than one Custodial Account, we may specify a different Interest Rate for each Custodial Account.

(c) Payment of the full amount of all accrued interest on a Deposit Account at a Destination Institution will be solely the responsibility of the Destination Institution. Neither we nor any other person or entity will be indebted to you for such payment.

## 4. Placement Procedures

### 4.1. Account Type, DDA-MMDA Option Settlement, and Statements

(a) Settlement of payments to and from participating institutions in the DDA-MMDA Option through BNY Mellon that includes the type of deposits we place for you ("DDA-MMDA Option Settlement") will occur each day that is not a Saturday, a Sunday, or another day on which banks in New York, New York, are authorized or required by law or regulation to close ("Business Day").

(b) You may confirm through the DCP (i) the aggregate principal balance in the Deposit Accounts ("Program Balance") and (ii) the principal balance and accrued interest at each Destination Institution as of the preceding Business Day or, after DDA-MMDA Option Settlement-related processing, as of that Business Day.

(c) We will provide you with periodic account statements that include, as of the end of the statement period, your Program Balance, your principal balance at



each Destination Institution, the total interest you have earned on the Deposit Accounts during the period, and the rate of return you have earned on the daily average closing principal balance for the period ("Statement Period Yield").

(d) The account information available on the DCP as described in Section 4.1(b), and the periodic statements described in Section 4.1(c), will be the only evidence that you receive of your ownership of the funds. You should retain the account statements.

#### 4.2. Triggering Events

(a) Schedule 1 sets forth events for triggering a transfer of funds from a root account with us that contains your funds ("Root Account") to the Deposit Accounts at DDA-MMDA Option Settlement ("Program Deposit") or a transfer of funds from the Deposit Accounts to the Root Account at DDA-MMDA Option Settlement ("Program Withdrawal").

(b) An event for triggering a Program Deposit or a Program Withdrawal ("Triggering Event") will be any such event described in Schedule 1.

(c) If you signed a previous version of this Agreement identified as an ICS DPA and became a party to this amended version of the Agreement after you were given notice of amendment, the content of Schedule 1 to this Agreement is the same as the content of Schedule 1 to the version you signed, subject to the following changes:

(i) "ICS" is changed to "the DDA-MMDA Option of IntraFi Network Deposits."

(ii) "Transaction Account," if it appears, is changed to "Root Account."

#### 4.3. Program Deposits

(a) Subject to the terms and conditions of this Agreement, and except as provided in Section 4.3(b), a Triggering Event for a Program Deposit will result in a transfer of funds to the Deposit Accounts at DDA-MMDA Option Settlement the next Business Day ("Regular Program Deposit").

(b) Schedule 1 states whether a transfer of funds to the Deposit Accounts at DDA-MMDA Option Settlement on the same Business Day ("Same-Day Program Deposit") is available and, if so, the cutoff time for you to request a Same-Day Program Deposit ("Same-Day Deposit Cutoff Time"). If so stated, a request that we receive and accept before the Same-

Day Deposit Cutoff Time will be a Triggering Event for a Same-Day Program Deposit.

(c) We may impose a maximum Program Balance amount for deposits that we place for you through the DDA-MMDA Option and will inform you of any such amount we impose. Even if a Triggering Event for a Program Deposit occurs, we may choose not to transfer the amount to the Deposit Accounts if it would cause the Program Balance to exceed the maximum. In addition, we may choose not to transfer to the Deposit Accounts an amount that we have credited to the Root Account, but have not yet collected from a third party.

#### 4.4. Program Withdrawals

(a) Subject to the terms and conditions of this Agreement, and except as provided in Section 4.4(b), a Triggering Event for a Program Withdrawal will result in a transfer of funds from the Deposit Accounts at DDA-MMDA Option Settlement the next Business Day ("Regular Program Withdrawal").

(b) Schedule 1 states whether the transfer of funds from your Deposit Accounts at DDA-MMDA Option Settlement on the same Business Day ("Same-Day Program Withdrawal") is available and, if so, the cutoff time for you to request a Same-Day Program Withdrawal ("Same-Day Withdrawal Cutoff Time"). If Section 1 so states, a request that we receive and accept before the Same-Day Withdrawal Cutoff Time will be a Triggering Event for a Same-Day Program Withdrawal.

#### 4.5. Withdrawal Advances; Security Interest

(a) If Schedule 1 states that we will advance funds to you in anticipation of a Program Withdrawal, or if we otherwise decide in our discretion to advance funds to you in anticipation of a Program Withdrawal, you will owe the amount of these funds to us and we will retain from the funds we receive at DDA-MMDA Option Settlement the amount we have advanced to you.

(b) With respect to any amount that you owe to us pursuant to Section 4.5(a):

(i) you grant us, and acknowledge that we have, a security interest in, and a lien on, the Deposit Accounts, related security entitlements, and other related interests and assets that we may hold for you as custodian and securities intermediary pursuant to the Custodial Agreement for the amount that you owe to us,



(ii) if a Destination Institution fails before a Program Withdrawal is completed, we may retain the amount of the Program Withdrawal from the proceeds of your FDIC insurance claim to satisfy the amount that you owe to us, and

(iii) to the extent that the amount that you owe to us is not satisfied from the interests and assets we are holding for you pursuant to the Custodial Agreement, or from the proceeds of any FDIC insurance claim, the amount remains owed by you to us and is payable on demand.

(c) If, in a separate agreement, you have granted us a security interest in the Deposit Accounts or in any security entitlements or other interests or assets relating to the Deposit Accounts as collateral for a loan to you or otherwise, we may decline to honor a request for a Program Withdrawal, or decline to honor a debit transaction in the Root Account that would trigger a Program Withdrawal or be funded by a Program Withdrawal, to the extent the Program Withdrawal would cause your Program Balance to fall below the loan amount or other amount that you have agreed to maintain in the Deposit Accounts or to which the security interest applies. If, in a separate agreement, you have granted us a security interest in the Root Account, we also may decline to honor transactions in the Root Account in accordance with the separate agreement.

#### 4.6. Account Type and Withdrawal Limit, If Any

(a) Deposits that we place for you through the DDA-MMDA Option at a Destination Institution will be placed in a Deposit Account that is a demand deposit account ("DDA") or a Deposit Account that is a money market deposit account ("MMDA"), as provided in Section 1 of Schedule 2.

(b) Section 1 of Schedule 2 provides (i) that we will place deposits for you in DDAs, (ii) that we will place deposits for you in MMDAs, or (iii) that we may place deposits for you in DDAs or MMDAs.

(c) If you signed a previous version of this Agreement identified as an ICS DPA and became a party to this amended version of the Agreement as a result of having been given notice of amendment, the following applies:

(i) If the version you signed provided that we would place deposits for you in DDAs, Section 1 of Schedule 2 is deemed to state: "We will place deposits for you in DDAs."

(ii) If the version you signed provided that we would place deposits for you in MMDAs, Section 1 of Schedule 2 is deemed to state: "We will place deposits for you in MMDAs."

(iii) If the version you signed provided that we might place deposits for you in DDAs or MMDAs, Section 1 of Schedule 2 is deemed to state: "We may place deposits for you in DDAs or MMDAs."

(d) Section 1 of Schedule 2 also provides, if MMDAs will or may be used, (i) that an MMDA Program Withdrawal limit of six per month applies or (ii) that no MMDA Program Withdrawal limit applies.

(e) If you signed a previous version of this Agreement identified as an ICS DPA and became a party to this amended version of the Agreement as a result of having been given notice of amendment, and if the version you provided that MMDAs would or might be used, the following applies:

(i) If the version you signed provided that an MMDA Program Withdrawal limit would apply and we have not informed you that we will not enforce such a limit, Section 1 of Schedule 2 is deemed to state, in addition to the statement given in Section 4.6(c), "You may use up to six MMDA Program Withdrawals per month."

(ii) If the version you signed provided that an MMDA Program Withdrawal limit would not apply or we have informed you that we will not enforce such a limit, Section 1 of Schedule 2 is deemed to state, in addition to the statement given in Section 4.6(c), "No MMDA Program Withdrawal limit applies."

(f) If a Program Withdrawal limit applies and you exceed the six permitted Program Withdrawals from MMDAs in a month:

(i) We may (A) transfer all the remaining funds in the MMDAs to the Root Account associated with the Custodial Account for the MMDAs or (B), if you also have a Custodial Account for DDA deposits, transfer all the remaining funds in the MMDAs to the Custodial Account for DDA deposits.

(ii) In subsequent months we may effect either such transfer at the time of your sixth Program Withdrawal.

(g) If you exceed the six permitted Program Withdrawals from MMDAs in multiple months, we may also make the Custodial Account for the MMDAs ineligible for Program Deposits.



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## 5. Placement Feature

### 5.1. Reciprocal and One-Way

(a) If we are an FDIC-insured depository institution, we are eligible to use a feature of the DDA-MMDA Option in which, when we place deposits, we receive matching deposits placed by other participating institutions in the DDA-MMDA Option and may pay a fee to IntraFi ("Reciprocal Feature").

(b) Whether or not we are eligible to use the Reciprocal Feature, we are eligible to use a feature of the DDA-MMDA Option in which, when we place deposits, we do not receive matching deposits, but we and IntraFi may receive fees from Destination Institutions ("One-Way Feature").

(c) Section 2 of Schedule 2 provides (i) that we may use either the Reciprocal Feature or the One-Way Feature, (ii) that we will use only the Reciprocal Feature, or (iii) that we will use only the One-Way Feature.

(d) If you signed a previous version of this Agreement identified as an ICS DPA and became a party to this amended version of the Agreement as a result of having been given notice of amendment, the following applies:

(i) Section 2 of Schedule 2 is deemed to provide that we may use either the Reciprocal Feature or the One-Way Feature if (A) Schedule 4 to the version that you signed contained two check boxes, one stating that we might use either ICS Reciprocal or ICS One-Way and the other stating that we would use only ICS Reciprocal, and (B) the box stating that we might use either ICS Reciprocal or ICS One-Way was checked.

(ii) Section 2 of Schedule 2 is deemed to provide that we will use only the Reciprocal Feature if (A) Schedule 4 to the version that you signed contained two check boxes, one stating that we might use either ICS Reciprocal or ICS One-Way and the other stating that we would use only ICS Reciprocal, and (B) the box stating that we would use only ICS Reciprocal was checked.

(iii) Section 2 of Schedule 2 is deemed to provide that we will use only the One-Way Feature if Schedule 4 to the version that you signed contained no check boxes regarding the use of ICS Reciprocal or ICS One-Way.

### 5.2. Placement Feature and Rate

(a) Interest on the Deposit Accounts will be earned at the specified Interest Rate regardless of whether the Reciprocal Feature or the One-Way Feature is used.

(b) When the Reciprocal Feature is used, the fee paid to IntraFi may affect rate determination. When the One-Way Feature is used, fees paid by Destination Institutions, or cost-of-funds rates for Destination Institutions, may affect rate determination.

(c) If we are eligible to use the Reciprocal Feature, and you authorize us to use either the Reciprocal Feature or the One-Way Feature, we may use a feature with greater benefits to you, to us, or both.

### 5.3. Placement Requirements

(a) Under the laws of some states, governmental units may submit deposits for placement through a deposit placement network only if the placing institution is located in the state and receives matching deposits of an equal maturity, if any, and an equal amount.

(b) If you are a state governmental unit, or if you are otherwise subject to restrictions on the placement of deposits for you, you are responsible for determining whether deposit placement in accordance with this Agreement satisfies any applicable restrictions.

## 6. Daily Allocation and Depositor Control

### 6.1. Daily Allocation; Review and Consent

(a) The DDA-MMDA Option process for allocating Program Deposits, Program Withdrawals, and funds already on deposit reflects various considerations, including the need for certain Destination Institutions to receive deposits in amounts that they have placed for their own customers and possible limits on the amounts that an institution is authorized to place or a Destination Institution has agreed to receive. Applicable deposit amounts may change from day to day. Accordingly, the allocation of funds takes place each Business Day.

(b) The set of Destination Institutions to which your funds on deposit are allocated on a Business Day, and the amount allocated to each Destination Institution, may differ from a previous Business Day's allocation. A different allocation may involve the movement of funds from one Destination Institution to another Destination Institution, even though you do not have a Program Deposit or a Program Withdrawal. Such movements of funds will not affect the Interest Rate.



(c) You exercise control over the allocation of your funds through direct contact with us and through the DCP. You are responsible for reviewing the important information we provide you through the DCP, including information regarding proposed allocations that we provide each Business Day. In addition, on request at any time, we will provide you with a list of all Destination Institutions.

(d) Although we will not allocate your funds to Destination Institutions that you exclude or reject as set forth below, you authorize and consent to the allocation of your funds at Destination Institutions that you approve, or do not exclude or reject, as set forth below.

## 6.2. Destination Institution Exclusions

(a) You may enter the name of any depository institution on a list of exclusions from eligibility to receive deposits we place for you through the DDA-MMDA Option ("Exclusions List").

(b) We may ask you to provide your initial Exclusions List by entering exclusions in Section 3(c) of Schedule 2 or by giving us notice of your Exclusions List in another manner we specify.

(c) If you signed a previous version of this Agreement identified as an ICS DPA and became a party to this amended version of the Agreement as a result of having been given notice of amendment, your Exclusions List will include any depository institutions you included in your List of Exclusions in the ICS DPA unless you have subsequently removed them.

(d) An Exclusions List will be effective within one Business Day after the first Business Day on which we have received the Exclusions List from you.

(e) You may add to or subtract from your Exclusions List by giving us notice in a manner we specify. If you add an exclusion in this manner, the new exclusion will be effective within one Business Day after the first Business Day on which we have received the notice from you.

## 6.3. Depositor Control Panel

(a) IntraFi will assist us in providing the DCP. The address of the Depositor Control Panel is <https://www.depositorcontrol.com>.

(b) You represent that you have a computer with Internet access, an e-mail address, the ability to download and print information from the DCP, and the knowledge and experience to use an online tool for DCP functionality. In addition, you acknowledge that you

must obtain and maintain all equipment and services necessary for access to the DCP.

(c) To access the DCP, you will be required to enter your login credentials. Your initial user name will be the account number for the Root Account or such other user name as we specify. Your initial password will be the last four characters of the Depositor Identifier entered for the sole or primary Depositor on the signature page of this Agreement.

(d) You will also be required to enter the email address you have provided to us. We will separately advise you of any additional steps required of you by security controls.

## 6.4. Depositor Placement Review

(a) Each Business Day, your aggregate principal balance that will be in Deposit Accounts after that day's DDA-MMDA Option Settlement will be provisionally allocated to Destination Institutions. The amount allocated will reflect your Program Balance as of the last DDA-MMDA Option Settlement, plus any Program Deposit that will occur at the day's DDA-MMDA Option Settlement, minus any Program Withdrawal that will occur at the day's DDA-MMDA Option Settlement. The allocation may provide that previously-deposited funds will be removed from a Destination Institution and deposited in another Destination Institution.

(b) After the provisional allocation occurs on a Business Day, but before allocation becomes final at DDA-MMDA Option Settlement, Depositor Placement Review ("DPR") will occur through the DCP. Even if a Destination Institution is not on your Exclusions List, the final allocation that day will not allocate your funds to the Destination Institution if you reject it during DPR through the DCP. Your rejection of a Destination Institution will be effective only if you submit it before DPR ends.

(c) The DPR period each Business Day will be as follows: 3:00 PM to 3:15 PM Eastern time. Daylight Saving Time applies when nationally in effect. We may change the DPR period by posting notice on the DCP in advance of the change.

(d) In DPR, you will see a list of Destination Institutions to which your funds are proposed to be allocated at DDA-MMDA Option Settlement later that day ("Proposed Placement List"), reflecting the provisional allocation of all your funds, including funds that will be moved from one Destination Institution to another Destination Institution. The Proposed Placement List will include the principal balance allocated to each Destination Institution. If you review



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the Proposed Placement List, and you click the approval button or you do not reject any of the Destination Institutions on the list, you will be approving the allocation and your funds will be allocated in accordance with the list.

(e) If you reject any of the Destination Institutions on the Proposed Placement List, you will be approving allocation to Destination Institutions on the list that you do not reject. After entering rejections, if sufficient time remains in DPR, you will have the opportunity to review a list of other Destination Institutions to which your funds could be allocated ("Alternate Placement List"). If you click the approval button for the Alternate Placement List, or you do not reject any of the Destination Institutions on it, you will be approving the allocation of your funds to any of the listed Destination Institutions. If you reject any of the Destination Institutions on the Alternate Placement List, you will be approving allocation to listed Destination Institutions that you do not reject. Your funds may be allocated to any combination of Destination Institutions on the Proposed Placement List and the Alternate Placement List that you do not reject.

(f) If the provisional allocation on a Business Day would result in funds of yours currently at a Destination Institution being moved to another Destination Institution and you reject the other Destination Institution in DPR that Business Day, the funds will not necessarily remain at the first Destination Institution. The funds will be allocated to a Destination Institution that you do not reject or returned to the Root Account.

(g) A Destination Institution that you reject in DPR will also be added to your Exclusions List, for purposes of future allocations, within one Business Day after the Business Day on which you submit the rejection.

(h) We do not guarantee that all your funds will be allocated to Destination Institutions on any particular day, even if they were allocated to Destination Institutions on a previous day. Exclusions and rejections of Destination Institutions may increase the chance that funds will not be allocated. If funds not yet transferred to the Deposit Accounts are not allocated to a Destination Institution on a Business Day, the funds will remain in the Root Account. If funds previously transferred to the Deposit Accounts are not allocated to a Destination Institution on a Business Day, the funds will be returned to the Root Account.

## 7. FDIC Insurance Considerations

### 7.1. Deposit Insurance Coverage

(a) You may obtain information about FDIC deposit insurance coverage by visiting the FDIC website at [www.fdic.gov](http://www.fdic.gov) or by contacting the FDIC by letter, email, or telephone.

(b) All of your deposits at a Destination Institution in the same insurable capacity (whether you are acting directly or through an intermediary) will be aggregated for the SMDIA. You should add to your Exclusions List any depository institution at which you have other deposits in the same insurable capacity. Insurable capacities include, among others, individual accounts and joint accounts.

(c) You are responsible for determining whether deposits we place for you are maintained in separate insurable capacities. Separate divisions within a corporate entity are not eligible for separate insurance coverage, and a separate TIN or other Depositor Identifier does not establish a separate insurable capacity.

(d) We will use the Depositor Identifier to identify you, and we will place deposits for you on the understanding that you are not submitting deposits for placement under more than one Depositor Identifier in the same insurable capacity.

(e) The requirements for FDIC deposit insurance coverage of the deposits of governmental units, including the United States government, state and local governments, the District of Columbia, and the Commonwealth of Puerto Rico, are set forth in FDIC regulations. If you are a governmental unit, you are responsible for determining whether the requirements for deposit insurance have been met. We are not responsible for losses resulting from the placement of deposits that are not eligible for FDIC deposit insurance.

(f) Records that we maintain, or that BNY Mellon maintains for us, reflecting ownership of the Deposit Accounts will be used to establish your eligibility for deposit insurance coverage. Accordingly, you must immediately report to us any changes in ownership information so that there will be accurate information to provide to the FDIC if a Destination Institution fails and the FDIC pays its insured deposits by cash payment. The FDIC could also require you to provide additional documentation.



## 7.2. Responsibility to Monitor Deposits; Available Information

(a) You are responsible for monitoring the total amount of your funds at each Destination Institution in each insurable capacity to determine the extent of FDIC deposit insurance coverage available to you for deposits at that Destination Institution. You should confirm that each placement of your funds at Destination Institutions is consistent with your exclusions and rejections.

(b) You can obtain publicly available financial information on Destination Institutions from the National Information Center of the Federal Reserve System at [www.ffiec.gov/nicpubweb/nicweb/nichome.aspx](http://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx).

## 7.3. Uninsured Deposits

(a) Although we will not place a deposit for you through the DDA-MMDA Option at any one Destination Institution in an amount that exceeds the SMDIA, a deposit that we place for you will not be eligible for FDIC insurance coverage at a Destination Institution before it becomes a deposit at the Destination Institution or after it is withdrawn from the Destination Institution.

(i) If we are an FDIC-insured depository institution and the Root Account is eligible for FDIC insurance coverage, a deposit in the Root Account will be aggregated with your other deposits with us in the same insurable capacity for application of the SMDIA of \$250,000.

(ii) If we are a credit union the share accounts of which are insured by the National Credit Union Administration ("NCUA") and the Root Account is a share account with us that is eligible for NCUA insurance coverage, a deposit in the Root Account will be aggregated with your other deposits with us in the same insurable capacity for application of the NCUA standard maximum share insurance amount of \$250,000.

(iii) If we are not an FDIC-insured depository institution or the Root Account is not eligible for FDIC insurance coverage, a deposit in the Root Account will not be FDIC-insured. If we are not an NCUA-insured credit union or the Root Account is not eligible for NCUA insurance coverage, a deposit in the Root Account will not be NCUA-insured.

(b) If you cannot accept the risk of having a deposit with us that is not fully insured, you will be responsible for making arrangements with us, if we offer them, to have the deposits collateralized, protected by a properly-executed repurchase sweep arrangement, or

otherwise adequately protected, in a manner consistent with applicable law. You should consult your legal advisor to determine whether a collateralization arrangement is consistent with applicable law.

(c) If you cannot accept the risk of having a deposit with us that is not fully insured, and we do not offer arrangements of the kind described in Section 7.3(b) or we offer them but you do not make such arrangements with us, you should not submit deposits for placement through the DDA-MMDA Option.

## 7.4. Deposit Insurance Payments

(a) In case of the liquidation of, or other closing or winding up of the affairs of, an insured depository institution, the FDIC is generally required by law to pay each insured deposit "as soon as possible," either by cash payment or by transferring the deposit to another insured depository institution. It is possible, however, that an insurance payment could be delayed. Neither we nor any other person or entity will be obligated to advance funds to you with respect to an insurance payment or to make any payment to you in satisfaction of a loss you might incur as a result of a delay in an insurance payment.

(b) If a Destination Institution at which we place deposits for you is closed and the FDIC does not transfer deposits that include your funds to another insured depository institution, but will make a deposit insurance cash payment, we will cause a deposit insurance claim for your funds to be filed with the FDIC, and we will credit to you the proceeds of the deposit insurance claim that we receive for your funds, subject to any valid security interest.

(c) If the FDIC makes a deposit insurance cash payment for a Deposit Account at a closed Destination Institution, the FDIC is required by law to pay the principal amount plus unpaid accrued interest to the date of the closing of the Destination Institution, as prescribed by law, subject to the SMDIA. No interest is earned on a Deposit Account at a Destination Institution after it closes.

(d) If the FDIC transfers the deposits of a closed Destination Institution to another insured depository institution, the acquiring institution may assume a Deposit Account. The acquiring institution may change the rate at which it pays interest on the assumed Deposit Account, subject to your right to withdraw the funds.



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## 8. Additional Considerations

### 8.1. Compare Rates

(a) We are not acting as your investment advisor, and we are not advising you about alternative investments. You are responsible for comparing the rates of return and other features of the Deposit Accounts to other available deposit accounts and other kinds of investments before choosing placement through the DDA-MMDA Option.

(b) The Interest Rate may be higher or lower than a cost-of-funds rate for a Destination Institution, an interest rate for another customer, or interest rates on comparable deposits available directly from us, from the Destination Institutions at which the Deposit Accounts are held, from other Destination Institutions, or from insured depository institutions that are not Destination Institutions.

### 8.2. Allocation Considerations

(a) The DDA-MMDA Option allocation process is subject to applicable law and may be affected by our objectives, IntraFi's objectives, or both, including administrative convenience, reduction of costs, and enhancement of profits.

(b) Participating institutions in the DDA-MMDA Option service may make compensatory payments resulting in payments to other participating institutions, or receive compensatory payments resulting from payments by other participating institutions, including compensatory payments that reflect the difference between an interest rate for deposits placed by an institution and a rate at which the receiving institution would otherwise pay interest.

### 8.3. Mutual Institution Rights

(a) Your funds may be placed in a Deposit Account at a Destination Institution that is in the mutual form of organization. Such a Deposit Account will be recorded on the records of the mutual institution in the name of the sub-custodian and not in your name. The sub-custodian will not attend or vote at any meeting of the depositor members of a mutual institution, or exercise any subscription rights in a mutual institution's mutual-to-stock conversion, either on its own behalf or on your behalf.

(b) If we receive from the sub-custodian notice of a meeting of depositor members of a mutual institution or other materials or information relating to a mutual institution's mutual-to-stock conversion, we may forward

such notice, materials, or information to you. If you wish to receive such notice, materials, or information directly from the mutual institution, or if you wish to attend or vote at any meeting of the depositor members of the mutual institution or receive subscription rights, you must, before the applicable record date (a date that is usually at least one year before the mutual institution's board of directors adopts a plan of conversion), dismiss us as your custodian and have the Deposit Account recorded on the records of the mutual institution in your name pursuant to Section 2.2.

## 9. Other Provisions

### 9.1. Release and Use of Identifying Information

(a) We may provide information that identifies you ("Identifying Information"), including your name, your TIN or other Depositor Identifier, and information on your deposits, to a party that provides services in connection with the DDA-MMDA Option ("Service Provider"), including IntraFi and BNY Mellon. A Service Provider may use Identifying Information in providing services in connection with the DDA-MMDA Option.

(b) We or a Service Provider may also provide Identifying Information to a Destination Institution, but will do so only to the extent necessary to comply with a request by you or your agent or to comply with applicable law. In addition, we or a Service Provider may provide Identifying Information to the FDIC in connection with a deposit insurance claim.

(c) Except as provided in Section 9.1(a) or Section 9.1(b), we will not provide Identifying Information to any party unless we determine that (i) we are required by applicable law to do so or (ii) we are permitted by applicable law to do so and have reasonable grounds to do so to protect our own legal or business interests or the legal or business interests of IntraFi or BNY Mellon.

(d) IntraFi may use and disclose any and all analyses, comparisons, indexes, or other data or information assembled, compiled, or otherwise developed by IntraFi, including information regarding aggregated activity of the DDA-MMDA Option depositors, as long as it does not individually identify you.

### 9.2. Tax Reporting and Withholding

(a) To the extent required by applicable law, we will file with the U.S. Internal Revenue Service ("IRS"), and furnish to you, IRS Form 1099-INT or its equivalent,



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or IRS Form 1042-S or its equivalent, for interest paid on the Deposit Accounts by the Destination Institutions.

(b) If we are notified by the IRS that backup withholding is required for interest on the Deposit Accounts, or if we otherwise determine that we are required by applicable law to collect such backup withholding, we will collect it and pay it to the IRS.

### 9.3. Liability and Dispute Resolution

(a) We will maintain, directly or through a Service Provider, appropriate records of our placements for you. We will not place deposits for you through the DDA-MMDA Option at a Destination Institution that is the subject of a then-effective exclusion on your Exclusions List, at a Destination Institution that is the subject of a then-effective rejection by you, or at a Destination Institution under one Depositor Identifier in an amount that exceeds the SMDIA.

(b) If all or part of your deposit at a Destination Institution is uninsured because of our failure to comply with the requirements set forth in Section 9.3(a), and if the Destination Institution fails and you do not otherwise recover the uninsured portion, we will reimburse you for your documented loss of the uninsured portion that you do not otherwise recover.

(c) SUBJECT TO OUR REIMBURSEMENT OBLIGATION IN SECTION 9.3(b), AND EXCEPT AS MAY BE OTHERWISE REQUIRED BY APPLICABLE LAW, WE WILL NOT BE LIABLE, AND IN NO EVENT WILL INTRAFI OR BNY MELLON BE LIABLE, TO YOU OR TO ANY OTHER PERSON OR ENTITY FOR ANY LOSS OR DAMAGE INCURRED OR ALLEGEDLY INCURRED IN CONNECTION WITH THIS AGREEMENT. WITHOUT LIMITING THE FOREGOING, WE, INTRAFI, AND BNY MELLON WILL NOT HAVE ANY LIABILITY TO YOU OR ANY OTHER PERSON OR ENTITY FOR: (i) ANY LOSS ARISING OUT OF OR RELATING TO A CAUSE OVER WHICH WE DO NOT HAVE DIRECT CONTROL, INCLUDING THE FAILURE OF ELECTRONIC OR MECHANICAL EQUIPMENT OR COMMUNICATION LINES, TELEPHONE OR OTHER INTERCONNECT PROBLEMS, UNAUTHORIZED ACCESS, THEFT, OPERATOR ERRORS, GOVERNMENT RESTRICTIONS, OR FORCE MAJEURE (E.G., EARTHQUAKE, FLOOD, SEVERE OR EXTRAORDINARY WEATHER CONDITIONS, NATURAL DISASTERS OR OTHER ACT OF GOD, FIRE, ACTS OF WAR, TERRORIST ATTACKS, INSURRECTION, RIOT, STRIKES, LABOR DISPUTES OR SIMILAR PROBLEMS, ACCIDENT, ACTION OF GOVERNMENT, COMMUNICATIONS, SYSTEM OR POWER FAILURES, OR EQUIPMENT OR SOFTWARE MALFUNCTION), (ii) DELAY IN ANY FDIC INSURANCE PAYMENT, (iii) THE FINANCIAL CONDITION OF ANY DESTINATION INSTITUTION OR THE ACCURACY OF ANY FINANCIAL INFORMATION ABOUT ANY DESTINATION INSTITUTION, OR (iv) ANY SPECIAL, INDIRECT,

PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS).

(d) ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT WILL BE GOVERNED BY THE DISPUTE RESOLUTION, ARBITRATION, CHOICE OF LAW, VENUE, WAIVER OF JURY TRIAL, AND COSTS RELATED TO DISPUTES PROVISIONS, IF ANY, CONTAINED IN THE CUSTODIAL AGREEMENT.

### 9.4. Miscellaneous

(a) This Agreement constitutes the entire agreement between you and us relating to the placement of deposits through the DDA-MMDA Option and any other matter herein, supersedes prior agreements, understandings, negotiations, representations, and proposals, whether written or oral, relating to any matter herein, and may not be amended by any oral representation or oral agreement. This Section 9.4(a) will not affect the validity of any addenda into which we have entered with you.

(b) Schedule 1 and Schedule 2 are incorporated into and made part of this Agreement. We may amend this Agreement, including any Schedule, prospectively by giving you written notice of the amendment at least fourteen (14) days before the effective date of the amendment, which will be specified in the amendment or, if no effective date is specified in the amendment, the date that is fourteen (14) days after we give you written notice of the amendment. We may provide written notice of the amendment by means of a posting on the DCP, an entry on your account statement, an email message, or a printed letter.

(c) Either party may terminate this Agreement on written notice to the other, but the obligations of both parties will survive with respect to any funds deposited at the time of termination. In addition, the provisions of this Section 9.4 will survive termination.

(d) Except as provided in Section 2.2(d), this Agreement may not be assigned, in whole or in part, by either party except by operation of law or as required by applicable law, and any purported assignment in violation hereof is void.

(e) The headings in this Agreement are not intended to describe, interpret, define, or limit the scope, meaning, or intent of this Agreement or any clause in it. Except as otherwise specified, a reference to a Section is a reference to a section of this Agreement. A reference to a Schedule is a reference to a schedule to this Agreement. The term "applicable law" refers to all applicable statutes, rules, regulations, and judicial



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orders, whether federal, state, or local. The words "include," "includes," and "including" do not imply exclusion.

(f) This Agreement and, unless otherwise provided in the Custodial Agreement, the Custodial Agreement may be executed in counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute only one instrument. This Agreement and, unless otherwise provided in the Custodial Agreement, the Custodial Agreement will be valid, binding, and enforceable

against you and us when executed by one of the following means that we accept: (i) an original manual signature, (ii) a DocuSign® eSignature or another electronic signature that we accept, or (iii) a faxed, scanned (including in a Portable Document Format or PDF document), or photocopied signature that we accept. Each DocuSign® eSignature, other electronic signature, or faxed, scanned, or photocopied signature that we accept shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original signature, and you and we waive any objection to the contrary.

The remainder of this page is intentionally left blank.



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By signing below, you ("*Depositor*") and we ("*Relationship Institution*") agree to be legally bound by this IntraFi Network Deposits DDA-MMDA Deposit Placement Agreement, effective when you and we have signed it. If the Custodial Account will be a joint account, each owner of the Custodial Account must sign this Agreement.

**RELATIONSHIP INSTITUTION**

Institution: Pinnacle Bank

Signature: \_\_\_\_\_

Name and title of authorized signatory:

\_\_\_\_\_  
\_\_\_\_\_

Date signed: \_\_\_\_\_

**SOLE OR PRIMARY DEPOSITOR**

Depositor: \_\_\_\_\_

Signature: \_\_\_\_\_

Name and title of authorized signatory (if not individual):

\_\_\_\_\_  
\_\_\_\_\_

Depositor TIN or approved alternate identifier (and type):

\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

Date signed: \_\_\_\_\_

**ADDITIONAL DEPOSITOR (FOR JOINT ACCOUNT)**

Depositor: \_\_\_\_\_

Signature: \_\_\_\_\_

Depositor TIN or approved alternate identifier (and type):

\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

Date signed: \_\_\_\_\_

**ADDITIONAL DEPOSITOR (FOR JOINT ACCOUNT)**

Depositor: \_\_\_\_\_

Signature: \_\_\_\_\_

Depositor TIN or approved alternate identifier (and type):

\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

Date signed: \_\_\_\_\_

(Add signature lines as needed.)



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## Schedule 1 to IntraFi Network Deposits DDA-MMDA Deposit Placement Agreement

### Program Deposits and Program Withdrawals

This **Schedule 1** is part of the IntraFi Network Deposits DDA-MMDA Deposit Placement Agreement ("Agreement"). Terms not defined in this Schedule 1 have the meanings, if any, assigned elsewhere in the Agreement.

#### 1. Specified Terms

(a) For DDAs, the Target Balance, Minimum Sweep Amount, and Minimum Return Amount are as follows:

Target Balance	Minimum Sweep Amount	Minimum Return Amount
\$	\$	\$

(b) For MMDAs, the Target Balance, Minimum Sweep Amount, and Minimum Return Amount are as follows:

Target Balance	Minimum Sweep Amount	Minimum Return Amount
\$	\$	\$

(c) The Same-Day Deposit Cutoff Time is as follows:

1:30  (insert time)  AM  PM  Eastern  Central  Mountain  Pacific  
 (check AM or PM) (check time zone)

Daylight Saving Time applies when nationally in effect unless checked here

#### 2. Program Deposits

(a) The Triggering Event for a Regular Program Deposit is a net change in your Root Account balance that causes it to exceed the Target Balance by more than the Minimum Sweep Amount. After posting all your Root Account activity for a Business Day, we will determine whether your Root Account balance exceeds the Target Balance by more than the Minimum Sweep Amount. Subject to the terms and conditions of this Agreement, if such a Triggering Event occurs, we will transfer the amount by which your Root Account balance exceeds the Target Balance to the Deposit Accounts at DDA-MMDA Option Settlement on the next Business Day.

(b) The Triggering Event for a Same-Day Program Deposit is a Same-Day Program Deposit request by you that we receive and accept before the Same-Day Deposit Cutoff Time on a Business Day. Subject to the terms and conditions of this Agreement, if such a Triggering Event occurs, we will transfer the requested amount to the Deposit Accounts at DDA-MMDA Option Settlement later on the same Business Day.

(c) If a Triggering Event for a Program Deposit occurs, we may debit the Root Account and credit a holding account before the transfer of funds to the Deposit Accounts occurs at DDA-MMDA Option Settlement.

#### 3. Program Withdrawals

(a) All Program Withdrawals will be Regular Program Withdrawals, which occur on the Business Day following the Triggering Event. The Triggering Event for a Program Withdrawal is a net change in your Root Account balance, after the posting of all your Root Account activity for a Business Day, that causes it (exclusive of any amounts that we credit as advances in anticipation of a Program Withdrawal) to be less than the Target Balance by more than the Minimum Return Amount. Subject to the terms and conditions of this Agreement, if such a Triggering Event occurs, we will transfer an amount from the Deposit Accounts at DDA-MMDA Option Settlement on the next Business Day, up to the available amount in the Deposit Accounts, sufficient to restore your Root Account balance to the Target Balance.



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(b) Subject to the terms and conditions of this Agreement, and subject to the rules and cutoff times that otherwise apply to root accounts with us, we will honor your debit transactions in the Root Account so long as the sum of your Root Account balance and your balance in the Deposit Accounts of the applicable type, after taking into account any pending Program Deposits and any pending Program Withdrawals, is not less than zero. We will do so even if the amount of the debit transaction exceeds your Root Account balance. You will owe us any amounts that we credit as advances in anticipation of a Program Deposit and we will retain those amounts from the funds we receive at DDA-MMDA Option Settlement.

(c) If a Triggering Event for a Program Withdrawal occurs, we may credit the Root Account and debit a holding account before the transfer of funds from the Deposit Accounts occurs at DDA-MMDA Option Settlement.



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## Schedule 2 to IntraFi Network Deposits DDA-MMDA Deposit Placement Agreement

### Account Type, Placement Feature, and Exclusions

This **Schedule 2** is part of the IntraFi Network Deposits DDA-MMDA Deposit Placement Agreement ("Agreement"). Terms not defined in this Schedule 2 have the meanings, if any, assigned elsewhere in the Agreement.

#### 1. Account Type

We will place deposits for you in DDAs.

We will place deposits for you in MMDAs.

We may place deposits for you in DDAs or in MMDAs.

(Check one above.)

You may use up to six MMDA Program Withdrawals per month.

No per-month MMDA Program Withdrawal limit applies.

(If MMDAs will or may be used, check one above.)

#### 2. Placement Feature

We may use the Reciprocal Feature, the One-Way Feature, or both in placing deposits for you.

We will use only the Reciprocal Feature in placing deposits for you.

We will use only the One-Way Feature in placing deposits for you.

(Check one above.)

#### 3. Exclusions

(a) You may place depository institutions on your Exclusions List by identifying them in the list below, unless we specify another means by which you will provide your Exclusions List.

(b) The Exclusions List should include the city and state of the depository institution's main office (rather than the city and state of a branch location). The Exclusions List may also include the institution's FDIC certificate number or transit routing number. If you do not list any exclusions enter "none" under Name of Institution on the first line (but your signature after a blank list will constitute your acknowledgment that you have not listed any exclusions).



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(c) Exclusions List:

(Add lines if necessary.)

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Signature of sole or primary Depositor

## Custodial Agreement

You, the undersigned, enter into this Custodial Agreement ("Agreement") with the following financial institution ("we" or "us"):

1. Pursuant to this Agreement, you authorize us to hold and act as your custodian with respect to all deposit accounts, including all time deposits, money market deposit accounts, and demand deposit accounts, issued or established pursuant to the IntraFi Network Deposits CD Deposit Placement Agreement, the IntraFi Network Deposits DDA-MMDA Deposit Placement Agreement, or a predecessor agreement ("Deposit Accounts") for funds of yours placed as deposits through the IntraFi<sup>SM</sup> Network Deposits<sup>SM</sup> CD Option ("CD Option"), formerly known as CDARS<sup>®</sup>, or the IntraFi Network Deposits DDA-MMDA Option ("DDA-MMDA Option"), formerly known as ICS<sup>®</sup>, and all your security entitlements and other related interests and assets with respect to the Deposit Accounts ("Related Entitlements"). The custodial account in which we will hold the Deposit Accounts and Related Entitlements ("Custodial Account") comprises all the CD Option and DDA-MMDA Option custodial accounts that we maintain for you.

2. As your custodian, we may (i) cause the Deposit Accounts to be titled in our name or in the name of our sub-custodian, (ii) collect for your account all interest and other payments of income or principal pertaining to the Deposit Accounts, (iii) endorse on your behalf any check or other instrument received for your account that requires endorsement, (iv) in accordance with your instructions, deposit your funds in, or withdraw your funds from, the Deposit Accounts, (v) in accordance with your instructions, deliver or transfer funds from another account with us to the Deposit Accounts or deliver or transfer funds from the Deposit Accounts to another account with us, (vi) for Deposit Accounts that are time deposits, surrender for payment for your account maturing CDs and those for which early withdrawal is requested, (vii) execute and deliver or file on your behalf all appropriate receipts and releases and other instruments, including whatever certificates may be required from custodians or may be necessary to obtain exemption from taxes and to name you when required for the purpose of the instrument, and (viii) take such other actions as are customary or necessary to effectuate the purposes of this Agreement.

3. For purposes of Article 8 of the Uniform Commercial Code in applicable state law ("UCC"), we will act as your securities intermediary for, and will treat as financial assets, any Deposit Accounts and Related Entitlements that we hold for you pursuant to this Agreement. The Custodial Account will be a securities account, as defined in the UCC.

4. We may comply with any writ of attachment, execution, garnishment, tax levy, restraining order, subpoena, warrant, or other legal process that we believe (correctly or otherwise) to be valid. We may notify you of such process by telephone, electronically, or in writing. If we are not fully reimbursed for records research, imaging, photocopying, and handling costs by the party that served the process, we may charge such costs to your account, in addition to any minimum fee we charge for complying with legal processes.

5. We may honor any legal process that is served personally, by mail, or by electronic mail or facsimile transmission at any of our offices or an office of our agent (including locations other than where the funds, records, or property sought is held), even if the law requires personal delivery at the office where your account or records are maintained.

6. We will have no liability to you for any good-faith act or omission by us in connection with this Agreement. You agree to indemnify us and our sub-custodian, and to hold us and our sub-custodian harmless from, all expenses (including counsel fees), liabilities, and claims arising out of any good-faith act or omission by us in connection with this Agreement or compliance with any legal process relating to the Custodial Account that we believe (correctly or otherwise) to be valid. You agree to pay any service charges that we impose on the Custodial Account.

7. You may be an individual in an individual capacity, more than one individual in a joint capacity, or a trust, partnership, corporation, or other legal entity. We may accept instructions on your behalf from any individual who signs this Agreement as or on behalf of a Depositor and from any of the following individuals:

Name	Title or Legal Capacity

(Add lines if necessary.)

The remainder of this page is intentionally left blank.

By signing below, you ("*Depositor*") and we ("*Relationship Institution*") agree to be legally bound by this Custodial Agreement, effective when you and we have signed it. If the Custodial Account will be a joint account, each owner of the Custodial Account must sign this Agreement.

**RELATIONSHIP INSTITUTION**

Institution: Pinnacle Bank

Signature: \_\_\_\_\_

Name and title of authorized signatory:  
\_\_\_\_\_  
\_\_\_\_\_

Date signed: \_\_\_\_\_

**SOLE OR PRIMARY DEPOSITOR**

Depositor: \_\_\_\_\_

Signature: \_\_\_\_\_

Name and title of authorized signatory (if not individual):  
\_\_\_\_\_  
\_\_\_\_\_

Depositor TIN or approved alternate identifier (and type):  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

Date signed: \_\_\_\_\_

**ADDITIONAL DEPOSITOR (FOR JOINT ACCOUNT)**

Depositor: \_\_\_\_\_

Signature: \_\_\_\_\_

Depositor TIN or approved alternate identifier (and type):  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

Date signed: \_\_\_\_\_

**ADDITIONAL DEPOSITOR (FOR JOINT ACCOUNT)**

Depositor: \_\_\_\_\_

Signature: \_\_\_\_\_

Depositor TIN or approved alternate identifier (and type):  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

Date signed: \_\_\_\_\_

(Add signature lines as needed.)

**ADDENDUM GOVERNING ALL AGREEMENTS BETWEEN  
WILSON BANK AND TRUST AND  
THE CITY OF MURFREESBORO, TENNESSEE**

This Addendum (herein "Addendum") amends the Account Agreement, Connect Agreement and Disclosures, Cash Management Sweep Agreement/ZBA, ACH Originator Agreement, Online Initiated Wire Transfer Agreement, Positive Pay/Account Reconciliation Agreement and all other schedules, agreements, documents, or other instruments including all riders, amendments, restatements, supplements, and addenda thereto (each such document is hereby incorporated by reference and, collectively, shall be referred to as the "Agreement") between Wilson Bank and Trust ("Bank"), a Tennessee corporation, and the City of Murfreesboro, Tennessee ("City"), as well as any and all contracts and agreements for banking and financial services that the parties enter following the Effective Date of this Addendum (collectively "Agreements"). In consideration of using Bank's form agreements, now and in the future, the mutual promises set out herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged the Agreements are amended as follows:

- 1. Precedence.** Notwithstanding any other provision in the Agreements, the language in this Addendum takes precedence over all other terms, conditions or language to the contrary or in conflict with the language herein, and the Agreements and this Addendum shall not be construed to create any ambiguity, it being the intent of the parties that this Addendum shall control it being acknowledged and agreed to by the parties that this Addendum shall be executed and entered into after execution of the Agreements regardless of what order the Agreements and this Addendum are actually executed. Unless defined herein, capitalized terms in this Addendum shall have the meaning set forth in the Agreement.
- 2. Termination for Convenience.** The Agreement may be terminated by City upon thirty (30) days written notice to Bank. Such termination will not be deemed a breach of contract by either party. Should City exercise this provision, City will compensate Bank for all satisfactory and authorized services completed as of the termination date, and Bank will refund to City any funds paid by City in excess of such amount. Upon such termination, Bank will not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- 3. Indemnity and Limitation of Liability.** Article II, Section 29 of the Tennessee Constitution prohibits municipalities from lending their credit to private entities and, therefore, prohibits an agreement by City to indemnify a third party or agree to a limitation of liability provision. Any indemnity or hold harmless provision contained in the Agreements requiring City to indemnify or hold harmless Bank or any other person or entity and any limitation of liability in favor of Bank is enforceable only to the extent permitted by Tennessee law provided City's monetary limits of liability under any such provision is limited to the monetary limits of liability as provided for in the Tennessee Governmental Tort Liability Act, T.C.A. § 29-20-101 et seq. No provision of the Agreements shall act or be deemed a waiver by City of any immunity, including its rights or privileges or of any provision of the Tennessee Governmental Tort Liability Act, T.C.A. section 29-20-101 et seq.

- 4. Governing Law.** The Agreement and the rights and obligations of the parties are governed by the laws of the state of Tennessee, without regard to its conflict of laws principles.
- 5. Selection of Jurisdiction and Venue, Waiver of Jury Trial, Service of Process.** Pursuant to the Constitution and Laws of the State of Tennessee, City is a sovereign entity subject only to those courts with jurisdiction over City. Notwithstanding any other provision in the Agreements to the contrary if a dispute, claim, or cause of action should arise between the parties (hereinafter "claim") the claim shall be brought in the state courts in Rutherford County, Tennessee or in the U.S. District Court for the Middle District of Tennessee, and the parties hereby expressly waive any objections and thereby consent to the jurisdiction and venue of said courts. However, neither party shall be obligated to provide any type of pre-suit notice before initiating a cause of action. The parties waive their right to a jury trial. Service of process on City shall comply with the Tennessee Rules of Civil Procedure or applicable federal rules, and City does not agree to any other service of process procedure.
- 6. Responsibility for Litigation Costs, Expenses and Payment of Attorney's Fees.** Article II, Section 29 of the Tennessee Constitution prohibits municipalities from lending their credit to private entities and, therefore, prohibits an agreement by City to indemnify a third party or agree to a limitation of liability provision. This prohibition extends to contractual provisions for the payment of attorney's fees, paralegal fees, investigator fees, court costs, or any other expenses related to litigation. In the event of litigation between City and Bank each party shall be solely and exclusively responsible for the payment of litigation costs, expenses and attorney's fees excepting those costs which may be awarded by a court of competent jurisdiction as specified by Tennessee law or applicable rules of civil procedure.
- 7. No Taxes.** As a tax-exempt entity, City shall not be responsible for sales or use taxes incurred for products or services. City shall supply Vendor with its Sales and Use Tax Exemption Certificate upon Vendor's request.
- 8. No Liability of City Officials and Employees.** No member, official, or employee of City shall be personally liable to Bank or any other person or entity, including a third-party beneficiary, in the event any provision of the Agreements are unenforceable, there is any default or breach by City, for any amount which may become due and the Agreements, or on any obligations under the terms of the Agreements.
- 9. Amendment.** This Addendum and the Agreements shall not be modified or altered other than by written agreement executed by both parties. This includes any changes to pricing, fees, rates and charges.
- 10. Continuing Validity; Survival; Non-Merger.** So long as the parties maintain the Agreements or any subsequent agreement(s), or so long as Bank provides a product or service to City, the provisions of this Addendum shall continue to be validly effective and enforceable with regard to the Agreements, subsequent agreements, products, and/or services. This Addendum shall survive the completion of or any termination of the Agreements or other document(s) which may accompany the Agreements or be incorporated by reference. Notwithstanding any provision in the Agreements, subsequent agreements, products, and/or services to the contrary, the subsequent execution of any agreement or the provision of a product or service shall not

act as a merger against this Addendum, it being the express intent of the parties that this Addendum contains essential terms that shall be incorporated into any such agreement, product, and/or service.

**11. No Presumption Against Drafter.** This Addendum shall not be construed for or against any party because that party or that party's legal representative drafted any of its provisions. Accordingly, this Addendum shall be construed without regard to the rule that ambiguities in a document are to be construed against the draftsman. No inferences shall be drawn from the fact that the final, duly executed Addendum differs in any respect from any previous draft hereof.

**12. Counterparts.** This Addendum may be executed in one or more counterparts by City and Vendor. If so executed, the signer shall deliver an original to the other party and the collective counterparts shall be treated as the fully executed document.

**13. Effective Date.** This Addendum is effective as of the last date written below ("Effective Date").

**Wilson Bank and Trust**

---

**Signature**

---

**Date**

---

**Printed Name**

---

**Title**

**City of Murfreesboro, Tennessee**

---

**Shane McFarland, Mayor**

---

**Date**

**Attest:**

---

**Jennifer Brown, City Recorder**

**Approved as to form:**

---

**Adam F. Tucker, City Attorney**

# Corporate Authorization Resolution

By:

*Referred to in this document as "Financial Institution"*

*Referred to in this document as "Corporation"*

I, \_\_\_\_\_, certify that I am Secretary (clerk) of the above named corporation  
 organized under the laws of \_\_\_\_\_, Federal Employer I.D. Number \_\_\_\_\_  
 \_\_\_\_\_, engaged in business under the trade name of \_\_\_\_\_  
 \_\_\_\_\_, and that the resolutions on this document are a correct copy of the resolutions adopted at a  
 meeting of the Board of Directors of the Corporation duly and properly called and held on  
 (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

**Agents.** Any Agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

<b>Name and Title or Position</b>	<b>Signature</b>	<b>Facsimile Signature (if used)</b>
A. _____	X _____	X _____
B. _____	X _____	X _____
C. _____	X _____	X _____
D. _____	X _____	X _____
E. _____	X _____	X _____
F. _____	X _____	X _____

**Powers Granted.** (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

<b>Indicate A, B, C, D, E, and/or F</b>	<b>Description of Power</b>	<b>Indicate number of signatures required</b>
_____	(1) Exercise all of the powers listed in this resolution.	_____
_____	(2) Open any deposit or share account(s) in the name of the Corporation.	_____
_____	(3) Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.	_____
_____	(4) Borrow money on behalf and in the name of the Corporation, sign, execute and deliver promissory notes or other evidences of indebtedness.	_____
_____	(5) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Corporation as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.	_____
_____	(6) Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution.	_____
_____	(7) Other:	_____

**Limitations on Powers.** The following are the Corporation's express limitations on the powers granted under this resolution.

## Resolutions

**The Corporation named on this resolution resolves that,**

- (1) The Financial Institution is designated as a depository for the funds of the Corporation and to provide other financial accommodations indicated in this resolution.
- (2) This resolution shall continue to have effect until express written notice of its rescission or modification has been received and recorded by the Financial Institution. Any and all prior resolutions adopted by the Board of Directors of the Corporation and certified to the Financial Institution as governing the operation of this corporation's account(s), are in full force and effect, until the Financial Institution receives and acknowledges an express written notice of its revocation, modification or replacement. Any revocation, modification or replacement of a resolution must be accompanied by documentation, satisfactory to the Financial Institution, establishing the authority for the changes.
- (3) The signature of an Agent on this resolution is conclusive evidence of their authority to act on behalf of the Corporation. Any Agent, so long as they act in a representative capacity as an Agent of the Corporation, is authorized to make any and all other contracts, agreements, stipulations and orders which they may deem advisable for the effective exercise of the powers indicated in this resolution, from time to time with the Financial Institution, subject to any restrictions on this resolution or otherwise agreed to in writing.
- (4) All transactions, if any, with respect to any deposits, withdrawals, rediscounts and borrowings by or on behalf of the Corporation with the Financial Institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.

- (5) The Corporation agrees to the terms and conditions of any account agreement, properly opened by any Agent of the Corporation. The Corporation authorizes the Financial Institution, at any time, to charge the Corporation for all checks, drafts, or other orders, for the payment of money, that are drawn on the Financial Institution, so long as they contain the required number of signatures for this purpose.
- (6) The Corporation acknowledges and agrees that the Financial Institution may furnish at its discretion automated access devices to Agents of the Corporation to facilitate those powers authorized by this resolution or other resolutions in effect at the time of issuance. The term "automated access device" includes, but is not limited to, credit cards, automated teller machines (ATM), and debit cards.
- (7) The Corporation acknowledges and agrees that the Financial Institution may rely on alternative signature and verification codes issued to or obtained from the Agent named on this resolution. The term "alternative signature and verification codes" includes, but is not limited to, facsimile signatures on file with the Financial Institution, personal identification numbers (PIN), and digital signatures. If a facsimile signature specimen has been provided on this resolution, (or that are filed separately by the Corporation with the Financial Institution from time to time) the Financial Institution is authorized to treat the facsimile signature as the signature of the Agent(s) regardless of by whom or by what means the facsimile signature may have been affixed so long as it resembles the facsimile signature specimen on file. The Corporation authorizes each Agent to have custody of the Corporation's private key used to create a digital signature and to request issuance of a certificate listing the corresponding public key. The Financial Institution shall have no responsibility or liability for unauthorized use of alternative signature and verification codes unless otherwise agreed in writing.

**Effect on Previous Resolutions.** This resolution supersedes resolution dated \_\_\_\_\_ . If not completed, all resolutions remain in effect.

**Certification of Authority**

I further certify that the Board of Directors of the Corporation has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the resolutions stated above and to confer the powers granted above to the persons named who have full power and lawful authority to exercise the same. (Apply seal below where appropriate.)

If checked, the Corporation is a non-profit corporation.

In Witness Whereof, I have subscribed my name to this document and affixed the seal of the Corporation on  
(*date*).

---

*Secretary*

---

*Attest by One Other Officer*

**For Financial Institution Use Only**

Acknowledged and received on \_\_\_\_\_

(*date*) by \_\_\_\_\_ (*initials*)

This resolution is superseded by resolution dated \_\_\_\_\_ .

**Comments:**

## ACCOUNT AGREEMENT

--

Agreement Date: \_\_\_\_\_ By: \_\_\_\_\_

 EXISTING Account - This agreement replaces previous agreement(s).

## Account Description:

Checking  Savings  NOW  \_\_\_\_\_

Initial Deposit \$ \_\_\_\_\_ Source: \_\_\_\_\_

## Ownership of Account - PERSONAL Purpose

Individual  \_\_\_\_\_

Joint - With Survivorship (*and not as tenants in common*)

Joint - No Survivorship (*as tenants in common*)

Trust - Separate Agreement:

Revocable Trust or  Pay-on-Death Designation as Defined in this Agreement

(Name and Address of Beneficiaries):

Account Number:
-----------------

## Account Owner(s) Name &amp; Address

## Additional Information:

**Signature(s).** The undersigned certifies the accuracy of the information he/she has provided and acknowledges receipt of a completed copy of this form. The undersigned authorizes the financial institution to verify credit and employment history and/or have a credit reporting agency prepare a credit report on the undersigned, as individuals. The undersigned also acknowledge the receipt of a copy and agree to the terms of the following agreement(s) and/or disclosure(s):

Terms & Conditions  Truth in Savings  Funds Availability

Electronic Fund Transfers  Privacy  Substitute Checks

Common Features  \_\_\_\_\_

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

(1): X

I.D. # \_\_\_\_\_ D.O.B. \_\_\_\_\_  
(2): X

I.D. # \_\_\_\_\_ D.O.B. \_\_\_\_\_  
(3): X

I.D. # \_\_\_\_\_ D.O.B. \_\_\_\_\_  
(4): X

I.D. # \_\_\_\_\_ D.O.B. \_\_\_\_\_  
 Additional Authorized Signatory  
X

I.D. # \_\_\_\_\_ D.O.B. \_\_\_\_\_

## Ownership of Account - BUSINESS Purpose

Sole Proprietorship  Single-Member LLC  Partnership

LLC (*LLC tax classification:*  C Corp  S Corp  Partnership)

C Corporation  S Corporation  Non-Profit

\_\_\_\_\_

Business: \_\_\_\_\_

Backup Withholding Certifications (*Non-U.S. Persons* - Use separate Form W-8)

By signing at right, I, \_\_\_\_\_, certify under penalties of perjury that the statements made in this section are true.

TIN: \_\_\_\_\_ The Taxpayer Identification Number (TIN) shown is my correct taxpayer identification number.

Not Subject to Backup Withholding. I am NOT subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

Exempt Recipient. I am an exempt recipient under the Internal Revenue Service Regulations. Exempt payee code (if any) \_\_\_\_\_

**FATCA Code.** The FATCA code entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**U.S. Person.** I am a U.S. citizen or other U.S. person (as defined in the instructions).

Lead Account #



### Positive Pay/Account Reconciliation Agreement

This Positive Pay/Account Reconciliation Agreement ("Agreement") is entered into this \_\_\_\_\_ by and between Wilson Bank & Trust ("Bank") and \_\_\_\_\_ ("Company" or "you").

#### R E C I T A L S

WHEREAS, Company has asked to participate in Positive Pay/Account Reconciliation service (the Service) offered by the Bank; and

WHEREAS, this agreement is necessary to set forth the terms of participation in the Service;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of, which is hereby acknowledged, the parties hereto agree as follows:

1. In order to participate in the Service, you must be a holder of at least one business account at the Bank and the signer of this Agreement must have full signing authority on the account(s) listed on the attached **Exhibit A**, which attached **Exhibit A** is incorporated herein by reference. If there is any change of ownership or signing authority on any of the account(s) listed on the attached **Exhibit A**, then written notification must be immediately provided to the Bank. By signing this Agreement or, in the case of an entity, by allowing this Agreement to be signed on its behalf, the holder(s) of the account(s) listed on the attached **Exhibit A** give(s) authority for any duly designated authorized user(s) of the Service to have access and privileges to the account(s) as listed on the attached **Exhibit A**. If an entity (or entities) is the holder of any account(s) listed on the attached **Exhibit A**, then this Agreement must be signed on behalf of such entity (or entities) by an individual with authority to sign on behalf of such entity (or entities). If an individual (or individuals) is the holder of any account(s) listed on the attached **Exhibit A**, then this Agreement must be signed by such individual (individuals).

2. The Company agrees to activate and use the Bank's Business Connect online banking service and further agrees to the activation of the Cash Management Module for accessing and processing daily tasks required for proper execution of the Service.
3. Check Positive Pay (CkPP) Function Only: You agree to submit a test file for approval prior to the "live" Positive Pay implementation date.
4. You have the right to terminate the Service at any time upon providing written notice to the Bank. The Bank has the right to terminate its obligation to provide the Service to you upon ten days prior written notice with or without cause.
5. You agree that the Bank has the right to amend the terms of this Agreement, with or without your consent, from time to time by providing you with a copy of such amended terms.
6. You agree to waive and release any and all claims, damages, losses, charges, demands, breaches, actions and causes of action of any nature whatsoever, accrued or unaccrued, against the Bank that arise from or relate to the Service except to the extent those claims result solely from the gross negligence or willful misconduct of the Bank. Further, you agree that you are solely responsible for any loss or damage incurred by you that arises from or relates to the Service and was caused by any signer(s) of this Agreement or duly designated authorized user(s) of the Service.
7. Check Positive Pay (CkPP) Only: All Positive Pay files must be uploaded or manually entered via the Bank's Business Connect Cash Management access at least twenty four (24) hours before disbursing checks. Positive Pay files can be uploaded or manually entered into the Bank's system on a monthly, weekly, daily, and/or hourly basis depending on the Company's check issuing frequency. Each authorized account shall require an issued check file for all checks issued. In the event of system failure, either yours or the Bank's, such that the issued check file cannot be received by the Bank or the Bank cannot process the issued check file, then the issued check file shall be considered as not received, even if the Bank has possession of the issued check file.
8. ACH Positive Pay (ACHPP) Only: Company has the option to identify recurring authorized ACH transactions using the attached Exhibit B, which attached Exhibit B is incorporated herein by reference. Transactions listed on the attached Exhibit B will be paid without decisioning requirement if the transaction meets the parameters set forth in the attached Exhibit B.
9. CkPP and ACHPP: Positive Pay verifies checks and ACH items presented to the Bank for payment against your Positive Pay check issue file and/or your ACH authorized

transactions as listed on the attached **Exhibit B**. Any item presented to the Bank for payment that does not match the check file and/or ACH authorized transactions as listed on the attached **Exhibit B** will be an exception or violation. The following sets forth the description of an exception or violation.

- a. Check and ACH Items presented for payment through the Bank's in-clearings not matching the check issue file and/or ACH authorized transactions as listed on the attached **Exhibit B** will be an **exception** ("Positive Pay Exception"). The Bank's Business Connect Cash Management system provides access to view and decision exception items as they arise. You are responsible to decision any Positive Pay Exceptions daily between the hours of 9:00 a.m. (CST) and 1:00 p.m. (CST).

Positive Pay Exceptions not decisioned in the Bank's Connect Cash Management system prior to the 1:00 p.m.(CST) cut-off time will be processed as indicated below:

returned      or       paid

Files and items will be processed each bank business day. A business day will be considered a bank processing day.

- b. ACH items presented to the Bank for payment will be an exception unless we have a written authorization on file on the attached **Exhibit B**.
- c. **CkPP Only:** Items presented to the Bank for immediate payment (cashing a check at the Bank) not matching the check issue file will be a **violation** ("Positive Pay Violation"). From time to time a Bank representative may contact you by phone for instruction on a Positive Pay Violation. In the event that the Bank cannot reach an authorized contact person as indicated on the attached **Exhibit A** for instruction on a Positive Pay Violation, the Bank will return or refuse to pay the item.

10. Positive Pay Function Only: This Agreement does not apply to a check or ACH item that the Bank has paid or is committed to honor or pay under applicable laws, regulations or rules governing such items, or prior to the submission of an issue file.
11. Bank shall have any liability for any indirect, incidental, consequential (including lost profits), special, or punitive damages, whether arising in contract or in tort, and whether or not the possibility of such damages was disclosed to or could have been reasonably foreseen by Bank. Under no circumstances shall Bank be responsible for any liability, loss, or damage resulting from any delay in performance of or failure to perform in connection with the services required by this Agreement which is caused by interruption of telephone, telefacsimile, or communication facilities; delay in transportation, equipment breakdown, or mechanical malfunction; electrical, power, or computer failure; accidents, fire, flood, earthquake, explosion, theft, natural disaster, power outages, or other catastrophe; acts or

failure to act by Company or any third party; strikes or lockouts; emergency conditions; or riots, war, acts of government, civil or foreign disturbances, or other circumstances which are unavoidable or beyond Bank's control. Bank shall not be liable for failure to perform any of its obligations in connection with the services required by this Agreement if such performance would result in it being in breach of any law, regulation, or requirement of any governmental authority. Bank shall have no duty to discover, and shall not be liable for, errors or omissions by Company. Bank shall not be liable for any loss or damage resulting from fraudulent, unauthorized, or otherwise improper use of any security devices.

12. Company shall indemnify and hold harmless Bank and each of its directors, officers, employees, agents, successors, and assigns ("Indemnities") from and against all liability, loss, and damage of any kind (including attorneys' fees and other costs incurred in connection therewith) incurred by or asserted against such Indemnitee in any way relating to or arising out of the services required by this Agreement, by reason of any acts or omissions of Company or any third party or otherwise, except to the extent such liability, loss, or damage is caused by the gross negligence or willful misconduct of such Indemnitee (provided that reliance, without further investigation, on any oral, telephonic, electronic, written, or other request, notice, or instruction believed in good faith to have been given by Company will in no event constitute gross negligence or willful misconduct on the part of such Indemnitee).
13. Except to the extent superseded by Federal law, the provision of services required by this Agreement shall be governed by the laws of the State of Tennessee. Company agrees that the courts of such state shall have jurisdiction to hear any dispute arising out of the services required by this Agreement and submits to the jurisdiction of such courts. Any provision of this Agreement that is unenforceable shall be ineffective to the extent of such provision, without invalidating the remaining provisions of this Agreement. If performance of the services required by this Agreement would result in violation of any law, regulation, or governmental policy, this Agreement shall be deemed amended to the extent necessary to comply therewith.
14. **COMPANY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY LITIGATION OR OTHER PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE SERVICES USED BY COMPANY.**
15. Any notice to be given pursuant to this Agreement shall be in writing and shall be either hand delivered or sent by first class, certified mail, return receipt requested, with postage prepaid, to the address set forth below, or to such other address as either party may from time-to-time designate by notice given as provided in this Section 11 of this Agreement:

If to the Bank:

Wilson Bank & Trust  
c/o Cash Management  
623 West Main Street  
Lebanon, TN 37087

If to you or Company:

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Notice hereunder shall be deemed to have been received by the party to whom addressed at the time it is personally delivered or forty-eight (48) hours after it is deposited in the United States mail as specified above.

16. This Agreement and the attached Exhibits A,B,C,D shall remain in full force and effect until the Bank has given or received written notice of termination as set forth in the Agreement and, in any event, the Bank shall be given notice of termination in such time and manner as to afford the Bank a reasonable opportunity to act on it. The party signing below must have full signing authority on each account listed on the attached Exhibit A and acknowledges that such party has full authority to execute this Agreement and bind the Company to the terms hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed below.

**Company:**



\_\_\_\_\_  
Signature

**Wilson Bank & Trust**



\_\_\_\_\_  
Bill Coleman  
VP, Cash Management

**Account #**

**Wilson Bank & Trust**  
**Positive Pay/Account Reconciliation Agreement**

**Exhibit A**

**Company:** \_\_\_\_\_

**Accounts/Service:**

\_\_\_\_\_ **Acct Recon** \_\_\_\_\_ **CkPP** \_\_\_\_\_ **ACHPP** \_\_\_\_\_ **Block All Credits** \_\_\_\_\_ **Block All Debits** \_\_\_\_\_

\_\_\_\_\_ **Acct Recon** \_\_\_\_\_ **CkPP** \_\_\_\_\_ **ACHPP** \_\_\_\_\_ **Block All Credits** \_\_\_\_\_ **Block All Debits** \_\_\_\_\_

\_\_\_\_\_ **Acct Recon** \_\_\_\_\_ **CkPP** \_\_\_\_\_ **ACHPP** \_\_\_\_\_ **Block All Credits** \_\_\_\_\_ **Block All Debits** \_\_\_\_\_

\_\_\_\_\_ **Acct Recon** \_\_\_\_\_ **CkPP** \_\_\_\_\_ **ACHPP** \_\_\_\_\_ **Block All Credits** \_\_\_\_\_ **Block All Debits** \_\_\_\_\_

\_\_\_\_\_ **Acct Recon** \_\_\_\_\_ **CkPP** \_\_\_\_\_ **ACHPP** \_\_\_\_\_ **Block All Credits** \_\_\_\_\_ **Block All Debits** \_\_\_\_\_

**Wilson Bank & Trust**  
**Positive Pay/Account Reconciliation Agreement**

**Exhibit B**

**Company:** \_\_\_\_\_

The following transactions are authorized for payment by Wilson Bank & Trust (bank) for (company) ACH Positive Pay service as indicated.

Settlement account	Company	Company ID	Maximum Amount	Debit	Credit

**X**

---

Company  
Signature

**Account #**

**Wilson Bank & Trust**  
**Positive Pay/Account Reconciliation Agreement Fee Schedule**  
**Exhibit C**

**Company:** \_\_\_\_\_

**Regular Monthly Fees Positive Pay**

PP-CK/ACH combined Mo Main \$35.00

Monthly Maintenance for ACH positive pay \$20.00

PP Per ACH Filter Set Up \$5.00

PP Per Exception/Violation \$3.00

Positive Pay file upload

**PP One- Time Set up** \$100.00

**Regular Monthly Fees Account Reconciliation**

Monthly Maintenance for Full Recon per account \$50.00

Monthly Maintenance for Partial Recon per account \$35.00

ARP per Item \$0.05

**One-time Set-up Fee** \$50.00

All fees valid for 12 months from contract date and are subject to annual review

## **Positive Pay Authorized Representative Form Schedule D**

**Company:** \_\_\_\_\_

All Positive Pay transaction files, as well as daily decisions to pay or return an item, must be sent through Wilson Bank & Trust on line banking services.

Authorized Company Representative for Positive Pay.

Name	Phone Number	Cell Number	E-Mail Address

**X**

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Account Holder

Date

Lead Account # \$35.00



## Online Initiated Wire Transfer Agreement

This Agreement is made between

(hereinafter known as "Company") and Wilson Bank & Trust Co (hereinafter known as "Financial Institution" ). The Company wishes to initiate Wire Transfer Entries pursuant to the terms of this Agreement.

**Authorization.** Company grants Financial Institution the authority to accept and complete any wire transfer request(s) to withdraw funds from Company account(s) according to the terms and conditions of this Agreement. This authorization is granted for wire transfer transactions requested through Financial Institution's Online Cash Management product via the Internet.

**Authorized Initiators.** Authorized individuals will not have the capability to input/transmit and approve/transmit wires alone; this can only be done with dual control. One employee can input/transmit the wire and the system requires a second employee with proper authority to approve/transmit the wire.

### **Safekeeping of Initiator's Bank Online Cash Management Personal**

**Identification Number.** Company understands and acknowledges that Company and/or its employees must protect the security code held by the individual authorized initiators of wire transfers. Financial Institution shall not be responsible for Company's acts or omissions, including, without limitation, the amount, accuracy, timeliness of transmittal or due authorization of any wire transfer received from the Company or for acts or omissions of any other person.

**Changes to Wire Transfer Agreement.** This authorization and Agreement may only be changed by a written agreement signed by an authorized representative of the Financial Institution and the accountholder(s).

**Transmission of Entries:** The Company will transmit all wire transfers to Financial Institution by 4:30pm CST Monday through Friday, excluding holidays. Wire transfer requests received after 4:30pm will be processed the next business day. The initiator of the wire transfer will be required to complete the Wire Transfer Template provided in the Financial Institution Online Cash Management product. If the information on the wire transfer does not meet the criteria outlined in Section 2 “Authorized Initiators”, the wire transfer will be declined and a follow up call will be placed to Company.

**Security Procedures** Company shall comply with the “Security Procedures” described herein and made a part hereof, and Company acknowledges and agrees that the Security Procedures, including (without limitation) any code, password, personal identification number, user identification technology, token, certificate, or other element, means, or method of authentication or identification used in connection with a Security Procedure (“Security Devices”) used in connection therewith, constitute commercially reasonable security procedures under applicable law for the origination of Entries (or request for cancellation or amendment of an Entry). Company authorizes Financial Institution to follow any and all instructions entered and transactions initiated using applicable Security Procedures. Company agrees that the initiation of a transaction using applicable Security Procedures constitutes sufficient authorization for Financial Institution to execute such transaction notwithstanding any particular signature requirements identified on any signature card or other documents relating to Company’s deposit account maintained with Financial Institution, and Company agrees and intends that the submission of Entries and instructions using the Security Procedures shall be considered the same as Company’s written signature in authorizing Financial Institution to execute such transaction.

Company acknowledges and agrees that Company shall be bound by any and all Entries initiated using the Security Procedures, whether authorized or unauthorized, and by any and all transactions and activity otherwise initiated by any person(s) authorized by Company to initiate transactions (“Authorized User(s)”), to the fullest extent allowed by law.

Company further acknowledges and agrees that the Security Procedures are not designed to detect error in the Entries initiated by Company and that Company bears the sole responsibility for detecting and preventing such error.

Company acknowledges and agrees that it is Company’s responsibility to keep all Security Procedures and Security Devices protected and to provide or make available the same only to Authorized User(s).

Company agrees to instruct each Authorized User not to disclose or provide any Security Procedures or Security Devices to any unauthorized person.

Financial Institution shall distribute Security Devices to a person designated by Company (“Administrator”) and/or Financial Institution shall otherwise communicate with the Administrator regarding Security Procedures.

Company's Administrator shall have responsibility to distribute Security Devices to Authorized User(s).

Company agrees to change or modify passwords yearly. Company agrees to notify Financial Institution immediately if Company believes that any Security Procedures violated or Security Device has been stolen, compromised, or otherwise become known to persons other than Authorized User(s), or if Company believes that any Entry or activity is unauthorized or in error.

Company shall recover and return to Financial Institution any Security Devices in the possession of any Authorized User(s) whose authority to have the Security Device has been revoked.

Financial Institution reserves the right to change, amend, replace, or cancel any or all Security Procedures, and/or to cancel or replace any Security Device, at any time and from time to time in Financial Institution's discretion.

Financial Institution may make any change in Security Procedures without advance notice to Company if Financial Institution, in its judgment and discretion, believes such change to be necessary or desirable to protect the security of Financial Institution's systems and assets.

Company's implementation and use of any changed Security Procedures after any change in Security Procedures shall constitute Company's agreement to the change and Company's agreement that the applicable Security Procedures, as changed, are commercially reasonable and adequate for the purposes intended.

Company agrees to perform a related risk review and controls evaluation periodically including but not limited to systems, firewalls, internet security, user access, etc.

### **Physical and Electronic Security.**

Company is solely responsible for providing for and maintaining the physical, electronic, and procedural security of data and systems in Company's possession or under Company's control. Financial Institution is not responsible for any computer viruses (including, without limitation, programs commonly referred to as "malware," "keystroke loggers," and/or "spyware") resulting from any computer viruses.

Company is solely responsible for maintaining and applying anti-virus software, security patches, firewalls, and other security measures with respect to Company's operating systems, and for protecting, securing, and backing up any data and information stored in or on Company's operating systems.

Financial Institution is not responsible for any errors or failures resulting from defects in or malfunctions of any software installed on Company's operating systems or accessed through an Internet connection.

Company acknowledges that Financial Institution will never contact Company by e-mail in order to ask for or to verify personal information such as Account numbers, Security Devices, or any sensitive or confidential information. In the event Company receives an email or other electronic communication that Company believes, or has reason to believe, is fraudulent, Company agrees that neither Company nor its Authorized User(s), agents, and employees shall respond to the e-mail, provide any information to the e-mail sender, click on any links in the e-mail, or otherwise comply with any instructions in the e-mail.

Company agrees that Financial Institution is not responsible for any losses, injuries, or harm incurred by Company as a result of any electronic, e-mail, or Internet fraud.

In the event of a breach of the Security Procedure, Company agrees to assist Financial Institution in determining the manner and source of the breach. Such assistance shall include, but shall not be limited to, providing Financial Institution, or Financial Institution's agent, access to Company's hard drive, storage media and devices, systems and any other equipment or device that was used in breach of the Security Procedure.

Company further agrees to provide to Financial Institution any analysis of such equipment, device, or software or any report of such analysis performed by Company, Company's agents, law enforcement agencies, or any other third party. Failure of Company to assist Financial Institution shall be an admission by Company that the breach of the Security Procedure was caused by a person who obtained access to transmitting facilities of Company or who obtained information facilitating the breach of the Security Procedure from Company and not from a source controlled by Financial Institution.

**Recording and Use of Communications.** Company and Financial Institution agree that all telephone conversations or data transmissions between them or their agents made in connection with this Agreement may be electronically recorded and retained by either party by use of any reasonable means.

**Financial Institution Obligations.** Financial Institution will process wire transfers received from the Company which comply with the terms of this Agreement, in a reasonably timely manner.

**Limit of Liability.** Financial Institution will exercise ordinary care in providing the services required by this Agreement and will be responsible for any loss sustained by Company only to the extent such loss is caused by Financial Institution's gross negligence or willful misconduct. In no event shall clerical errors or mistakes in judgments constitute failure to exercise ordinary care, nor shall Financial Institution have any liability for any indirect, incidental, consequential

(including lost profits), special, or punitive damages, whether arising in contract or in tort, and whether or not the possibility of such damages was disclosed to or could have been reasonably foreseen by Financial Institution. Under no circumstances shall Financial Institution be responsible for any liability, loss, or damage resulting from any delay in performance of or failure to perform in connection with the services required by this Agreement which is caused by interruption of telephone, tele facsimile, or communication facilities; delay in transportation, equipment breakdown, or mechanical malfunction; electrical, power, or computer failure; accidents, fire, flood, earthquake, explosion, theft, natural disaster, power outages, or other catastrophe; acts or failure to act by Company or any third party; strikes or lockouts; emergency conditions; or riots, war, acts of government, civil or foreign disturbances, or other circumstances which are unavoidable or beyond Financial Institution's control. Financial Institution shall not be liable for failure to perform any of its obligations in connection with the services required by this Agreement if such performance would result in it being in breach of any law, regulation, or requirement of any governmental authority. Financial Institution shall have no duty to discover, and shall not be liable for, errors or omissions by Company. Financial Institution shall not be liable for any loss or damage resulting from fraudulent, unauthorized, or otherwise improper use of any security devices.

**Indemnification.** Company shall indemnify and hold harmless Financial Institution and each of its directors, officers, employees, agents, successors, and assigns ("Indemnities") from and against all liability, loss, and damage of any kind (including attorneys' fees and other costs incurred in connection therewith) incurred by or asserted against such Indemnitee in any way relating to or arising out of the services required by this Agreement, by reason of any acts or omissions of Company or any third party or otherwise, except to the extent such liability, loss, or damage is caused by the gross negligence or willful misconduct of such Indemnitee (provided that reliance, without further investigation, on any oral, telephonic, electronic, written, or other request, notice, or instruction believed in good faith to have been given by Company will in no event constitute gross negligence or willful misconduct on the part of such Indemnitee).

**Governing Law; Severability.** Except to the extent superseded by Federal law, the provision of services required by this Agreement shall be governed by the laws of the State of Tennessee. Company agrees that the courts of such state shall have jurisdiction to hear any dispute arising out of the services required by this Agreement and submits to the jurisdiction of such courts. Any provision of this Agreement that is unenforceable shall be ineffective to the extent of such provision, without invalidating the remaining provisions of this Agreement. If performance of the services required by this Agreement would result in violation of any law, regulation, or governmental policy, this Agreement shall be deemed amended to the extent necessary to comply therewith.

**Waiver of Jury Trial. COMPANY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY LITIGATION OR OTHER PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE SERVICES USED BY COMPANY.**

**Acknowledgement.** Company has read and understands that this form authorizes Financial Institution to honor wire transfers initiated ONLY in accordance with the security procedures detailed above. If the above criteria are not met, Company acknowledges that Financial Institution may refuse the transaction for Company's protection. Company further acknowledges and agrees that the above detailed security procedures are a commercially reasonable method of providing security against unauthorized payment orders. Company agrees that Company shall be responsible for any payment order accepted by the Financial Institution in good faith and processed in accordance with the security procedures detailed above.

**Company:**

**Wilson Bank & Trust**

Bill Coleman, VP Cash Management

## Authorized Initiators for

## Wire Transfer Schedule A

**Company Name:** \_\_\_\_\_

**Account number:** \_\_\_\_\_

### **Regular Monthly Fees:**

Wire Module Monthly Fee

Outgoing Online Domestic Wire

Wire Notification

Wire One Time Set Up Fee

**All fees valid for 12 months from contract date and are subject to annual review**



## Treasury Management Business Online Banking Form

Business Name: \$35.00 \$20.00  
CIF: \_\_\_\_\_

Creating New Company:  Converting Retail Netteller ID: \$5.00 \_\_\_\_\_

Additional Notes: \_\_\_\_\_

List below all business and/or personal accounts that you are a **signer** on and would like to have online access to.

Account Number	Description / Pseudo Name	Account Number	Description / Pseudo Name
\$3.00	\$100.00		
	\$50.00		

Administrator for Online Banking <b>(MUST BE</b> an account signer)	Email Address (a secure link to create credentials will be sent to this address)	Phone Number

The Administrator will have access to all accounts and functionality and will also have the authority to add/delete users and grant or restrict access to accounts and functionality.

**Please read before signing:** I certify that the information provided is true and correct. I authorize Wilson Bank & Trust to verify any information included in this application and allow access to all the accounts I may be a signer on listed above. The use of CONNECT shall be governed by the printed terms and conditions of the CONNECT AGREEMENT AND DISCLOSURES and such other terms and conditions or amendments thereto, as may be established by Wilson Bank & Trust and communicated in writing to me. The undersigned agrees to the same terms as stated above.

**Fees:** Business Online Banking =Free      QuickBooks/Quicken Direct Connect = \$14.95/mo.  
eStatements = Free      Paper Statements = \$5.00 per statement

Account Holder Name (Print): \_\_\_\_\_ Date: \_\_\_\_\_

Account Holder Signature: \_\_\_\_\_ Date: \_\_\_\_\_

WBT Employee: \_\_\_\_\_ Office & Extension: \_\_\_\_\_



Cash Management Sweep Agreement/ZBA

This agreement is made between Wilson Bank & Trust (hereinafter known as "Bank") and  
\$20.00 \_\_\_\_\_ (hereinafter known as "Company") on \_\_\_\_\_.

The Company authorizes Bank to sweep funds to/from the accounts as indicated below. If funds are not available in the sweep level account when needed to cover debits in any of the accounts, funds will be transferred from the Line of Credit if available. If funds are not available, normal insufficient charges and rules will apply.

Lead Account:

Sweep Level 1 Account:

Sweep Level 2 account

Sweep Level 3 Account

Sweep Level 4 account

Fees:  
One time set up

Sweep Parent -

Sweep Child -

Company \_\_\_\_\_

Wilson Bank & Trust

Signature: \_\_\_\_\_

Signature: Bill Coleman \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## ACH ORIGINATOR AGREEMENT

This agreement, dated as of \$20.00 is between Wilson Bank & Trust [“Financial Institution”] and [“Company”].

### RECITALS

- A. Company wishes to initiate Credit and/or Debit Entries by means of the Automated Clearing House Network pursuant to the terms of the Agreement and the rules of the National Automated Clearing House Association, and Financial Institution is willing to act as an Originating Depository Financial Institution (ODFI) with respect to such Entries.
- B. Unless otherwise defined herein, capitalized terms shall have the meanings provided in the Rules. The term “Entries” shall have the meaning provided in the NACHA Operating Rules (the *ACH Rules*) and shall also mean the data received from Company hereunder from which Financial Institution prepares entries.

### AGREEMENT

1. **ACH Rules.** The Company acknowledges access to a copy of the NACHA Operating Rules via [www.nacha.org](http://www.nacha.org) website. The Company agrees to comply with and be bound by the *ACH Rules*. In the event the Company violates any of the applicable *ACH Rules* and NACHA imposes a fine on Financial Institution because of the Company’s violation, Financial Institution may charge the fine to the Company. The Company may access revisions to the *ACH Rules* via [www.nacha.org](http://www.nacha.org) website. Financial Institution reserves the right to suspend Originators and Third Party Senders for breach of the *ACH Rules*. The Financial Institution reserves the right to audit the Originator and/or Third Party Senders compliance with this agreement and with the *ACH Rules*.
2. **U.S. Law.** It shall be the responsibility of the Company that the origination of ACH transactions complies with all applicable laws, regulations, and orders, including, but not limited to, the sanctions laws, regulations and orders administered by OFAC; laws, regulations, and orders administered by FinCEN; and any state laws, regulations, or orders applicable to the providers of ACH payment services, including the sending of restricted transactions. Restricted transactions include but are not limited to transactions defined as restricted within Regulation GG. This includes sanctions enforced by the Office of Foreign Assets Control (OFAC). It shall further be the responsibility of the company to obtain information regarding such OFAC enforced sanctions (this information may be obtained directly from the OFAC Compliance Hotline 800-540-OFAC).

3. **Transmittal of Entries By Company.** Company shall transmit entries to Financial Institution to the location and in compliance with the formatting and other requirements set forth in Schedule A attached hereto. The total dollar amount of Credit Entries transmitted by Company to Financial Institution and the total amount of Debit Entries transmitted by Company to Financial Institution are outlined in Schedule F attached hereto. Exposure limits are set by the financial institution and will be monitored and reviewed on a regular basis. Types of transactions that will be permitted by the Originator and/or Third Party Sender are outlined in Schedule F.

4. **Security Procedure.**

- a. Company shall comply with the “Security Procedures” described in Schedule A attached hereto and made a part hereof, and Company acknowledges and agrees that the Security Procedures, including (without limitation) any code, password, personal identification number, user identification technology, token, certificate, or other element, means, or method of authentication or identification used in connection with a Security Procedure (“Security Devices”) used in connection therewith, constitute commercially reasonable security procedures under applicable law for the origination of Entries (or request for cancellation or amendment of an Entry). Company authorizes Financial Institution to follow any and all instructions entered and transactions initiated using applicable Security Procedures. Company agrees that the initiation of a transaction using applicable Security Procedures constitutes sufficient authorization for Financial Institution to execute such transaction notwithstanding any particular signature requirements identified on any signature card or other documents relating to Company’s deposit account maintained with Financial Institution, and Company agrees and intends that the submission of Entries and instructions using the Security Procedures shall be considered the same as Company’s written signature in authorizing Financial Institution to execute such transaction. Company acknowledges and agrees that Company shall be bound by any and all Entries initiated through the use of such Security Procedures, whether authorized or unauthorized, and by any and all transactions and activity otherwise initiated by any person(s) authorized by Company to initiate transactions (“Authorized User(s)”), to the fullest extent allowed by law. Company further acknowledges and agrees that the Security Procedures are not designed to detect error in the Entries initiated by Company and that Company bears the sole responsibility for detecting and preventing such error.
- b. Company acknowledges and agrees that it is Company’s responsibility to keep all Security Procedures and Security Devices protected and to provide or make available the same only to Authorized User(s). Company agrees to instruct each Authorized User not to disclose or provide any Security Procedures or Security Devices to any unauthorized person. Financial Institution shall distribute Security Devices to a person designated by Company (“Administrator”) and/or Financial Institution shall otherwise communicate with the Administrator regarding Security Procedures. Company’s Administrator shall have responsibility to distribute Security Devices to Authorized User(s). Company agrees to periodically change or modify passwords and PINs. Company agrees to notify Financial Institution immediately if Company believes that any Security Procedures or Security Device has been stolen, compromised, or otherwise become known to persons other than Authorized User(s), or if Company believes that any Entry or activity is unauthorized or in error.

- c. Company agrees to notify Financial Institution immediately if the authority of any Administrator(s) shall change or be revoked. Company shall recover and return to Financial Institution any Security Devices in the possession of any Authorized User(s) whose authority to have the Security Device has been revoked.
- d. Financial Institution reserves the right to change, amend, replace, or cancel any or all Security Procedures, and/or to cancel or replace any Security Device, at any time and from time to time in Financial Institution's discretion. Financial Institution may make any change in Security Procedures without advance notice to Company if Financial Institution, in its judgment and discretion, believes such change to be necessary or desirable to protect the security of Financial Institution's systems and assets. Company's implementation and use of any changed Security Procedures after any change in Security Procedures shall constitute Company's agreement to the change and Company's agreement that the applicable Security Procedures, as changed, are commercially reasonable and adequate for the purposes intended.
- e. Company agrees to perform a related risk review and controls evaluation periodically including but not limited to systems, firewalls, internet security, user access, etc.

## 5. **Physical and Electronic Security.**

- a. Company is solely responsible for providing for and maintaining the physical, electronic, procedural, security of data and systems in Company's possession or under Company's control. Financial Institution is not responsible for any computer viruses (including, without limitation, programs commonly referred to as "malware," "keystroke loggers," and/or "spyware") resulting from any computer viruses. Company is required to apply and maintain anti-virus software, security patches, firewalls, and other security measures with respect to Company's operating systems, and for protecting, securing, and backing up any data and information stored in or on Company's operating systems. Financial Institution is not responsible for any errors or failures resulting from defects in or malfunctions of any software installed on Company's operating systems or accessed through an Internet connection.
- b. Company acknowledges that Financial Institution will never contact Company by e-mail in order to ask for or to verify personal information such as Account numbers, Security Devices, or any sensitive or confidential information. In the event Company receives an email or other electronic communication that Company believes, or has reason to believe, is fraudulent.

Company agrees that neither Company nor its Authorized User(s), agents, and employees shall respond to the e-mail, provide any information to the e-mail sender, click on any links in the e-mail, or otherwise comply with any instructions in the e-mail. Company agrees that Financial Institution is not responsible for any losses, injuries, or harm incurred by Company as a result of any electronic, e-mail, or Internet fraud.

- c. In the event of a breach of the Security Procedure, Company agrees to assist Financial Institution in determining the manner and source of the breach. Such assistance shall include, but shall not be limited to, providing Financial Institution, or Financial Institution's agent, access to Company's hard drive, storage media and devices, systems and any other equipment or device that was used in

breach of the Security Procedure. Company further agrees to provide to Financial Institution any analysis of such equipment, device, or software or any report of such analysis performed by Company, Company's agents, law enforcement agencies, or any other third party. Failure of Company to assist Financial Institution shall be an admission by Company that the breach of the Security Procedure was caused by a person who obtained access to transmitting facilities of Company or who obtained information facilitating the breach of the Security Procedure from Company and not from a source controlled by Financial Institution.

6. **Recording and Use of Communications.** Company and Financial Institution agree that all telephone conversations or data transmissions between them or their agents made in connection with this Agreement may be electronically recorded and retained by either party by use of any reasonable means.
7. **Processing, Transmittal and Settlement by Financial Institution.**
  - a. Except as provided in Section 8, On-Us Entries and Section 9, Rejection of Entries, Financial Institution shall (i) process Entries received from Company to conform with the file specifications set forth in the *ACH Rules*, (ii) transmit such entries as an Originating Depository Financial Institution to the ACH Operator, and (iii) settle for such Entries as provided in the *ACH Rules*.
  - b. Financial Institution shall transmit such Entries to the ACH Operator by the deadline set forth in Schedule B (same day, one business day or two business days) prior to Effective Entry Date shown in such entries, provided (i) such entries are received by the Bank's related cutoff time set forth in attached Schedule B on a business day, (ii) the Effective Entry Date is either same day or 2 days after such business day, and (iii) the ACH Operator is open for business on such business day. ***Note: Originators that enter an invalid or stale date in the Effective Entry Date field may have entries processed same day and will be subject to same day fees.***
  - c. If any of the requirements of clause (i), (ii), (iii) of Section 7(b) are not met, Financial Institution shall use reasonable efforts to transmit such entries to the ACH Operator by the next deposit deadline on which the ACH Operator is open for business.
8. **On-Us Entries.** Except as provided in Section 9, in the case of an Entry received for credit to an account maintained with Financial Institution (an "On-Us Entry"), Financial Institution 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 7(b) are met. If either of those requirements is not met, Financial Institution 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.
9. **Rejection of Entries.** Financial Institution may reject any Entry which does not comply with the requirements of Section 3, Transmittal of Entries By Company, or Section 4, Security Procedure, or which contains an Effective Entry Date more than 10 days after the business day such Entry is received by Financial Institution. Financial Institution may reject an On-Us Entry for any reason for which an Entry may be returned under the *ACH Rules*. Financial Institution may reject any Entry if Company has failed to comply with its account balance obligations under Section 14, The Account. Financial Institution may reject any entry if Company does not adhere to security procedures as described in Schedule A. Financial Institution shall notify Company by (phone, electronic transmission, or in

writing) of such rejection no later than the business day such Entry would otherwise have been transmitted by Financial Institution to the ACH Operator or, in the case of an On-Us entry, its Effective

Entry Date. Notices of rejection shall be effective when given. Financial Institution shall have no liability to Company by reason of the rejection of any such Entry or the fact that such notices is not given at an earlier time than that provided for herein. Financial Institution may delay any same day entry that does not meet the same day deadline for processing or exceeds the \$25,000 per item amount.

10. **Cancellation or Amendment by Company.** Company shall have no right to cancel or amend any Entry after its receipt by Financial Institution. However, if such request complies with the security procedures described in Sections Four and Five for the cancellation of Data, Financial Institution shall use reasonable efforts to act on a request by Company for cancellation of an Entry prior to transmitting it to the ACH Operator, or in the case of an On-us entry, prior to crediting the Receiver's account, but shall have no liability if such cancellation is not affected. Company shall reimburse Financial Institution for any expenses, losses, or damages Financial Institution may incur in effecting or attempting to affect the Company's request for the reversal of an entry.
11. **Notice of Retuned Entries.** Financial Institution shall notify Company by *electronic transmission or phone* of the receipt of a returned entry from the ACH Operator no later than *one business day* after the business day of such receipt.
12. **Reinitiation of Entries.** The Company may not reinitiate entries except as prescribed by the *ACH Rules*.
13. **Payment.** Company shall pay Financial Institution the amount of each Entry transmitted by Financial Institution pursuant to this Agreement at such time on the [*Settlement Date with respect to OR date of transmittal by Financial Institution of*] such entry as Financial Institution, at its discretion, may determine, and the amount of each On-Us Entry at such time on the Effective Entry Date of such Entry as Financial Institution, at its discretion, may determine.
14. **The Account.** Financial Institution may, without prior notice or demand, obtain payment of any amount due and payable to it under this Agreement by debiting the account(s) of Company identified in Schedule C attached hereto ["Account"], and shall credit the Account for any amount received by Financial Institution by reason of the return of an Entry transmitted by Financial Institution for which Financial Institution has previously received payment from Company. Such credit shall be made as of the day of such receipt by Financial Institution. Company shall at all times maintain a balance of available funds in the Account sufficient to cover its payment obligations under this Agreement. In the event there are not sufficient available funds in the Account to cover Company's obligations under this Agreement, Company agrees that Financial Institution may debit any account maintained by Company with Financial Institution or any affiliate of Financial Institution or that Financial Institution may set off against any amount it owes to Company, in order to obtain payment of Company's obligations under this Agreement.
15. **Account Reconciliation.** Entries transmitted by Financial Institution or credited to a Receiver's account maintained with Financial Institution will be available for online review daily and will be reflected on Company's periodic statement issued by Financial Institution with respect to the Account pursuant to the agreement between Financial Institution and company. It is the company's responsibility to monitor the account daily and notify the Financial Institution immediately of any discrepancy between Company's records and the information shown. Company agrees that Financial

Institution shall not be liable for losses resulting from Company's failure to give such notice or any loss of interest or any interest equivalent with respect to an Entry. Company must notify the Financial Institution of any discrepancy within 1 day from entry posting, no later than Noon CST to enable compliance with the return deadline. Company shall be precluded from asserting such discrepancy against Financial Institution if these notification requirements are not met.

16. **Company Representations and Agreements; Indemnity.** With respect to each and every Entry initiated by Company, Company represents and warrants to Financial Institution and agrees that (a) each person shown as the Receiver on an Entry received by Financial Institution from Company has authorized the initiation of such Entry and the crediting 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 credited by Financial Institution as provided herein, (c) Entries transmitted to Financial Institution by Company are limited to those types of Credit Entries set forth in Section 1, (d) Company shall perform its obligations under this Agreement in accordance with all applicable laws and regulations, including the sanctions laws administered by OFAC; laws, regulations, and orders administered by FinCEN and any state laws, regulations, and orders applicable to the providers of ACH payment services and (e) Company shall be bound by and comply with the *ACH Rules* as in effect from time to time, including, without limitation, the provision making payment of an Entry by the Receiving Depository Financial Institution to the Receiver provisional until receipt by the Receiving Depository Financial Institution of final settlement for such Entry. Company specifically acknowledges that it has access to the Rules regarding provisional payment via [www.nacha.org](http://www.nacha.org) website and of the fact that, if such settlement is not received, the Receiving Depository Financial Institution shall be entitled to a refund from the Receiver of the amount credited and Company shall not be deemed to have paid the Receiver the amount of the Entry. Company shall indemnify Financial Institution against any loss, liability or expense (including attorneys' fees and expenses) resulting from or arising out of any breach of any of the foregoing representations or agreements.

17. **Liability Limitations on Liability; Indemnity.**

- a. In the performance of the services required by this Agreement, Financial Institution 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. Financial Institution shall be responsible only for performing the services expressly provided for in the Agreement, and shall be liable only for its negligence or willful misconduct in performing those services. Financial Institution 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 person, including without limitation any Federal Reserve Institution, Automated Clearing House or transmission or communications facility, any Receiver or Receiving Depository Financial Institution (including without limitation the return of an entry by such Receiver or Receiving Depository Financial Institution), and no such person shall be deemed Financial Institution's agent. Company agrees to indemnify Financial Institution against any loss, liability or expense (including attorneys' fees and expenses) resulting from or arising out of claim of any person that Financial Institution is responsible for any act or omission of Company or any other person described in this Section 17(a).
- b. In no event shall Financial Institution be liable for any consequential, special punitive or indirect loss or damage that the Company may incur or suffer in connection with this

Agreement, including losses or damage from subsequent wrongful dishonor resulting from Financial Institution's acts or omissions pursuant to this Agreement.

- c. Financial Institution 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 Financial Institution's control. In addition, Financial Institution shall be excused from failing to transmit or delay in transmitting an entry if such transmittal would result in Financial Institution's having exceeded any limitation upon its intra-day net funds position established pursuant to Federal Reserve guidelines or if Financial Institution is otherwise violating any provision of any risk control program of the Federal Reserve or any rule or regulation of any other U.S. governmental regulatory authority.
- d. Financial Institution's liability for loss of interest resulting from its error or delay shall be calculated by using a rate equal to the average Federal Funds Rate at the Federal Reserve Bank of New York for the period involved. At Financial Institution's option, payment of such interest may be made by crediting the Account from any claim of any person that Financial Institution is responsible for any act or omission of the Company or any other person described in Section 17 (a).

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

19. **Notifications of Change.** Financial Institution shall notify Company of all notifications of change received by Financial Institution relating to Entries transmitted by Company by *electronic transmission* no later than two banking days after receipt thereof. It is the responsibility of the Company to make the requested changes within six banking days or prior to the initiation of the next live entry, whichever is later with the following exceptions: (a) the Originator may choose, at its discretion to make the changes specified in any NOC or corrected NOC relating to ARC, BOC, POP, RCK, XCK and single entry TEL or WEB, (b) in the case of CIE and credit WEB entries, the ODFI or Third-Party Service Provider is responsible for making the changes and (c) for an NOC in response to a prenote, the Originator must make the changes prior to originating a subsequent entry if the ODFI receives the NOC by opening of business on the second banking day following the settlement date of the prenotification entry.

20. **Payment for Services.** Company shall pay Financial Institution the charges for the services provided in connection with this Agreement, as set forth in Schedule D attached hereto. All fees and services are subject to change upon 30 calendar days prior written notice from Financial Institution to Company. 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 agreement between Financial Institution and Company with respect to the Account ["Account Agreement"].

21. **Amendments.** From time to time Financial Institution may amend any of the terms and conditions contained in this Agreement, including without limitation, any cut-off time, any business day, and any

part of Schedules [A-G] attached hereto. Such amendments shall become effective upon receipt of notice by Company or such later date as may be stated in Financial Institution notice to Company.

22. **Notices, Instructions, Etc.**

- a. Except as otherwise expressly provided herein, Financial Institution 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.
- b. Financial Institution shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by an Security Administrator, and any such communication shall be deemed to have been signed by such person. The Security Administrator(s) are set forth in Scheduled E attached hereto will be responsible for maintaining all users. Changes to users will require approval from the Authorized Signer of this agreement. Company may request changes to Security Administrator by written notice to Financial Institution signed by the Authorized Signer of this agreement. Such notices shall be effective on the (e.g. second business day) following the day of Financial Institution's receipt thereof.
- c. 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, or sent by secure email United States registered or certified mail, postage prepaid, or by express carrier, and, addressed to:

If sent to Financial Institution, send to the following address to the attention of:

623 W Main St  
P.O. Box 768  
Attention: Cash Management  
Lebanon, TN 37088

If sent to Company, send to the following address to the attention of:

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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.

23. **Data Retention.** Company shall retain all data on file adequate to permit remaking of Entries for 3 days following the date of their transmittal by Financial Institution as provided herein, and shall provide such data to Financial Institution upon its request.

Company will implement and maintain security policies, procedures and systems related to the initiation, processing and storage of Entries and resulting Protected Information. Consumer level information should be protected at all times. Company will provide a copy of implemented policies and procedures upon request by the financial institution.

24. **Data Passing.** Company agrees not to disclose the Receiver's account number or routing number to any third-party for such third-party's use, directly or indirectly, in initiating a debit Entry that is not covered by the original authorization.
25. **Data Security.** Company agrees to establish, implement and, as appropriate, update security policies, procedures and systems related to the initiation, processing and storage of Entries and resulting Protected Information.
26. **Records.** All Entries, security procedures and related records used by Financial Institution for transactions contemplated by this Agreement shall be and remain Financial Institution's property. Financial Institution may, at its sole discretion, make available such information upon Company's request. Company shall pay any expenses incurred by Financial Institution in making such information available to Company.
27. **Audit of Originator's Responsibilities and Evidence of Authorization.** The Financial Institution has the right to audit the Originator's compliance with this agreement and the *ACH Rules*. This includes all Originator obligations such as but not limited to: the company shall obtain all consents and authorizations required under the *ACH Rules* and shall **retain such consents and authorizations for two years after they expire**.
28. **Cooperation in Loss of Recovery Efforts.** In the event of any damages for which Financial Institution or Company may be liable to each other or to a third party pursuant to the services provided under this Agreement, Financial Institution 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. **Termination and Suspension.** Company may terminate and/or suspend this Agreement at any such time. Such termination shall be effective on the 2<sup>nd</sup> Business Day following the day of Financial Institution's receipt of written notice of such termination or such later date as is specified in that notice. Financial Institution 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 Financial Institution'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 Financial Institution prior to termination, or any other obligations that survive the termination of this Agreement. The Financial Institution has a right to terminate or suspend an Originator for breach of the *ACH Rules*.
30. **Entire Agreement.** This Agreement (including the Schedules attached hereto), together with the Account Agreement, is the complete and exclusive statement of the agreement between Financial Institution and Company with respect to the subject matter hereof and supersedes any prior agreement(s) between Financial Institution and Company with respect to such subject matter. In the event of any inconsistency between the terms of this Agreement and the Account Agreement, the terms of this Agreement shall govern. In the event performance of the services provided herein in accordance with the terms of this Agreement would result in violation of any present or future statute, regulation or government policy to which Financial Institution is subject, and which governs or affects the transactions contemplated by this Agreement, this Agreement shall be deemed amended to the extent necessary to comply with such statute, regulation or policy, and Financial Institution shall incur no liability to Company as a result of such violation or amendment. No course dealing between Financial

Institution and Company will constitute a modification of this Agreement, the *ACH Rules* or the security procedures; or constitute an agreement between the Financial Institution and Company regardless of whatever practices and procedures Financial Institution and Company may use.

31. **Non-Assignment.** Company may not assign this Agreement or any of the rights or duties hereunder to any person without Financial Institution's prior written consent.
32. **Waiver.** Financial Institution may waive enforcement of any provision of this Agreement. Any such waiver shall not affect Financial Institution's rights with respect to any other transaction or modify the terms of this Agreement.
33. **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 Financial Institution or Company.
34. **Headings.** Headings are used for reference purposes only and shall not be deemed a part of this Agreement.
35. **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.
36. **Governing Law.** This agreement shall be construed in accordance with and governed by the laws of the state of: **Tennessee**
37. **Third Parties.** The Company shall assume full liability for any action made by any third-party processor used by the Company at its discretion to initiate entries on its behalf.
38. **Reversing Entries.** The Company shall notify the Receiver that a reversing entry have been transmitted to the Receiver's Account no later than the settlement date of the reversing entry. This notification may be made by the Company's method of choice (fax, telephone, etc.)
39. **Transmittal of Entries by Company.** The Company shall transmit entries to Financial Institution in compliance with the formatting and other requirements set forth in Schedule A hereto. Company is allowed only to transmit the types of entries listed in Schedule F hereto. If Company initiates a file that contains entries other than that listed in Schedule F, the file will not be sent by Financial Institution.
40. **Exposure Limits.** The total dollar amount of entries transmitted, frequency of origination and payment application (debits or credits) originated by Company to Financial Institution shall comply with limits set forth in the attached Schedule F of this Agreement.
41. **Prenotifications.** Financial Institution recommends the Company to send pre-notifications three banking days prior to initiating the first entry to a particular account. After the Company has received notice that any such entry has been rejected by the RDFI, the Company will not initiate any entry to such customer prior to making necessary corrections.
42. **FTP files (when available).** The Company's Security Administrator will provide Financial Institution with verification of the totals contained in the transmission via an approved Out of Band notification to

Financial Institution. Financial Institution will verify that the file totals agree with the Company information given by approved Out of Band notification. In the event of a discrepancy in the totals,

Financial Institution will call the specified Company Security Administrator designated by an authorized signatory of the Company. If a Security Administrator is not available for notification, the file will not be processed until the Company's Security Administrator can be contacted for verification of the file total. The Company is solely responsible for the accurate creation, modification, and deletion of the account information maintained on the Company's personal computer and used for ACH money transfer. The Company agrees to comply with procedures provided by the Financial Institution for the creation, maintenance, and initiation of ACH money transfers. The Company is solely responsible for access by its employees of the data files maintained on the Company's computer.

The Company is responsible for operator security procedures on the personal computer(s) licensed for use of the program.

In Witness whereof the parties hereto have caused this Agreement to be executed by their duly authorized officers.

**Company:**



\_\_\_\_\_  
Signature

**Wilson Bank & Trust**



\_\_\_\_\_  
Signature  
Bill Coleman, VP Cash Management

## **Schedule [A] Security Procedures**

All files will be formatted in a NACHA format; transmission specifications will be established by Financial Institution. Company agrees to perform a related risk review and controls evaluation periodically.

### **Personal Computer Transmissions**

The Company will transmit files to Financial Institution, through the Online Banking portal or FTP (when available).

### **Security Procedures**

Financial Institution shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by the Authorized Signer of this agreement, and any such communication shall be deemed to have been signed by such person.

### **Personal Computer File Transmission**

The Company's users will have access to the ACH system by utilizing the pre-arranged logon procedures to include secure token.

The Company's ACH users will provide a cell number that can receive text messages to allow an out of band communication during origination. When an ACH file is initiated by the user a unique code will be sent by text message to the cell number provided. This code must be entered during file initiation or the file will not initiate. If a cell number cannot be provided the user must call Financial Institution for an authorization code to be entered during file initiation. A file that has been successfully initiated will generate a confirmation number.

Company bears the sole responsibility for ensuring accuracy of file totals, effective date as well as the successful transmission of file(s). It is the Company's responsibility to verify a confirmation number is generated and the file status has changed to "initiated" in the ACH batch list.

The Company is solely responsible for the accurate creation, modification, and deletion of the account information maintained on the Company's personal computer and used for ACH money transfer. The Company agrees to comply with procedures provided by the Financial Institution for the creation, maintenance, and initiation of ACH money transfers.

The Company is solely responsible for access by its employees of the data files maintained on the Company's computer.

The Company is responsible for operator security procedures on the personal computer(s) licensed for use of the program.

## **Schedule [B] ODFI File Processing Schedule**

<b>Delivery Method</b>	<b>Deadline</b>	<b>Day of Delivery</b>
Transmission via ACH Module	6:00 AM CST to <i>3:45 PM CST</i>	<i>UP to 10 Business Days Prior to Effective Entry Date</i>
FTP Transmission	Noon CST	<i>UP to 10 Business Days Prior to Effective Entry Date</i>

## **ODFI Same Day ACH File Processing Schedule**

<b>Delivery Method</b>	<b>Deadline</b>	<b>Day of Delivery</b>
Transmission via ACH Module	Noon CST	Same Day Effective Dated Entry
FTP Transmission	Noon CST	Same Day Effective Dated Entry

## **Schedule [C] Account Agreement**

This schedule identifies the Company Account to which settlement should be applied for origination of entries or settlement of return entries.

Originating Account	Return Account
	<b>\$50.00</b>

## **Schedule [D] ODFI Fee Schedule**

Customer: \_\_\_\_\_

Account number: \_\_\_\_\_

### **Regular Monthly Fees**

ACH Module Monthly Maintenance \$35.00

ACH Per File Processed \$5.00

Same Day ACH per File

ACH Per Item Processed

Same Day ACH Per Item \$3.00

Prenote Entries Originated \$100.00

ACH NOC

ACH Pre Funding File \$10.00

ACH Pre Funding Item \$0.25

### **ACH One-time Set-up Fee**

All fees valid for 12 months from contract date and are subject to annual review.

## Schedule [E] ACH Authorized Representative Form

Customer: \_\_\_\_\_

Account number: \_\_\_\_\_

All ACH transaction files/listings must be *sent through Wilson Bank & Trust on line banking services.*

**Company Administrator** Will be responsible for adding and maintaining all company online banking users.

Name	Phone Number	Cell Number	E-Mail Address

**I choose to have a single employee responsible for ACH processing for my company**

\$0.05 **I choose to use dual control for ACH processing for my company**

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AUTHORIZED SIGNATURE OF ACCOUNT HOLDER

## **Schedule [F] Exposure Limit and Allowed ACH Activity Disclosure**

**Company has been approved to initiate the following SEC Codes, and amounts as listed below. A Schedule F must be completed for each Origination account.**

**Origination Account Number:** \_\_\_\_\_

### **Credit Origination**

Maximum File Value \_\_\_\_\_

Maximum Entry Value \_\_\_\_\_

Maximum Frequency \_\_\_\_\_

SEC Codes \_\_\_\_\_

Frequency \_\_\_\_\_

Purpose of File \_\_\_\_\_

### **Debit Origination**

Maximum File Value \_\_\_\_\_

Maximum Entry Value \_\_\_\_\_

Maximum Frequency \_\_\_\_\_

SEC Codes \_\_\_\_\_

Frequency \_\_\_\_\_

Purpose of File \_\_\_\_\_

Maximum Total Exposure Limit \_\_\_\_\_

## TERMS AND CONDITIONS OF YOUR ACCOUNT

**IMPORTANT ACCOUNT OPENING INFORMATION** - Federal law requires us to obtain sufficient information to verify your identity. You may be asked several questions and to provide one or more forms of identification to fulfill this requirement. In some instances we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

**AGREEMENT** - This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you sign the signature card or open or continue to use the account, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. If you have any questions, please call us.

This agreement is subject to applicable federal laws, the laws of the state of Tennessee and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. Nothing in this document is intended to vary our duty to act in good faith and with ordinary care when required by law.

As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

**LIABILITY** - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and we can deduct any amounts deposited into the account and apply those amounts to the shortage. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

**DEPOSITS** - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of endorsement or lack of endorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged, unauthorized or missing endorsement, claim of alteration, encoding error, counterfeit cashier's check or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not

open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check or draft for deposit, we may require any third-party endorsers to verify or guarantee their endorsements, or endorse in our presence.

### WITHDRAWALS

**Generally** - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to endorse any item payable to you or your order for deposit to this account or any other transaction with us.

**Postdated checks** - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

**Checks and withdrawal rules** - If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted by our policy, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply any frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify your account as another type of account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

**Cash withdrawals** - We recommend you take care when making large cash withdrawals because carrying large amounts of cash may pose a danger to your personal safety. As an alternative to making a large cash withdrawal, you may want to consider a cashier's check or similar instrument. You assume full responsibility of any loss in the event the cash you withdraw is lost, stolen, or destroyed. You agree to hold us harmless from any loss you incur as a result of your decision to withdraw funds in the form of cash.

**Multiple signatures, electronic check conversion, and similar transactions** - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the signatures or otherwise examine the original check or item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

**Notice of withdrawal** - We reserve the right to require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account, other than a time deposit or demand deposit, or from any other savings deposit as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

**Determining your available balance** - We use the "available balance" method to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Importantly, your "available" balance may not be the same as your account's "actual" balance. This means an overdraft or an insufficient transaction could occur regardless of your account's actual balance.

Your account's actual balance (sometimes called the ledger balance) only includes transactions that have settled up to that point in time, that is, transactions (deposits and payments) that have posted to your account. The actual balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending). The balance on your periodic statement is the ledger balance for your account as of the statement date.

As the name implies, your available balance is calculated based on the money "available" in your account to make payments. In other words, the available balance takes transactions that have been authorized, but not yet settled, and subtracts them from the actual balance. In addition, when calculating your available balance, any "holds" placed on deposits that have not yet cleared are also subtracted from the actual balance. For more information on how holds placed on funds in your account can impact your available balance, read the subsection titled "A temporary debit authorization hold affects your account balance."

**Overdrafts** - You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to

do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying, or not paying, discretionary overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

**Nonsufficient funds (NSF) fees** - If an item drafted by you (such as a check) or a transaction you set up (such as a preauthorized transfer) is presented for payment in an amount that is more than the amount of money in your account, and we decide not to pay the item or transaction, you agree that we can charge you a Return Item Fee fee for returning the payment. Be aware that such an item or payment may be presented multiple times and that we do not monitor or control the number of times a transaction is presented for payment. You agree that we may charge you a Return Item Fee fee each time a payment is presented if the amount of money in your account is not sufficient to cover the payment, regardless of the number of times the payment is presented.

**Payment types** - Some, but not necessarily all, of the ways you can access the funds in your account include debit card transactions, automated clearing house (ACH) transactions, and check transactions. A debit card transaction might be authorized by use of a PIN, a signature, or a chip. An example of an ACH transaction is a preauthorized payment you have set up on a recurring basis. All these payment types can use different processing systems and some may take more or less time to post. This information is important for a number of reasons. For example, keeping track of the checks you write and the timing of the preauthorized payments you set up will help you to know what other transactions might still post against your account.

For information about how and when we process these different payment types, see the "Payment order of items" subsection below.

**Balance information** - Keeping track of your balance is important. You can review your balance in a number of ways including reviewing your periodic statement, reviewing your balance online, accessing your account information by phone, or coming into one of our branches.

**Funds availability** - Knowing when funds you deposit will be made available for withdrawal is another important concept that can help you avoid being assessed fees or charges. Please see our funds availability disclosure, referred to in these disclosures as "Your Ability to Withdraw Funds" for information on when different types of deposits will be made available for withdrawal. For those accounts to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the times we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

**A temporary debit authorization hold affects your account balance** - On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If another transaction is presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, you will be charged an a Return Item Fee or an Overdraft Fee or overdraft fee according to our insufficient or overdraft fee policy. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

**Payment order of items** - The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. The payment order can affect the number of items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those items.

Our policy is to process Credit Transactions first, in the order they are received on the day they are processed. We process Electronic items such as ATM and Preauthorized Transactions second, in the order they are received on the day they are processed. Checks third, in the order they are received on the day they are processed.

If a check, item or transaction is presented without sufficient funds in your account to pay it, you will be charged an a Return Item Fee or an Overdraft Fee or overdraft fee according to our insufficient or overdraft fee policy. We will not charge you a fee for paying an overdraft of an ATM or one-time debit card transaction if this is a consumer account and you have not opted-in to that service. The amounts of the overdraft and return item fee are disclosed elsewhere, as are your rights to opt in to overdraft services for ATM and one-

time debit card transactions, if applicable. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient funds and potentially incurring the resulting fees.

**BUSINESS, ORGANIZATION AND ASSOCIATION ACCOUNTS** - Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. You represent that you have the authority to open and conduct business on this account on behalf of the entity. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

**STOP PAYMENTS** - The rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because stop-payment orders are handled by computers, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was oral your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

**TELEPHONE TRANSFERS** - A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Limitations on the number of telephonic transfers from a savings account, if any, are described elsewhere.

**AMENDMENTS AND TERMINATION** - We may change any term of this agreement. Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. For other changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Items presented for payment after the account is closed may be dishonored. When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items to be paid from the account. Reasonable notice depends on the circumstances, and in some cases such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new term(s).

**STATEMENTS** - Statements are a valuable tool to help prevent fraudulent or mistaken transfers. Your statement will show the transactions that occurred in connection with your account during the statement period.

**Your duty to report unauthorized signatures, alterations, forgeries and other errors** - Your statement will provide sufficient information for you to reasonably identify the items paid (item number, amount, and date of payment). You should keep a record of each transaction as it is made so that when we give you the information in the statement, you will have a complete understanding of each transaction listed.

You have some responsibilities in connection with your statement. You must examine your statement with "reasonable promptness." In addition, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing endorsements or any other problems. If you discover (or reasonably should have discovered) any unauthorized signatures, alterations, incorrect payment amounts, or missing or incorrectly credited deposits, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to bear the loss yourself unless you prove that we did not pay the item in good faith. The loss you might bear could be not only with respect to items listed on the statement, but also other items with unauthorized signatures or alterations by the same wrongdoer. Of course, an attempt can be made to recover the loss from the thief, but this is often unsuccessful.

You agree that the time you have to examine your statement and items and report to us will depend on the circumstances, but you will not, in any circumstance, have a total of more than 30 days from when we first send or make the statement available to you.

You further agree that if you fail to report any unauthorized signatures, alterations, forgeries, incorrect payment amounts, missing or incorrectly credited deposits, or any other errors in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used good faith. The limitation in this paragraph is in addition to those contained in the second paragraph of this section.

Contact us if you do not receive your regular statement. If this is a business account, you agree that you will have at least two people review your statements, notices, and returned checks, or in the alternative, the person who reviews these will be someone who does not have authority to transact business on the account.

**Duty to notify if statement not received** - You agree to immediately notify us if you do not receive your statement by the date you normally expect to receive it. Not receiving your statement in a timely manner is a sign that there may be an issue with your account, such as possible fraud or identity theft.

**ACCOUNT TRANSFER** - This account may not be transferred or assigned without our prior written consent.

**DIRECT DEPOSITS** - If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

**TEMPORARY ACCOUNT AGREEMENT** - If the account documentation indicates that this is a temporary account agreement, it means that all account owners have not yet signed the signature card, or that some other account opening requirement has not been completed. We may give you a duplicate signature card so that you can obtain all of the necessary signatures and return it to us. Each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

**SETOFF** - We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt any of you owe us now or in the future. If this account is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

**RESTRICTIVE LEGENDS OR ENDORSEMENTS** - The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive endorsements or other special instructions on every check. For this reason, we are not required to honor any restrictive legend or endorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000.00." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive endorsement.

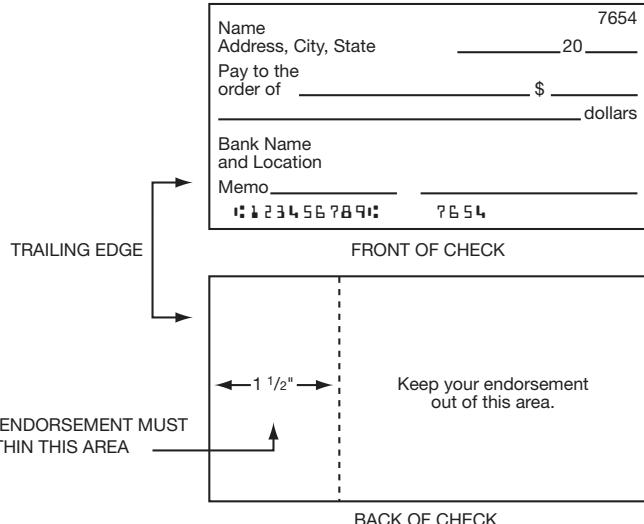
**FACSIMILE SIGNATURES** - Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

**CHECK PROCESSING** - We process items mechanically by relying solely on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and endorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of endorsements unless you notify us in writing that the check requires multiple endorsements. We must receive the notice in time for us to have a reasonable opportunity to act on it,

and you must tell us the precise date of the check, amount, check number and payee. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item. Using an automated process helps us keep costs down for you and all account holders.

**ENDORSEMENTS** - We may accept for deposit any item payable to you or your order, even if they are not endorsed by you. We may give cash back to any one of you. We may supply any missing endorsement(s) for any item we accept for deposit or collection, and you warrant that all endorsements are genuine. To ensure that your check or share draft is processed without delay, you must endorse it (sign it on the back) in a specific area. Your entire endorsement (whether a signature or a stamp) along with any other endorsement information (e.g. additional endorsements, ID information, driver's license number, etc.) must fall within 1 1/2" of the "trailing edge" of a check. Endorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all endorsement information within 1 1/2" of that edge.



It is important that you confine the endorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed endorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your endorsement, another endorsement or information you have printed on the back of the check obscures our endorsement.

These endorsement guidelines apply to both personal and business checks.

**DEATH OR INCOMPETENCE** - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

**FIDUCIARY ACCOUNTS** - Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

**CREDIT VERIFICATION** - You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

**LEGAL ACTIONS AFFECTING YOUR ACCOUNT** - If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action. Or, in our discretion, we may freeze the assets in the account and not allow any payments out of the account until a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees and our internal expenses) may be charged against your account. The list of fees applicable to your account(s) provided elsewhere may specify additional fees that we may charge for certain legal actions.

**ACCOUNT SECURITY -**

**Duty to protect account information and methods of access** - It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your account(s). Do not discuss, compare, or share information about your account number(s) with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to issue an electronic debit or to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically remove money from your account, and payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

**Positive pay and other fraud prevention services** - Except for consumer electronic fund transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered. You will not be responsible for such transactions if we acted in bad faith or to the extent our negligence contributed to the loss. Such services include positive pay or commercially reasonable security procedures. If we offered you a commercially reasonable security procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected. The positive pay service can help detect and prevent check fraud and is appropriate for account holders that issue: a high volume of checks, a lot of checks to the general public, or checks for large dollar amounts.

**TELEPHONIC INSTRUCTIONS** - Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission or leave by voice mail or on a telephone answering machine.

**CLAIM OF LOSS** - The following rules do not apply to a transaction or claim related to a consumer electronic fund transfer governed by Regulation E (e.g., an everyday consumer debit card or ATM transaction). The error resolution procedures for consumer electronic fund transfers can be found in our initial Regulation E disclosure titled, "Electronic Fund Transfers." For other transactions or claims, if you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

**EARLY WITHDRAWAL PENALTIES (and involuntary withdrawals)** - We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your notice of penalty for early withdrawals for additional information.

**ADDRESS OR NAME CHANGES** - You are responsible for notifying us of any change in your address or your name. Unless we agree otherwise, change of address or name must be made in writing by at least one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent address you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

**RESOLVING ACCOUNT DISPUTES** - We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

**WAIVER OF NOTICES** - To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or

charged against your account. For example, if you deposit an item and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

**TRUNCATION, SUBSTITUTE CHECKS, AND OTHER CHECK IMAGES** - If you truncate an original check and create a substitute check, or other paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with our internal policy for retaining original checks. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

**REMOTELY CREATED CHECKS** - Like any standard check or draft, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection: (1) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (2) you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask; and (3) if a check is returned you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

**UNLAWFUL INTERNET GAMBLING NOTICE** - Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

**FUNDS TRANSFERS** - The terms used in this section have the meaning given to them in Article 4A of the Uniform Commercial Code - Funds Transfers (UCC 4A). This section will generally not apply to you if you are a consumer. However, even if you are a consumer, this section will apply to that part of any funds transfer that is conducted by Fedwire. This section is subject to UCC 4A as adopted in the state in which you have your deposit with us. This agreement is also subject to all clearing house association rules, rules of the Board of Governors of the Federal Reserve System and their operating circulars. If any part of this agreement is determined to be unenforceable, the rest of the agreement remains effective. This agreement controls funds transfers unless supplemented or amended in a separate written agreement signed by us. This agreement does not apply to a funds transfer if any part of the transfer is governed by the Electronic Fund Transfer Act of 1978 (EFTA), except this agreement does apply to a funds transfer that is a remittance transfer as defined in EFTA unless the remittance transfer is an electronic fund transfer as defined in EFTA.

**Funds transfer** - A funds transfer is the transaction or series of transactions that begin with the originator's payment order, made for the purpose of making payment to the beneficiary of the order. A funds transfer is completed by the acceptance by the beneficiary's bank of a payment order for the benefit of the beneficiary of the originator's order. You may give us a payment order orally, electronically, or in writing, but your order cannot state any condition to payment to the beneficiary other than the time of payment. Credit entries may be made by ACH.

**Authorized account** - An authorized account is a deposit account you have with us that you have designated as a source of payment of payment orders you issue to us. If you have not designated an authorized account, any account you have with us is an authorized account to the extent that payment of the payment order is not inconsistent with the use of the account.

**Acceptance of your payment order** - We are not obligated to accept any payment order that you give us, although we normally will accept your payment order if you have a withdrawable credit in an authorized account sufficient to cover the order. If we do not execute your payment order, but give you notice of our rejection of your payment order after the execution date or give you no notice, we are not liable to pay you as restitution any interest on a withdrawable credit in a non-interest-bearing account.

**Cutoff time** - If we do not receive your payment order or communication canceling or amending a payment order before our cutoff time on a funds transfer day for that type of order or communication, the order or communication will be deemed to be received at the opening of our next funds transfer business day.

**Payment of your order** - If we accept a payment order you give us, we may receive payment by automatically deducting from any authorized account the amount of the payment order plus the amount of any expenses and charges for our services in execution of your payment order. We are entitled to payment on the payment or execution date. Unless your payment order specifies otherwise,

the payment or execution date is the funds transfer date we receive the payment order. The funds transfer is completed upon acceptance by the beneficiary's bank. Your obligation to pay your payment order is excused if the funds transfer is not completed, but you are still responsible to pay us any expenses and charges for our services. However, if you told us to route the funds transfer through an intermediate bank, and we are unable to obtain a refund because the intermediate bank that you designated has suspended payments, then you are still obligated to pay us for the payment order. You will not be entitled to interest on any refund you receive because the beneficiary's bank does not accept the payment order.

**Security procedure** - As described more fully in a separate writing, the authenticity of a payment order or communication canceling or amending a payment order issued in your name as sender may be verified by a security procedure. You affirm that you have no circumstances which are relevant to the determination of a commercially reasonable security procedure unless those circumstances are expressly contained in a separate writing signed by us. You may choose from one or more security procedures that we have developed, or you may develop your own security procedure if it is acceptable to us. If you refuse a commercially reasonable security procedure that we have offered you, you agree that you will be bound by any payment order issued in your name, whether or not authorized, that we accept in good faith and in compliance with the security procedure you have chosen.

**Duty to report unauthorized or erroneous payment** - You must exercise ordinary care to determine that all payment orders or amendments to payment orders that we accept that are issued in your name are authorized, enforceable, in the correct amount, to the correct beneficiary, and not otherwise erroneous. If you discover (or with reasonable care should have discovered) an unauthorized, unenforceable, or erroneously executed payment order or amendment, you must exercise ordinary care to notify us of the relevant facts. The time you have to notify us will depend on the circumstances, but that time will not in any circumstance exceed 14 days from when you are notified of our acceptance or execution of the payment order or amendment or that your account was debited with respect to the order or amendment. If you do not provide us with timely notice you will not be entitled to interest on any refundable amount. If we can prove that you failed to perform either of these duties with respect to an erroneous payment and that we incurred a loss as a result of the failure, you are liable to us for the amount of the loss not exceeding the amount of your order.

**Identifying number** - If your payment order identifies an intermediate bank, beneficiary bank, or beneficiary by name and number, we and every receiving or beneficiary bank may rely upon the identifying number rather than the name to make payment, even if the number identifies an intermediate bank or person different than the bank or beneficiary identified by name. Neither we nor any receiving or beneficiary bank have any responsibility to determine whether the name and identifying number refer to the same financial institution or person.

**Record of oral or telephone orders** - You agree that we may, if we choose, record any oral or telephone payment order or communication of amendment or cancellation.

**Notice of credit** - If we receive a payment order to credit an account you have with us, we are not required to provide you with any notice of the payment order or the credit.

**Provisional credit** - You agree to be bound by the automated clearing house association operating rules that provide that payments made to you or originated by you by funds transfer through the automated clearing house system are provisional until final settlement is made through a Federal Reserve Bank or otherwise payment is made as provided in Article 4A-403(a) of the Uniform Commercial Code.

**Refund of credit** - You agree that if we do not receive payment of an amount credited to your account, we are entitled to a refund from you in the amount credited and the party originating such payment will not be considered to have paid the amount so credited.

**Amendment of funds transfer agreement** - From time to time we may amend any term of this agreement by giving you reasonable notice in writing. We may give notice to anyone who is authorized to send payment orders to us in your name, or to anyone who is authorized to accept service.

**Cancellation or amendment of payment order** - You may cancel or amend a payment order you give us only if we receive the communication of cancellation or amendment before our cutoff time and in time to have a reasonable opportunity to act on it before we accept the payment order. The communication of cancellation or amendment must be presented in conformity with the same security procedure that has been agreed to for payment orders.

**Intermediaries** - We are not liable for the actions of any intermediary, regardless of whether or not we selected the intermediary. We are not responsible for acts of God, outside agencies, or nonsalaried agents.

**Limit on liability** - You waive any claim you may have against us for consequential or special damages, including loss of profit arising out of a payment order or funds transfer, unless this waiver is prohibited by law. We are not responsible for attorney fees you might incur due to erroneous execution of payment order.

**Erroneous execution** - If we receive an order to pay you, and we erroneously pay you more than the amount of the payment order, we are entitled to recover from you the amount in excess of the amount of the payment order, regardless of whether you may have some claim to the excess amount against the originator of the order.

**Objection to payment** - If we give you a notice that reasonably identifies a payment order issued in your name as sender that we have accepted and

received payment for, you cannot claim that we are not entitled to retain the payment unless you notify us of your objection to the payment within one year of our notice to you.

## YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to all deposit accounts.

Our policy is to make funds from your check deposits available to you on the second business day after the day we receive your deposit, with the first \$225 available on the first business day after the day of your deposit. Electronic direct deposits will be available on the day we receive the deposit. Cash, wire transfers, and some specified check deposits will also be available before the second business day, as detailed below. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before closing, 5:00 p.m. at Walmart location Monday through Thursday, 6:00 p.m. Friday (cutoff times may be later on some days or at some locations) on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing, 5:00 p.m. at Walmart location Monday through Thursday, 6:00 p.m. Friday or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If you make a deposit at a Standard ATM - cut-off time is 3:00 p.m., at an Image Enabled ATM - cut-off time is 3:00 p.m. (cutoff times may be later on some days or at some locations) on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit at a Standard ATM after 3:00 p.m., at an Image Enabled ATM after is 3:00 p.m. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

### Same-Day Availability

Funds from electronic direct deposits to your account will be available on the day we receive the deposit.

### Next-Day Availability

Funds from the following deposits are available on the first business day after the day of your deposit:

U.S. Treasury checks that are payable to you.  
Wire transfers.

Checks drawn on Wilson Bank and Trust.

If you make the deposit in person to one of our employees, funds from the following deposits are also available on the first business day after the day of your deposit:

Cash.  
State and local government checks that are payable to you.  
Cashier's, certified, and teller's checks that are payable to you.  
Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you.

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second business day after the day we receive your deposit.

### Other Check Deposits Subject to Second-Day Availability

The first \$225 from a deposit of other checks will be available on the first business day after the day of your deposit. The remaining funds will be available on the second business day after the day of your deposit.

For example, if you deposit a check of \$700 on a Monday, \$225 of the deposit is available on Tuesday. The remaining \$475 is available on Wednesday.

### LONGER DELAYS MAY APPLY

If we are not going to make all of the funds from your deposit available according to the preceding schedule, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

**Safeguard exceptions.** In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

We believe a check you deposit will not be paid.  
You deposit checks totaling more than \$5,525 on any one day.

You redeposit a check that has been returned unpaid.

You have overdrawn your account repeatedly in the last six months.

There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

### SPECIAL RULES FOR NEW ACCOUNTS

If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers,

and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,525 will be available on the seventh business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the seventh business day after the day of your deposit.

#### **DEPOSITS AT AUTOMATED TELLER MACHINES**

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we own or operate will be available on the second business day after the day of deposit, except that U.S. Treasury checks that are payable to you will be available on the first business day after the day of deposit. Also, the first \$225 of a deposit will be available on the first business day after the day of deposit. Checks drawn on Wilson Bank and Trust will be available on the first business day after the day of deposit if the deposit is made at an ATM located on our premises.

## **SPECIFIC ACCOUNT DETAILS**

### **BUSINESS CHECKING ACCOUNT**

**Minimum balance to open the account** - You must deposit \$100.00 to open this account.

**Minimum balance to avoid imposition of fees** - A Service Charge fee of \$10.00 will be imposed every statement cycle if the average daily balance for the cycle falls below \$1,000.00. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

#### **BUSINESS INTEREST CHECKING ACCOUNT**

**Rate Information** - Your interest rate and annual percentage yield may change. **Frequency of rate changes** - We may change the interest rate on your account at any time.

**Determination of rate** - At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** - Interest will be compounded monthly. Interest will be credited to your account every month.

**Minimum balance to avoid imposition of fees** - A service charge fee of \$15.00 will be imposed each monthly statement cycle if the average daily balance for the monthly statement cycle falls below \$3,000.00. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

**Daily balance computation method** - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** - Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks).

### **BUSINESS MONEY MARKET ACCOUNT**

**Rate Information** - Your interest rate and annual percentage yield may change. **Frequency of rate changes** - We may change the interest rate on your account at any time.

**Determination of rate** - At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** - Interest will be compounded monthly. Interest will be credited to your account every month.

**Minimum balance to open the account** - You must deposit \$100.00 to open this account.

**Daily balance computation method** - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** - Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks).

### **YOUR ACCOUNT**

These are the accounts you have opened or inquired about. Further details about these accounts are inside this brochure. If the figures are not filled in, please see the insert that is with this disclosure or your periodic statement.

**BUSINESS CHECKING ACCOUNT**

**BUSINESS INTEREST CHECKING ACCOUNT**

The interest rate for your account is \_\_\_\_\_% with an annual percentage yield of \_\_\_\_\_%.

**BUSINESS MONEY MARKET ACCOUNT**

#### **Rate Information:**

- **Tier 1** - If your daily balance is \$2,500.00 or more, the interest rate paid on the entire balance in your account will be \_\_\_\_\_% with an annual percentage yield of \_\_\_\_\_%.
- **Tier 2** - If your daily balance is \$2,499.99 or less, the interest rate paid on the entire balance in your account will be \_\_\_\_\_% with an annual percentage yield of \_\_\_\_\_%.

**WILSON**  
Bank & Trust  
*Community Financial Centers*

MEMBER  
**FDIC**

**FACTS****WHAT DOES WILSON BANK & TRUST DO  
WITH YOUR PERSONAL INFORMATION?**

<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.		
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>- Social Security number and account balances</li> <li>- Payment history and transaction history</li> <li>- Transaction or loss history and credit history</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>		
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Wilson Bank & Trust chooses to share; and whether you can limit this sharing.		
Reasons we can share your personal information		Does Wilson Bank & Trust share?	Can you limit this sharing?
<b>For our everyday business purposes--</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		Yes	No
<b>For our marketing purposes--</b> to offer our products and services to you		Yes	No
<b>For joint marketing with other financial companies</b>		Yes	No
<b>For our affiliates' everyday business purposes--</b> information about your transactions and experiences		No	We don't share
<b>For our affiliates' everyday business purposes--</b> information about your creditworthiness		No	We don't share
<b>For nonaffiliates to market to you</b>		No	We don't share
<b>Questions?</b>	Call (615)444-2265 or go to <a href="http://www.wilsonbank.com">www.wilsonbank.com</a>		

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<b>Who we are</b>	
<b>Who is providing this notice?</b>	Wilson Bank & Trust
<b>What we do</b>	
<b>How does Wilson Bank &amp; Trust protect my personal information?</b>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We also maintain other physical, electronic and procedural safeguards to protect this information and we limit access to information to those employees for whom access is appropriate.</p>
<b>How does Wilson Bank &amp; Trust collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>- Open an account or deposit money</li> <li>- Pay your bills or apply for a loan</li> <li>- Show your driver's license</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>- sharing for affiliates' everyday business purposes - information about your creditworthiness</li> <li>- affiliates from using your information to market to you</li> <li>- sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>

<b>Definitions</b>	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>- <i>Our affiliates include financial companies, such as Encompass Home Lending, LLC.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>- <i>Wilson Bank &amp; Trust does not share with nonaffiliates so they can market to you.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>- <i>Our joint marketing partner(s) include Credit Card Companies, Insurance Companies, Financial Companies</i></li> </ul>

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### ONLINE BANKING TERMS AND CONDITIONS

Please read these Terms and Conditions carefully and keep them for future reference.

**Definitions.** The words you and your refer to either and all of the persons signing the account agreement. The words we, us, and our refer to the financial institution identified in the account agreement. The words your deposit accounts refer to the checking, money market, or savings accounts with us identified in the Application. The words your loan accounts refer to the loan accounts with us on which either or all of you are obligated to us. The words your accounts refer to your deposit accounts and your loan accounts. The words our internet service refer to our online banking services. The word terms refers to these Terms and Conditions. ACH refers to Automated Clearing House.

**Security.** We work hard to make our website secure. We will employ such security measures as in our reasonable judgment are appropriate to secure our website. You will not use our website for unauthorized purposes. We may monitor and audit transactions made through our website.

**Access to Accounts Via the Internet.** Subject to the terms set forth below, we will provide you with our internet service pursuant to which you can access your accounts by computer via the internet through our website using your username and password and providing such other information as may be required by our website to accomplish the following:

- Transfer funds between your accounts.
- Make payments from your deposit accounts to your loan accounts.
- Make payments from your deposit accounts to third parties pursuant to our Bill Pay Services described below.
- Get information about your accounts, such as account balances or information on deposits or withdrawals.
- Request or retrieve a copy of a paid check, paid share draft, or past statement on your account
- Conduct secure email communication with us regarding online banking services
- The use of Mobile Banking services
- Change the account(s) and login credentials for online banking services
- Online Account Opening

We will have no obligation to carry out any transfers or payments unless there are sufficient funds in the pertinent deposit account or any overdraft line of credit on that deposit account. We will promptly provide you with a username, password, the address of our website through which you can access your accounts, and such other information as you will need to participate in our internet service. You can arrange for a change of your password by calling the number set forth below. You can also

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change your password once logged into the online banking service, or through the password self-reset feature.

You can access Bill Pay Services in the same manner that you access other online services by using your login credentials and meeting any other security measures that we may institute. You must indicate the account that is to be considered the designated account to be debited for your bill-paying activities.

In order to pay bills, you will need to create a list of payees, providing the information required to log and submit your payments accurately. We require at least 1 day as set-up time for checks and online payments through Bill Pay Services. If we pay your bill by issuing a check, we may, at our discretion, send the check to the payee before the due date you selected. The payee may cash the check before or after the selected due date. If your account has insufficient funds when the payee cashes the check and we pay the item on your behalf, you will be responsible for paying the overdrawn balance, and we may charge you overdraft fees. Refer to the Terms and Conditions of Your Account provided to you when you opened your deposit account for more information. If you fail to take into account our required set-up time and the payment is received by the payee after the due date, we are not responsible for any late charges or other actions that may be taken by the payee due to the late payment. Please make other payment arrangements for the payment that is due and set up the next payment to that payee through Bill Pay Services.

We assume responsibility for all reasonable efforts to process your payments through Bill Pay Services in a timely and accurate manner. We accept no liability for any damages you may incur due to insufficient or unavailable funds in the designated account that may adversely affect payment processing, any inaccuracies in the payee information supplied in regards to this payment, any mishandling or delay in posting by the payee or the payee's financial institution of account, or any system or postal delays or interruptions or any other circumstances out of our control, to the extent allowed by state and federal law and the provisions of these terms and conditions. Also, contact us immediately if you suspect any security breach of your login credentials or any unauthorized activity using Bill Pay Service.

**Cancelling Bill Pay Services.** You may cancel Bill Pay Services at any time by contacting us via phone, in person, or in any other form or manner acceptable to us, preferably in writing. Be aware of any outstanding payments and make arrangements for future payments to the payees. When deleting specific payees only, you may individually delete that payee and retain the Bill Pay Services for any remaining payees.

**Bill Pay Single Payments.** A single payment will be processed on the Business Day that you designate as the payment's processing date, provided the payment is submitted prior to the daily cut-off time on that date. The daily cut-off time, which is controlled by us is 2:00 p.m. CST. A single payment submitted after the cut-off time on the designated process date will be processed on the next Business Day. If you designate a non-Business Day, as the payment's processing date, the payment will be processed on the first business day following the designated processing date.

**Bill Pay Recurring Payments.** When a recurring payment is processed, it is automatically rescheduled by the system. Based upon your selected frequency settings for the payment, a processing date is calculated for the occurrence of the payment. If the calculated processing date is a non-Business Day, it is adjusted based upon

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the following rules:

1. If the recurring payment's "Pay Before" option is selected, the processing date for the new occurrence of the payment is adjusted to the first Business Day prior to the calculated processing date.
2. If the recurring payment's "Pay After" option is selected, the processing date for the new occurrence of the payment is adjusted to the first Business Day after the calculated processing date. Note: If your frequency settings for the recurring payment specify the 29th, 30th, or 31st as a particular day of the month for processing and that day does not exist in the month of the calculated processing date, then the last calendar day of that month is used as the calculated processing date.

**Hardware and Software Requirements.** Below are the computer hardware and software requirements to participate in our internet service. We may change these requirements at any time without notice. If you do not comply with such changes, you will not be able to participate further in our internet service. You are solely responsible for setting up and maintaining your computer hardware and software and satisfying all hardware and software requirements.

1. A personal computer, or other device, operating system and telecommunications connections to the internet capable of receiving, accessing, displaying, and either printing or storing communication received from us via email.
2. Internet connectivity
3. An e-mail account with an internet service provider and e-mail software in order to receive electronic communications from us.
4. Internet web browser that we support.
5. Current version of a program that accurately reads and displays PDF files.
6. A printer if you want to print and retain the communication.
7. Sufficient free disk space of a hard drive to retain documents.
8. An up-to-date version of Java. If you do not have this software, you can download a free up-to-date version at <http://java.com>.
9. For a secure system, we recommend using an internet browser with at least an encryption level 128.bit.

**Mobile Deposit Equipment.** To use the Mobile Deposit Service, you must have a supported mobile device with a supported camera and a supported operating system, have a data plan for your mobile device, and download the Wilson Bank & Trust app to your mobile device. We do not guarantee that your particular mobile device, mobile device camera, mobile device operating system or mobile carrier will be compatible with the service.

**Stop-Payment Orders.** To be effective, a stop-payment order must be received in time to allow us a reasonable opportunity to act on it, and for some ACH debits must be received at least three banking days before the scheduled date of transfer. To be effective, a stop-payment order must identify the payment sufficiently to allow us a reasonable opportunity to act on it. If the payment is by check, or if the payment is by ACH debit and we give notice at the time an oral stop-payment order is received that

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written confirmation is required and provide an address where the written confirmation can be sent, an oral stop-payment order is effective for 14 calendar days only, unless confirmed in writing within the 14-day period. Properly signed written stop payment orders are effective for 6 months after date received and will automatically expire after that period unless renewed in writing. With respect to ACH debits, you and we agree to abide by the ACH rules and regulations regarding stop-payment orders.

We will charge you \$38.00 for each stop-payment order you give.

**Hours of Operation.** You ordinarily can participate in our internet service 24 hours a day - 7 days a week. However, we reserve the right to suspend our internet service from time to time as we deem appropriate.

**Transaction Posting.** The posting of our internet service transactions, excluding Mobile Deposits, before 8:00 p.m. CST on a Business Day will be included in the available funds for the receiving account. Transfers requested after 8:00 p.m. CST on a Business Day or requested on a non-Business Day, excluding Mobile Deposits, will post on the following Business Day to the receiving account and will be considered available funds on that day. For information on the posting of Mobile Deposits, please refer to the Mobile Deposit Availability section in this document.

**Assignment and Delegation.** We can assign our interest and responsibilities under this agreement, delegate our responsibilities under this agreement, and use independent contractors to perform or assist in the performance of our responsibilities under this agreement, as we deem appropriate.

**Limitations.** In addition to those limitations on transfers elsewhere described, if any, the following limitations apply:

**Mobile Deposit Limitations.** When using the Mobile Deposit Service, you may experience technical or other difficulties. We do not assume responsibility for any such difficulties or any resulting damages that you may incur. For security reasons, the Mobile Deposit Service has eligibility requirements, and we reserve the right to change the eligibility requirements at any time without prior notice. We reserve the right to change, suspend or discontinue the service, in whole or in part, or your use of the service, in whole or in part, immediately and at any time without prior notice to you. We reserve the right to limit the number of mobile devices through which you may access the service. Except as expressly provided in this agreement, deposits made through the service are subject to all limitations and terms set forth in the

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relevant deposit agreement governing your Mobile Deposit Account as it may be modified from time to time, including, but not limited to, those related to deposit acceptance, crediting, collection, endorsement, processing order and errors.

**Termination.** We can terminate your right to participate in our internet service at any time if you fail to comply with these terms or the terms of your account agreements with us, including any failure to pay a required fee. Either you or we can terminate this agreement without cause at any time without advance notice.

**Changes in Terms.** We can change these terms by giving you notice as required by law. Continued use of our internet service by you after notice of a change in terms constitutes acceptance of the change.

**Notices.** Notices must be in writing and mailed or hand delivered, except that we can give them to you electronically if you have so consented. Notices to you are effective when given, regardless of whether you receive them. Notices to us are effective only when we actually receive them.

**Irreconcilable Conflicts.** These terms supersede those of your deposit or loan account agreements to the extent they cannot be reconciled. You expressly waive any deposit account agreement requirements of one or more signatures for withdrawal when using our internet service. Any one of the persons authorized to make withdrawals from your deposit accounts is authorized to make transfers pursuant to our internet service, even if your account agreements provide that multiple signatures are required for withdrawal.

**Account Liability for Unauthorized Online Account Use.** Subject to federal and state law and the terms and conditions of this agreement, you are liable for any transaction or function performed using internet services, whether made by yourself or someone authorized by you using your login credentials. You agree to take all reasonable measures to protect the security of your login credentials. As a precaution, we recommend that you do not send emails or other electronic messages containing confidential account information. You agree to not leave any device unattended while logged into our internet services, and you should never share your login credentials with us or anyone else. You understand that we are entitled to act upon any instructions received under your login credentials; therefore, you agree to guard and protect your login credentials to ensure the security and protection of your account(s).

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### FEES

Except as indicated elsewhere in this or other agreements or disclosures, we do not charge for our internet service. There may be an additional fee for Business Mobile Deposit and QuickBooks Direct Connect access.

### DOCUMENTATION

**Mobile Deposit Eligible Checks and Items.** You agree to scan and transmit only Checks as that term is defined in Regulation CC - Availability of Funds and Collection of Checks (12 CFR Part 229). You agree that the image of the check transmitted to us shall be deemed an Item within the meaning of Article 4 of the applicable Uniform Commercial Code. You agree that you will not use the Mobile Deposit Service to scan and deposit any checks or other items as shown below:

- a. Checks or items payable to any person or entity other than you.
- b. Checks payable to you and another party, unless deposited into a Mobile Deposit Account in the name of all payees.
- c. Checks or items containing alteration to any of the fields on the front of the check or item (including the MICR line), or which you know or suspect, or should know or suspect, are fraudulent or otherwise not authorized by the owner of the account on which the check or item is drawn.
- d. Checks or items previously converted to a Substitute Check
- e. Checks or items drawn on a financial institution located outside the United States.
- f. Checks or items that are remotely created checks, as defined in Regulation CC - Availability of Funds and Collection of Checks (12 CFR Par 229) as a check that is not created by the paying bank and that does not bear a signature.
- g. Checks or items not payable in United States currency.
- h. Checks or items issued by the U.S. Treasury or any other U.S. federal agency.
- i. Money orders, savings bonds or traveler's checks.
- j. Checks dated more than six (6) months prior to the date of deposit.
- k. Checks payable on sight or payable through drafts
- l. Checks with any endorsement on the back other than that specified in this agreement.
- m. Insurance drafts, tax refund checks, Comdata checks
- n. Home Equity Line of Credit Access & Credit Card Advance Checks or Health Savings Account Deposits.

Nothing in this agreement should be construed as requiring us to accept any check or item for deposit, even if we have accepted that type of check or item previously, nor shall we be required to identify or reject any checks or items that fail to meet the requirements of this agreement.

**Mobile Deposit Image Quality.** The image of a check or item transmitted to us using the Mobile Deposit Service must be legible. The image quality of the check(s) or item(s) must comply with the standards established and modified from time to time by us, or any additional standard set by us, and with any requirements set by any clearinghouse we use or agreement we have with respect to processing checks or items. You agree that we shall not be liable for any damages resulting from a check or item's poor image quality, including those related to rejection of or the delayed or improper crediting of such a check or item, or from any inaccurate information you

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supply regarding the check or item. Images will meet our image quality standards in effect from time to time. All information you provide to us is accurate and true, including that all images transmitted to us accurately reflect the front and back of the check or item at the time it was imaged.

**Mobile Deposit Endorsements and Procedures.** Before transmission, we will restrictively endorse any check or item transmitted through the service as "For deposit only to the credit of the within named payee" along with other identifying information such as the bank routing number and date of deposit. You agree to follow any and all other procedures and instructions for use of the service as we may establish from time to time. You agree to supply any information in your possession that we request regarding a check or item deposited or attempted to be deposited through the service. Before transmission, you agree to restrictively endorse any check or item transmitted through the service as "For Mobile Deposit Only" or as otherwise instructed by us. After the item has been scanned and submitted for deposit, you shall not otherwise transfer or negotiate the original item, substitute check or any other image thereof. You agree never to present again to us or any other party a check or item that has been deposited through the service unless we notify you that the check or item will not be accepted for deposit through the service. You will promptly provide any check or item, or a sufficient copy of the front and back of the check or item, to us as requested to aid in the clearing and collection process, to resolve claims by third parties with respect to any check or items, or for our audit purposes. You agree to retain the check or item for at least sixty (60) calendar days after the date of the image transmission. After that sixty-day period, you agree to destroy or otherwise properly dispose of checks and items that have been accepted for deposit through the service and have cleared to ensure that such checks and items are not presented again for payment and, prior to disposal or destruction, to safeguard such checks and items.

**Mobile Deposit Receipt of Checks and Items.** We reserve the right to reject any check or item transmitted through the service, at our discretion, without liability to you or anyone else. We are not responsible for checks or items we do not receive in accordance with this agreement or for images that are dropped or damaged during transmission. An image of a check or item shall be deemed received when you receive a confirmation from us that we have received the image.

**Mobile Deposit Availability of Funds.** Deposits received and accepted before a particular time of the day (the "Cutoff Time") on a Business Day are credited on the same day and deposits received and accepted after the Cutoff Time on a Business Day are credited on the next Business Day. We have established the Cutoff Time of 8:00 p.m. CST each Business Day for checks and items deposited via the Mobile Deposit Service. Deposits made during the first 30 days following the initial enrollment of the Mobile Deposit Service will be suspended and reviewed. During this new enrollment period, deposits received before and/or after the Cutoff Time on a Business Day will be credited no later than the next Business Day and the funds may not be available for immediate withdrawal. In some cases we will delay the availability of funds beyond the next Business Day after the day of deposit. In this case, the funds will generally be available to you no later than the seventh Business Day after the day of deposit and you will be notified no later than the next Business Day after the day of deposit. In the event that we establish later Cutoff Times for checks and items deposited via the service, we reserve the right to change the Cutoff Times at any time as permitted by law. Regardless of whether we establish later Cutoff Times for checks and items deposited via the service, you understand and agree that checks

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and items must be received and accepted by us before the applicable Cutoff Time and must not be incomplete, illegible or erroneous to be eligible for same-day crediting. Provisional credit (memo-credit) will not be granted for deposits made through the service. This means you will not be able to draw cash against deposits made through the service until the deposit has been posted during our nightly processing. Regardless of the amount entered at the time the deposit was made using the Mobile Deposit Service, if we determine that the check is for a different amount, we may adjust the check amount and notify you of the adjustment. At all times, the check will be deposited for the amount read by us.

**Mobile Deposit Indemnity.** You will use the Mobile Deposit Service only for your own deposits and will not allow the use of the service by way of a service bureau business, timesharing, or otherwise disclose or allow use of the service by or for the benefit of any third party. You agree to indemnify and hold harmless us from and against and agree to defend promptly us from and reimburse us for, any and all losses, damages, costs, expenses, liabilities, obligations and claims of any kind, including without limitation reasonable attorneys' fees and other legal costs and expenses, that we or its successor in interest may at any time suffer or incur, or become subject to, as a result of, or in connection with, any breach of any of the promises, representations and/or warranties made by you.

**Accessibility and Liability.** Our Mobile Banking services are designed to be available 24 hours each day, 7 days per week. We do not warrant that Mobile Banking services will always function properly or that disruption or suspension of Mobile Banking services will not occur. You agree that we will not be liable for any loss, costs, damages, or expenses resulting from the interruption of Mobile Banking services. You also agree that these Mobile Banking services are separate from any services provided by your wireless service provider. Your wireless provider is responsible for any issues involving your handheld device, your internet access, or any other of its services and products you use to access Mobile Banking services. Standard data and messaging rates, short message service (SMS) fees, and other charges from your wireless provider apply when utilizing Mobile Banking services.

### FINANCIAL INSTITUTION'S LIABILITY

**Liability for Failure to Make Transfers.** If we do not complete a transfer to or from your account on time and in a correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- (1) If, through no fault of ours, you do not have enough money in your account to make the transfer.
- (2) If you have an overdraft line, and the transfer would go over the credit limit.
- (3) If circumstances beyond our control such as interruption of telecommunication service, catastrophic or emergency conditions, or a natural disaster (such as a fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- (4) If the funds are subject to legal process or other encumbrance restricting the transfer.

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(5) There may be other exceptions stated in our agreement with you. Except as expressly required by these terms or otherwise required by law, we will not be liable for any losses or damages resulting from:

- (1) Deficiencies in your computer hardware or software or in your ability or care in using them, or
- (2) Problems relating to your access to the internet.

### UNAUTHORIZED TRANSFERS

Subject to federal and state law and the terms and conditions of this disclosure, you are liable for any transaction or function performed using our internet service, whether made by yourself or someone authorized by you using your login credentials. You agree to take all reasonable measures to protect the security of your login credentials. Please refer to the Unauthorized Transfers section of your Electronic Fund Transfers disclosure for our liability policy. As a precaution, we recommend that you do not send

emails or other electronic messages containing confidential account information. You agree to not leave any device unattended while logged into our internet service, and you should never share your login credentials with us or anyone else. You understand that we are entitled to act upon any instructions received under your login credentials; therefore, you agree to guard and protect your login credentials to ensure the security and protection of your accounts. If you have any concerns or suspicions that an unauthorized person has gained access to your account through our internet service, we recommend that you change your login credentials if possible and notify us immediately. Our contact information for

security issues related to the use of our internet service is provided below.

WILSON BANK & TRUST  
P.O. BOX 768  
LEBANON, TN 37088-0768

Business Days: Monday through Friday  
Excluding Federal Holidays  
Phone: (844) 928-2265

MORE DETAILED INFORMATION IS AVAILABLE  
ON REQUEST

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**ADDENDUM GOVERNING ALL AGREEMENTS BETWEEN  
TRUIST BANK AND  
THE CITY OF MURFREESBORO, TENNESSEE**

This Addendum (herein "Addendum") amends the Commercial Card Client Acceptance Form, the Commercial Card Terms and Conditions, the Commercial Card Incentive Addendum, the Commercial Card Attestation, and all other schedules, agreements, documents, or other instruments including all riders, amendments, restatements, supplements, and addenda thereto (each such document is hereby incorporated by reference and, collectively, shall be referred to as the "Agreement") between Truist Bank ("Bank"), a North Carolina corporation, and the City of Murfreesboro, Tennessee ("City"), as well as any and all contracts and agreements for banking and financial services that the parties enter following the Effective Date of this Addendum (collectively "Agreements"). In consideration of using Bank's form agreements, now and in the future, the mutual promises set out herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged the Agreements are amended as follows:

- 1. Precedence.** Notwithstanding any other provision in the Agreements, the language in this Addendum takes precedence over all other terms, conditions or language to the contrary or in conflict with the language herein, and the Agreements and this Addendum shall not be construed to create any ambiguity, it being the intent of the parties that this Addendum shall control it being acknowledged and agreed to by the parties that this Addendum shall be executed and entered into after execution of the Agreements regardless of what order the Agreements and this Addendum are actually executed. Unless defined herein, capitalized terms in this Addendum shall have the meaning set forth in the Agreement.
- 2. Termination for Convenience.** The Agreement may be terminated by City upon thirty (30) days written notice to Bank. Such termination will not be deemed a breach of contract by either party. Should City exercise this provision, City will compensate Bank for all satisfactory and authorized services completed as of the termination date, and Bank will refund to City any funds paid by City in excess of such amount. Upon such termination, Bank will not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- 3. Indemnity and Limitation of Liability.** Article II, Section 29 of the Tennessee Constitution prohibits municipalities from lending their credit to private entities and, therefore, prohibits an agreement by City to indemnify a third party or agree to a limitation of liability provision. Any indemnity or hold harmless provision contained in the Agreements requiring City to indemnify or hold harmless Bank or any other person or entity and any limitation of liability in favor of Bank is enforceable only to the extent permitted by Tennessee law provided City's monetary limits of liability under any such provision is limited to the monetary limits of liability as provided for in the Tennessee Governmental Tort Liability Act, T.C.A. § 29-20-101 et seq. No provision of the Agreements shall act or be deemed a waiver by City of any immunity, including its rights or privileges or of any provision of the Tennessee Governmental Tort Liability Act, T.C.A. section 29-20-101 et seq.
- 4. Governing Law.** The Agreement and the rights and obligations of the parties are governed by

the laws of the state of Tennessee, without regard to its conflict of laws principles.

- 5. Selection of Jurisdiction and Venue, Waiver of Jury Trial, Service of Process.** Pursuant to the Constitution and Laws of the State of Tennessee, City is a sovereign entity subject only to those courts with jurisdiction over City. Notwithstanding any other provision in the Agreements to the contrary if a dispute, claim, or cause of action should arise between the parties (hereinafter "claim") the claim shall be brought in the state courts in Rutherford County, Tennessee or in the U.S. District Court for the Middle District of Tennessee, and the parties hereby expressly waive any objections and thereby consent to the jurisdiction and venue of said courts. However, neither party shall be obligated to provide any type of pre-suit notice before initiating a cause of action. The parties waive their right to a jury trial. Service of process on City shall comply with the Tennessee Rules of Civil Procedure or applicable federal rules, and City does not agree to any other service of process procedure.
- 6. Responsibility for Litigation Costs, Expenses and Payment of Attorney's Fees.** Article II, Section 29 of the Tennessee Constitution prohibits municipalities from lending their credit to private entities and, therefore, prohibits an agreement by City to indemnify a third party or agree to a limitation of liability provision. This prohibition extends to contractual provisions for the payment of attorney's fees, paralegal fees, investigator fees, court costs, or any other expenses related to litigation. In the event of litigation between City and Bank each party shall be solely and exclusively responsible for the payment of litigation costs, expenses and attorney's fees excepting those costs which may be awarded by a court of competent jurisdiction as specified by Tennessee law or applicable rules of civil procedure.
- 7. No Taxes.** As a tax-exempt entity, City shall not be responsible for sales or use taxes incurred for products or services. City shall supply Vendor with its Sales and Use Tax Exemption Certificate upon Vendor's request.
- 8. No Liability of City Officials and Employees.** No member, official, or employee of City shall be personally liable to Bank or any other person or entity, including a third-party beneficiary, in the event any provision of the Agreements are unenforceable, there is any default or breach by City, for any amount which may become due and the Agreements, or on any obligations under the terms of the Agreements.
- 9. Amendment.** This Addendum and the Agreements shall not be modified or altered other than by written agreement executed by both parties. This includes any changes to pricing, fees, rates and charges.
- 10. Continuing Validity; Survival; Non-Merger.** So long as the parties maintain the Agreements or any subsequent agreement(s), or so long as Bank provides a product or service to City, the provisions of this Addendum shall continue to be validly effective and enforceable with regard to the Agreements, subsequent agreements, products, and/or services. This Addendum shall survive the completion of or any termination of the Agreements or other document(s) which may accompany the Agreements or be incorporated by reference. Notwithstanding any provision in the Agreements, subsequent agreements, products, and/or services to the contrary, the subsequent execution of any agreement or the provision of a product or service shall not act as a merger against this Addendum, it being the express intent of the parties that this

Addendum contains essential terms that shall be incorporated into any such agreement, product, and/or service.

**11. No Presumption Against Drafter.** This Addendum shall not be construed for or against any party because that party or that party's legal representative drafted any of its provisions. Accordingly, this Addendum shall be construed without regard to the rule that ambiguities in a document are to be construed against the draftsman. No inferences shall be drawn from the fact that the final, duly executed Addendum differs in any respect from any previous draft hereof.

**12. Counterparts.** This Addendum may be executed in one or more counterparts by City and Vendor. If so executed, the signer shall deliver an original to the other party and the collective counterparts shall be treated as the fully executed document.

**13. Effective Date.** This Addendum is effective as of the last date written below ("Effective Date").

**Truist Bank**

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**Signature**

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**Date**

---

**Printed Name**

---

**Title**

**City of Murfreesboro, Tennessee**

---

**Shane McFarland, Mayor**

---

**Date**

**Attest:**

---

**Jennifer Brown, City Recorder**

**Approved as to form:**

---

**Adam F. Tucker, City Attorney**



## Organization Attestation Form – Commercial Card

**Full Legal Name of Organization (hereinafter "Organization"):** CITY OF MURFREESBORO

**Organization is duly organized and existing under the laws of: TENNESSEE**

**Organization's Entity Type (please indicate using an "X"):**

Corporation  Government Entity  Unincorporated Association  
 General Partnership  Non-Profit Corporation  Limited Liability Company  Limited Partnership  
 Other

Organization's Tax Identification Number or Entity Identification Number: 62-6000374

Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them within the Commercial Card Agreement.

I, the undersigned, hereby certify that the following are the names and titles of the individual(s) who are designated by board resolution or through other duly executed governance documents of the Organization with the absolute authority to enter into and bind the Organization to a Commercial Card Agreement with Truist Bank ("Truist"), each hereinafter referred to as an "Authorized Officer."

I further certify that each individual listed below is authorized to bind the Organization and enter into, execute, and deliver in the name of and on behalf of the Organization the agreements, documents, or other instruments deemed reasonable or necessary to establish and administer the Card Program including as such agreements, documents, or instruments may be amended from time to time. I hereby further certify that any individual listed below may serve as and may designate individual(s) who may serve as Program Administrator(s) of the Card Program on behalf of the Organization with the understanding that such Program Administrators are empowered to manage, control, operate, modify, or access the Card Program.

Finally, I attest that I am authorized to certify that the designations described within this document have been duly adopted by the Organization through board resolution or other duly executed governance documents, and that such designations remain in full force and effect and have not been amended or rescinded. Accordingly, I attest that the Organization understands and agrees that Truist may rely upon the authority of the individuals identified herein until Truist has received and had reasonable time to act upon written notice from the Organization that rescinds or modifies the authority of any individual(s) listed below.

Name MITCHELL SHANE MCFARLAND Title Mayor  
Name JENNIFER BROWN Title City Recorder and Finance Director

**IN WITNESS WHEREOF**, I have hereunto subscribed my name and affixed the seal of said Organization this

\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.  
*(Handwritten signature)*

Title Mayor

Title City Recorder and Finance Director

---

Signature

## MITCHELL SHANE MCFARLAND

Print Name

Mayor

---

**Title**





## Commercial Card Client Acceptance Form

### Organization

Organization Legal Name: CITY OF MURFREESBORO		
Doing Business As (DBA), if any: City of Murfreesboro		
Organization is duly organized and existing under the laws of: TENNESSEE		
Physical Address: 111 W VINE ST		
City: MURFREESBORO	State: TN	Zip Code: 37130-3573
Tax Identification Number: 62-6000374		

### Authorized Officer (This information will be used for any required Notices.)

Name: MITCHELL SHANE MCFARLAND		
Title: Mayor		
Mailing Address: PO Box 1139		
City: Murfreesboro	State: TN	Zip Code: 37133-0000
Telephone Number: (615) 849-2629		
Email Address: smcfarland@murfreesborotn.gov		

Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them within the Commercial Card Agreement.

The undersigned Organization, through its Authorized Officer by his or her signature below, hereby: (a) agrees to be bound by this Commercial Card Client Acceptance Form, the Commercial Card Terms and Conditions (the ?Terms?), the Commercial Card Incentive Addendum, the Commercial Card Attestation, and all other schedules, agreements, documents, or other instruments including all riders, amendments, restatements, supplements, and addenda thereto (each such document is hereby incorporated by reference and, collectively, shall be referred to as the ?Agreement?); (b) agrees that this Commercial Card Client Acceptance Form and all attached other schedules, agreements, documents, or other instruments including all riders, amendments, restatements, supplements, and addenda replace and supersede previous versions of the same; (c) requests that Truist provide the Organization with the Product Types and associated Technology Solutions indicated below; (d) designates the below individual(s) as Program Administrator(s) for the Organization?s Card Program; and (e) selects the following options for its Card Program:

Commercial Card Incentive Addendum Attached

Commercial Card Terms and Conditions Addendum Attached

Organization's Total Credit Card Limit \$150,000.00

Bank may modify the Organization?s Total Credit Card Limit at any time in its sole discretion.

### Selected Product Types:

<input checked="" type="checkbox"/> Truist Purchasing Card	<input checked="" type="checkbox"/> Truist Corporate Card	<input type="checkbox"/> Truist One Card
<input type="checkbox"/> Truist Executive Card	<input type="checkbox"/> Truist Central Travel Account	<input type="checkbox"/> Truist Preferred One Card
<input checked="" type="checkbox"/> Truist ePayables	<input type="checkbox"/> Truist Fleet Card	<input type="checkbox"/> Truist Virtual Card for Travel



**Billing**

Statements for all selected products will be billed to the Organization, unless otherwise specified below; the Organization remains liable for payment of all statement amounts, even if individual billing statements are sent directly to Cardholders.

**Corporate & Executive Card Billing Only**

Organization Billing

**Billing Cycle and Grace Period**

All Product Types will have a monthly billing cycle with payment in full due within 25 days of the statement date, unless otherwise specified below:

**Truist Purchasing Card Billing Cycle/Grace Period**

Monthly / 25 day grace period

**Truist ePayables Billing Cycle/Grace Period**

Monthly / 25 day grace period

**Truist Purchasing Card Billing Cycle/Grace Period**

Monthly / 25 day grace period

**Cash Advances**

The ability to make a Cash Advance is only available on Physical Cards. The availability of this feature is always subject to Bank approval and Bank may adjust this from time to time at its sole discretion.

If "Permitted" is selected below, Bank may offer Cash Advance capabilities to the Organization (and its Affiliates). If applicable, the Bank will determine the Total Cash Advance Limit applicable to the aggregate of Physical Cards across the Organization's Card Program. Organization hereby agrees and acknowledges that, within the Total Cash Advance Limit, the Program Administrator may determine the Cash Advance Limits for each individual Cardholder or Physical Card account

Not Permitted

**Affiliates**

Organization hereby requests that the following Affiliates receive services under the Agreement. Bank, in its sole discretion, retains the right to determine whether an Affiliate may receive services under the Agreement and Bank may adjust this determination from time to time (at its sole discretion). By naming an Affiliate below, Organization hereby agrees and acknowledges that a Program Administrator may determine and manage the Product Types and other Card Program-related services an Affiliate receives.

Affiliate Name

Relationship to Organization

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**Card Mailing**

Organization's Program Administrator(s) will securely provide to Bank certain personally identifiable information for each Cardholder. Bank may request information like the Cardholder's full name, address, DOB, SSN. If "Cardholder" is selected below, Bank will mail an individual Card to each identified Cardholder; if "Organization" is selected, Bank will mail all of the Cardholder cards to the attention of the individual and address designated below.

Cardholder  Organization

Name: Jennifer Brown		
Title: City Recorder and Finance Director		
Mailing Address: 111 W Vine Street		
City: Murfreesboro	State: TN	Zip Code: 37130-0000

**Program Administrator(s)**

Organization designates the following individual(s) as Program Administrator(s) for Organization's Card Program. Organization acknowledges that the scope and powers of a Program Administrator within the Card Program are very broad, as is outlined in detail within the Terms. Changes to Program Administrators can only be made by an Authorized Officer in writing.

Name: Jennifer Brown		
Title: City Recorder and Finance Director		
Affiliate (if any):		
Street Address: PO Box 1139		
City: Murfreesboro	State: TN	Zip Code: 37133-0000
Email Address: jbrown@murfreesborotn.gov		
Primary Telephone Number: (615) 893-5210		

Name: Lesley Short		
Title: Assistant Director of Finance		
Affiliate (if any):		
Street Address: PO Box 1139		
City: Murfreesboro	State: TN	Zip Code: 37133-0000
Email Address: lshort@murfreesborotn.gov		
Primary Telephone Number: (615) 893-5210		

**SIGNATURES**

**ORGANIZATION**

By signing as an Authorized Officer below, I hereby attest that I have the intention and requisite authority to bind the Organization to the Agreement.

Signature of Authorized Officer:
Name of Authorized Officer (please print): MITCHELL SHANE MCFARLAND
Title: Mayor
Date:

**TRUIST BANK**

By signing as an Authorized Officer below, I hereby attest that I have the intention and requisite authority to bind Truist Bank to the Agreement.

Signature of Authorized Officer:
Name of Authorized Officer (please print): Chris Attridge
Title: SVP, Head of Commercial Card Sales and CIG Relationship Management
Effective Date (date signed by Truist):



## Commercial Card Terms and Conditions

These Commercial Card Terms and Conditions (the "Terms"), the Commercial Card Client Acceptance Form, the Incentive Addendum, the Commercial Card Attestation, and all other schedules, agreements, documents, or other instruments including all riders, amendments, restatements, supplements, and addenda thereto (each such document is hereby incorporated by reference and, collectively, shall be referred to as the "Agreement") govern the establishment and use of Cards and Technology Solutions (together a "Card Program") between the Organization (as identified within the Commercial Card Client Acceptance Form) and Truist Bank ("Truist" or "Bank").

Unless otherwise defined herein, capitalized terms used in these Terms shall have the meaning ascribed to them within the applicable schedules, agreements, documents, or other instruments including all riders, amendments, restatements, supplements, or addenda associated with the Agreement within which the capitalized term is defined.

The Agreement is effective as of the "Effective Date of the Agreement" noted within the initial Commercial Card Client Acceptance Form (which is herein incorporated by reference) executed by the Organization and Truist with respect to the Card Program. The Organization's continued use of the Card Program (in whole or in part) will serve as a reaffirmation of its acceptance and agreement to abide by the Agreement, as the same may be amended from time to time.

### Definitions

**"Affiliate"** means any legal entity which controls, is controlled by, or is under common control with a Party. For purposes of this definition, "control" means direct or indirect ownership of more than 50% of the voting, economic, or equity interest in an entity.

**"Authorized Officer"** means a natural person(s) who is designated on the Organization's current Commercial Card Attestation ("Attestation") on file with Truist. Each Authorized Officer has the authority outlined within the Attestation; this authority includes but is not limited to the authority to bind the Organization in contract regarding the Card Program, open and close the Card Program, and designate the Organization's Program Administrator(s). There can be more than one Authorized Officer and an Authorized Officer can be a Program Administrator. Every Authorized Officer is an Authorized User.

**"Authorized User"** means any natural person who is identified by one of the Organization's Program Administrator(s) and is thereby expressly authorized to use the Card Program (e.g., by using a Card(s), Product Type(s), Technology Solution(s), or otherwise having access to use the Card Program) per the user role(s) or other designation(s) and permission(s) that a Program Administrator designates to him or her; the Program Administrator will inform Truist of the user role(s) or other designation(s) and permission(s) for each Authorized User. Each Authorized Officer, Program Administrator, Authorized Redeemer, and Cardholder is an Authorized User.

**"Bank", "Truist", "we", "us", and "our"** means Truist Bank, its agents, authorized representatives, successors, and assignees.

**"Card"** means any form of the following mechanisms issued by the Bank to the Organization (or its Affiliates, Cardholders, Authorized Users, or other agents) pursuant to this Agreement and which is/are used to make Transactions or otherwise access any portion of the credit extended to Organization through the Card Program: credit card, charge card, 16-digit number linked to the Card Program, Virtual Card, or other evolutionary credit device, whether used/delivered by a Technology Solution or otherwise.

**"Card Association Network" or "Network"** refers to a network of merchants, issuing banks, and acquiring banks that process payment cards in relation to Transactions. Visa USA Inc. ("Visa") and Mastercard International Incorporated ("Mastercard") are examples of established Card Association Networks.

**"Card Credit Limit"** means the total dollar amount of credit assigned to an individual Card that a Cardholder, Authorized User, or the Organization can access to make Transactions using that Card.

**"Cardholder"** means any Organization employee or agent who is identified by one of the Organization's Program Administrator(s) and is thereby expressly authorized to use a Card on behalf of the Organization.

A Program Administrator will be deemed the Cardholder for any Virtual Card Transaction. The Organization acknowledges that this definition of a Cardholder is for the purposes of this Agreement and the Card Program; other commercial card services or features not provided by Truist (including the Network Corporate Liability Waiver or travel insurance program(s)) may include different definitions for the word "Cardholder."

**"Cash Advance"** means a Transaction in which the Organization or a Cardholder uses a Card or the Card Program to obtain cash or things we consider cash-equivalents (e.g., wire transfers, cryptocurrency, travelers' checks, ATM withdrawals, money orders, convenience checks, purchases of currency, lottery tickets, or gambling chips or wagers). Truist does not determine the Merchant Category Codes (MCC) assigned to cash or cash-equivalent transactions; the respective Card Association Networks do.

**"Fees"** refers to the fees described within the Fee Schedule contained in the Terms (including as any such fees may as otherwise be described (e.g., within an amendment to the Agreement)).

**"Good Standing"** generally means that a Card or the Card Program is not in default and the Organization is in full compliance with the terms of the Agreement; Truist, using its sole and absolute discretion, determines whether the Card Program, related account, or an individual Card is in Good Standing.

**"Organization Credit Limit"** means the total dollar amount of credit we assign to the Organization's Card Program for the Organization to access to make Transactions, collectively, across all of Organization's Cards (including all uses of the Card Program).

**"Parties"** means, collectively, Truist and Organization and their respective successors and permitted assigns. Truist and Organization are each individually referred to as a "Party."

**"Physical Card"** means a tangible card with a 16-digit number that is linked to the Card Program and that can be physically swiped, inserted into, or tapped against a payment terminal to initiate a Transaction. In certain circumstances, Physical Cards can be used in "Card Not Present" Transactions.

**"Program Administrator"** means a natural person who is designated by one of the Organization's Authorized Officers and is thereby duly authorized to perform a broad array of administrative functions on behalf of the Organization in accordance with the Agreement. Program Administrators are unequivocally empowered to manage, control, operate, modify, or access the Card Program. There can be more than one Program Administrator. See the *"Scope of Program Administrator Role"* section, below, for additional explanation of the broad powers delegated by the Organization to Program Administrator(s).

**"Technology Solution"** means a collection of features, software, applications, platforms, and related Commercial Card products and services that Truist offers to support and facilitate the Organization's use of the Card Program. A Technology Solution may, in some cases, be used by the Organization to access the Organization Credit Limit.

**"Transaction"** means an authorization request, Cash Advance, cash withdrawal, cash-equivalent purchase, deposit, payment transaction, purchase, refund, account inquiry, or other transaction that is or was: (i) initiated using one of Organization's Cards and (ii) processed (or submitted for processing) via a Card Association Network.

**"Unauthorized Use"** means the use of the Card Program (in any way) by a person who is not the Organization, a Guarantor, or an Authorized User and who does not have actual, implied, or apparent authority for such use, and from which the Organization, Guarantor, or Authorized User received no benefit, directly or indirectly.

**"Virtual Card"** means a 16-digit number that is linked to an account associated with the Card Program but that can be used in lieu of a Physical Card in relation to "Card Not Present" Transactions. An example of a Virtual Card Transaction is one that leverages Truist's Enterprise Spend Platform ("ESP") to facilitate the payment of a Transaction.

**"Product Type"** is a general term used to describe the attributes of a given Truist Commercial Card type that Truist offers and that the Organization may use in connection with its Card Program; each Product Type can be used to access the Organization Credit Limit. Examples of the current Product Types Truist offers are:



- “Truist Purchasing Card” is typically used by Authorized Users for purchasing business-to-business, non-travel related goods and services related to the Organization’s business needs. A Purchasing Card can be either a Physical Card or a Virtual Card.
- “Truist Corporate Card” is typically used by Authorized Users for travel and entertainment-related purchases. A Corporate Card can be either a Physical Card or a Virtual Card.
- “Truist Executive Card” is a subset of a Truist Corporate Card that is typically issued to the Organization’s executives and provides enhanced insurance coverages, benefits, and features. These coverages, benefits, and features are not guaranteed and Truist, in its sole discretion, may modify or discontinue same without prior notice.
- “Truist One Card” is typically used by Authorized Users for the purchase of business-to-business goods and services as well as travel and entertainment purchases. A Truist One Card can be either a Physical Card or a Virtual Card.
- “Truist Preferred One Card” is a subset of our Truist One Card and provides enhanced insurance coverages, benefits, and features. These coverages, benefits, and features are not guaranteed and Truist, in its sole discretion, may modify or discontinue same without prior notice.
- “Truist Central Travel Account” is a Virtual Card that an Organization typically uses regarding Transactions made with a travel management company and is designed to facilitate the Organization’s centralized purchase of airfare and other travel expenses for the Organization’s employees and agents. The Organization can also request that Truist establish an associated Truist Central Travel Account to create unique Virtual Cards that can be used to purchase travel-related expenses on behalf of Organization’s employees or agents.
- “Truist ePayables” (sometimes also referred to as “payables”) are Virtual Cards used by the Organization to pay merchant(s) for business-to-business goods and services based upon, for example, an invoice from a merchant.
- “Truist Fleet Card” is a Physical Card typically used by Cardholders for purchasing fuel and other automotive-related expenses.

## **1. Organization’s Representations and Warranties**

The Organization represents and warrants that it has the requisite authority under its current governance requirements to execute, deliver, and perform its obligations under this Agreement. The Organization further represents and warrants that it is duly licensed, authorized, or otherwise qualified to do business and is in good standing in every jurisdiction in which such authority is required to fulfill its obligations hereunder. Organization represents and warrants that its execution of and participation under the Agreement will not violate any other agreement between it and any third party. The Organization agrees that any failure of the Organization to fulfill the representations and warranties noted within this section will be deemed a material breach of the Agreement and Truist will have the right to immediately terminate the Agreement.

## **2. Establishment of Card Program by Truist**

Once the Organization is approved for a Card Program, Truist agrees to establish and provide Organization with a Card Program subject to the terms and obligations as outlined within the Agreement, as same may be amended from time to time. Generally, the Commercial Card Client Acceptance Form will outline the applicable Organization Credit Limit, Product Types, billing cycles, and the Program Administrator(s) designated by the Organization related to the Card Program. The Incentive Agreement will outline the Rewards, Rebates, and performance-related incentives the Organization may earn through use of the Card Program. The Attestation will identify who the Organization has designated as Authorized Officers. Fees applicable to the Card Program are generally included within the Fee Schedule included within these Terms. As applicable, the Agreement may also include additional schedules, agreements, documents, or other instruments including all riders, amendments, restatements, supplements, and addenda.

## **3. Organization’s Use of Card Program**

- a) Truist agrees to issue Cards to the Organization and Cardholders and establish a Card Program in accordance with the Agreement.

Truist will manage the operation and features of the Card Program pursuant to applicable law, Truist’s internal processes and procedures, the rules established by the applicable Network, and the Agreement.

- b) The Organization agrees that the Card Program (including each Card and Technology Solution) will be used for authorized business purposes only and may not be used for personal, family, or household purposes. The Organization and its Authorized User(s) may only use the Card Program to make legal Transactions. The Organization must not use, or attempt to use, the Card Program for any illegal activity. Any use of the Card Program for purposes beyond regular business expenses will be a material violation of the Agreement and Truist may immediately terminate the Agreement and Card Program for such use.
- c) Truist may decline to authorize any Transaction for any reason. Truist may also reject payment on any convenience check, request for a Cash Advance, or other use of the Card Program (including any Card or Technology Solution). Truist is not liable for any consequences as a result of these actions. Truist is also not responsible for any losses the Organization (or any individual) incurs if anyone refuses to accept the Organization or its Authorized User’s attempted use of the Card Program for any reason.

## **4. Organization’s Promise to Pay and Credit Limits**

- a) Organization agrees to pay Truist for all Transactions made using the Card Program, plus any fees, interest charges, balances, and other amounts associated with or due on the Card Program. It is not Truist’s responsibility to make sure that the Organization (or its Authorized Users) only use the Card Program for legal Transactions; the Organization is responsible for paying Truist for all Transactions made on the Card Program, regardless of whether they are legal.
- b) It is understood by and between the Parties that the use of the Card Program will constitute an extension of credit to Organization by Truist. Truist will establish and advise the Organization of the Organization Credit Limit applicable to the collective use of the Card(s) and Technology Solutions across the entire Card Program. In its sole discretion, Truist may also allow the Organization to set Card Credit Limit controls for each Card, including by Transaction type (e.g., Cash Advances). In its sole discretion, Truist may also assign different credit limits for the different Transaction types or Product Types (or both) that Organization may make using the Card Program.
- c) The Organization is responsible for keeping track of all balances and available credit associated with the Card Program. The Organization must manage the Card Program to remain below the Organization Credit Limit and any other credit limit controls imposed on the Card(s), Technology Solutions, or any other means used to access the Organization Credit Limit across the Card Program. Truist will enforce the established Organization Credit Limit regardless of how such limit is allocated between and among the Card Credit Limit(s) of any of the Card(s) or Technology Solutions used under the Card Program.
- d) Organization agrees that its obligation hereunder to pay Truist will not be diminished or limited in any way even if an Authorized User exceeds his or her actual, implied, or apparent authority, or if a Card Credit Limit is exceeded, or if the aggregate of all outstanding Transactions, Fees, and other charges related to the Card Program exceeds the Organization Credit Limit. Truist will send the Organization periodic statements in a manner agreed upon by the Parties detailing the amounts which must be paid in full by the Organization and the date(s) on which such amount(s) must be paid.
- e) From time to time and without prior notice, Truist may use its sole discretion to either increase or decrease the Organization Credit Limit associated with the Organization’s Card Program. Truist may also increase, decrease, restrict, or cancel the Card Credit Limit on any Card, Technology Solution, Product Type, or Transaction type at any time. This will not affect or otherwise diminish Organization’s obligation to pay Truist for all amounts due under the Card Program.

## **5. Credit Inquiries and Reporting**

The Organization’s eligibility for the extension of credit related to the Card Program as well as the Organization’s initial rates, fees, and other costs related to the Agreement may vary based upon the Organization’s creditworthiness.

The Organization hereby authorizes Truist to verify the information and obtain further information concerning the credit standing of the Organization and its representatives, and to exchange credit information with others (including Truist Affiliates) regarding the same. The Organization hereby authorizes Truist to contact any source to verify income, financial standing or asset and liability assessments, and creditworthiness as Truist deems necessary to maintain, review, update, renew, service, evaluate/change the credit limit of, or collect upon the Card Program and other permissible purposes as the law allows. Truist may use organizations such as Dun & Bradstreet, Small Business Financial Exchange (SBFE), Experian, Equifax, TransUnion, or others to make credit-related inquiries. Truist may report information about the Organization or the Organization's use of the Card Program to credit bureaus.

## 6. Scope of Program Administrator Role

- a) The Organization understands and agrees that, by designating an individual as a Program Administrator(s), that individual is thereby duly authorized to perform a broad array of administrative functions on behalf of the Organization regarding the Card Program in accordance with the Agreement. Program Administrators are unequivocally empowered to manage, control, operate, modify, or access the Card Program.
- b) The Organization understands and agrees that Truist may entirely rely on any instruction, decision, designation of authority, or information related to the Card Program that Truist, in its sole reasonable discretion, believes to originate from a Program Administrator, regardless of whether it actually does. Truist is not responsible if a Program Administrator exceeds the scope of his or her authority in any way. In Truist's absolute discretion, Truist may also require additional security or other validations regarding the actions of a Program Administrator related to the Card Program; however, even if Truist decides to implement any such validation(s), Organization remains entirely liable for the actions of a duly designated Program Administrator(s).
- c) Generally, Program Administrator(s) act on behalf of the Organization in connection with the day-to-day operation and administration of the Card Program. A Program Administrator can identify, add, remove, restrict, or otherwise modify Authorized User(s) and their respective roles, access credentials, permissions, designations, authorities, and entitlements as relates to their use of the Card Program. Examples of common (and expected) activities that each and every Program Administrator will make regarding the Card Program include opening, managing, controlling, operating, modifying, and closing individual Cards or access to a Technology Solution(s), including the increasing or decreasing of a Card Credit Limit. Truist may reasonably rely upon the name and contact information that a Program Administrator provides to Truist regarding Authorized Users.
- d) Organization understands and agrees that Program Administrators and Authorized Users (with the express approval of or as duly designated that authority by a Program Administrator) can submit a payment request to either Truist or a third party through the Card Program that withdraws or transfers money from a demand deposit account(s) associated with the Organization. All such payment request submissions will be considered an action taken by the Organization and made with the Organization's full awareness and authority.
- e) Truist may unequivocally rely upon the authority of each individual identified by the Organization as a Program Administrator until Truist has received and had reasonable time to act upon written notice from the Organization that rescinds or modifies the authority of any such Program Administrator; such written notice must be provided by the Organization to Truist on a duly executed Attestation.

## 7. Authorized Users

- a) Truist will issue Cards or other access credentials for use of the Technology Solution(s) related to the Card Program to the Organization's Authorized User(s) as designated by a Program Administrator. Each Authorized User may only use a Card(s), Product Type(s), Technology Solution(s), or the Card Program per the user role(s) or other designation(s) and permission(s) that a Program Administrator designates to him or her and in strict accordance with the Agreement. Using Truist's sole discretion and without prior notice, Truist may also restrict, limit, or terminate the ability of any Authorized User to use the Card Program in any way.

- b) To the extent allowed by applicable law, the Organization and Guarantor(s) are liable for all use of the Card Program by each and every Authorized User(s) and anyone else the Organization or an Authorized User allows (directly or indirectly) to use the Card Program in any way. The Organization is responsible for identifying/setting the spending limit requests (i.e., access to the Organization Credit Limit) for each Authorized User and shall communicate the same to Truist.
- c) The Organization is responsible for informing Authorized Users of the user role(s) or other designation(s) and permission(s) related to the Card Program that a Program Administrator has designated to him or her; further, the Organization is responsible for monitoring each and every use of the Card Program by each and every Authorized User and ensuring that such use is done in accordance with the Agreement.
- d) Truist may require certain information about the Authorized Users identified by the Organization; to the extent allowed by applicable law, Truist may unequivocally rely on the personal and contact information provided by the Organization about each and every Authorized User. Each Cardholder is an Authorized User, but one does not need to be a Cardholder to be an Authorized User.
- e) Truist may rely on the existing user role(s) or other designation(s) and permission(s) that a Program Administrator designated to the Authorized User until the Program Administrator provides unequivocal instructions to change those designations/permissions and Truist has had a reasonable amount of time to act on those instructions. Organization authorizes Truist to issue renewal or replacement Cards prior to the expiration of Cards issued to Cardholders without further action on the part of Organization.

## 8. Issuance of Cards and Cancellation of Cards (or access to the Card Program)

- a) Subject to Truist's approval, the Organization may request (i.e., through a Program Administrator) that a Card be issued to a potential Cardholder or for an Authorized User to receive access to use the Card Program (e.g., via a Technology Solution). In making such a request, the Program Administrator shall provide sufficient identifying information, as determined in Truist's sole reasonable discretion, and will also identify a requested credit limit and any other proposed restrictions for each potential Authorized User.
- b) The Organization hereby represents and warrants that it possesses the requisite authority and permission to provide identifying information for its employees and agents to Truist. Upon Truist's receipt and approval of such a request, Truist will determine whether to issue the Card or other access to the Card Program (and whether additional restrictions can/will be applied). If a Physical Card is issued to a Cardholder, the Card will be sent directly to the Cardholder at the address provided by the Program Administrator unless the Authorized Officer has previously requested that the Card(s) be shipped directly to the Organization. Truist may issue renewal, replacement, or temporary replacement Card or other access credentials for any Authorized User.
- c) The Organization agrees and understands that the Organization is solely responsible for notifying Truist of any request to modify, restrict, cancel, or otherwise terminate the use, roles, privileges, permissions, or access credentials of each and every Authorized User, as applicable; the Organization is also responsible for informing the Authorized User regarding any such changes in the Authorized User's ability to use the Card Program. It shall be the Organization's responsibility to destroy a canceled Card or, at Truist's request, return the Card to Truist.
- d) Truist may require that each Cardholder establish a personal identification number (PIN) enabling the Cardholder to use the Card at terminals requiring a PIN. Moreover, the Organization will instruct each Authorized User that: (i) at all times, the Authorized User must keep secure all Card(s), Technology Solution(s) access credentials, and PIN(s) associated with the Card Program, (ii) the Authorized User must not disclose to any other person or entity the Card(s), Technology Solution(s) access credentials, and PIN(s) associated with the Card Program, and (iii) the Card(s), Technology Solution(s) access credentials, and PIN(s) associated with the Card Program should be stored separately. The Organization will also instruct each Authorized User that, in the event the Authorized User suspects the confidentiality of a Card, Technology Solution access credential, or PIN has been compromised in any way, the Program Administrator or Authorized User should immediately call the customer service number on the back of the Card.

Subject to applicable law, the Organization may be liable for all charges incurred through the Unauthorized Use of a PIN, Card, or Technology Solution.

- e) Truist and any merchant or other financial institution may rely upon any individual's access to or possession of a Card as its sole evidence that the individual is authorized to use it and shall have no duty to question the purpose or nature of that use by such individual.

## **9. Emergency Replacement Cards**

- a) In the event a replacement credit card is required due to the original Card being lost, stolen, or damaged during weekends, holidays, Truist's non-business hours, or in other emergency situations with extenuating circumstances beyond Truist's control, the Organization shall instruct Authorized Users to engage the Program Administrator to request that Truist issue a replacement Card.
- b) However, to the extent the Cardholder does not pursue this option, the Cardholder may call the applicable Network to obtain a temporary emergency replacement card. The Organization understands and acknowledges that Network emergency replacement cards are not controlled by the Card Program account controls established between Truist and the Organization pursuant to the Agreement; rather, these replacement cards are controlled in accordance with the standard Network operating procedures in effect at the time of replacement. The Network emergency replacement cards are valid for a limited period of time and the Cardholder must immediately contact Truist to receive a Truist-issued Card that leverages the Organization's Card Program controls. Organization unequivocally agrees to accept all associated liability (including, as applicable, fees assessed by the Network) for use of each and every such emergency replacement card issued by a Network to an Authorized User of the Organization.

## **10. Unassigned Cards**

- a) "Unassigned Cards" are Cards issued in the name of the Organization only (i.e., without designating a specific individual Cardholder name). Upon the Organization's request, Truist may issue one or more Unassigned Cards related to the Card Program. Notwithstanding anything stated herein to the contrary, the Organization hereby acknowledges that the issuance and use of Unassigned Cards poses substantially increased security and fraud risks. By requesting an Unassigned Card, the Organization expressly acknowledges that Truist strongly advises against the use of Unassigned Cards under any circumstances and the Organization confirms that the Organization understands the risks associated with Unassigned Cards and unequivocally agrees to accept all associated liability for use of each and every such Unassigned Card related to the Card Program. The Organization is entirely responsible for the security and usage of each and every Unassigned Card related to the Card Program. Truist is not liable if any merchant refuses to accept or honor the attempted use of an Unassigned Card by the Organization.
- b) If Organization has fewer than ten (10) cards issued to it related to the Card Program, the Organization agrees to immediately discontinue the use of and destroy each and every Unassigned Card; the Organization must immediately notify Truist of the foregoing.

## **11. Cash Advances**

- a) Cash Advances are an optional Card Program configuration. At the Organization's request and subject to Truist's approval, Truist may assign a portion of the Organization Credit Limit to be available for the Organization to make Cash Advances under the Card Program; this is known as the Cash Advance Credit Limit for the Card Program. Once assigned, the Organization may only make Cash Advance Transactions up to the assigned Cash Advance Credit Limit. Although the Organization may have credit available within the Cash Advance Credit Limit, Truist may choose in its sole discretion not to authorize any attempted Cash Advance Transaction. Cash Advances may be limited to a designated percentage or fixed amount of the Organization Credit Limit or Cardholder Credit Limit, or to an amount otherwise determined by Truist in its sole discretion

- b) Truist may at any time and in its sole discretion cancel, revoke, or suspend the Organization's or any Authorized User's ability to obtain Cash Advances; Truist may do so without also canceling the Card or the Card Program. The Cash Advance Credit Limit may be modified by Truist from time to time in its sole discretion, based on a number of risk-based factors.
- c) Subject to the Cash Advance Limit, the Program Administrator may request that a Card or Authorized User be enabled to make Cash Advance Transactions (e.g., at a financial institution or via automated teller machine ("ATM")). Transaction records issued by an ATM are solely for the Organization's convenience; in the event of any dispute as to the accuracy of such records, Truist's internal records will be conclusive.
- d) Truist does not warrant or represent that all institutions (financial or otherwise) will accept a Card for the purposes of obtaining Cash Advances and Truist shall have no liability in connection therewith. The Organization may also decide to limit or temporarily suspend Cash Advances related to the Card Program in consultation with Truist.
- e) Truist is dependent on the MCC codes assigned by the applicable Network when determining whether a Transaction is a Cash Advance; certain Transactions, including peer-to-peer transfers and purchase of quasi-cash items, may also be categorized by the Network using a "Cash Advance" MCC. For each Cash Advance, Organization will be charged a fee as outlined within the Fee Schedule.

## **12. Supplier Enrollment Service, Supplier Payments Made on Behalf of Organization**

- a) Truist may provide optional supplier enrollment services to Organization whereby Truist will analyze Organization's suppliers to determine which of them may accept payments via a commercial credit card Product Type. Truist will then contact these suppliers on behalf of Organization to help facilitate the merchant's acceptance of Product Types included within the Organization's Card Program. To exercise this optional service, the Organization agrees that it will obtain from the supplier all requisite consents/agreements necessary and will provide to Truist documentation thereof (in a form acceptable to Truist). Additionally, the Organization will provide the supplier's contact information to Truist or Truist's third party partner, if applicable.
- b) If the Organization uses this service as part of its Card Program, the Organization hereby agrees that Truist or third party partner may contact the Organization's suppliers by letter, phone, email, or other digital means to provide this service. Truist offers no guarantees that suppliers to will accept Organization's payments via a Card (or other means of using the Card Program) in connection with this service.
- c) Truist may also provide optional supplier payment services to Organization as part of the Card Program whereby Truist may initiate, on Organization's behalf and at the Organization's express direction, payments to Organization's suppliers. Upon Organization's request and Truist's agreement, Organization may route certain mutually agreed upon supplier payment instructions to Truist via Truist's specified contact method. Upon receipt, Truist, or Truist's third party partner, if applicable, will initiate payments on behalf of and at the express direction of the Organization via the supplier's preferred payment channel. Truist agrees to process these payments in a commercially reasonable and timely manner, but shall not be responsible for any supplier's failure to accept or decision to decline the payment or for discrepancies or errors related to these payments.
- d) Use of these services in connection with the Card Program is not guaranteed and Truist may impose additional conditions upon Organization (e.g., Organization must meet designated spend thresholds) as part of providing this service.

## **13. Technology Solution**

- a) Truist shall use its sole and reasonable discretion to determine the method(s) by which the Organization may be permitted to use any given Technology Solution related to the Card Program.

Truist will make reasonable efforts to incorporate the implementation requests that the Organization makes related to the use or customization of a given Technology Solution within the Organization's Card Program; Truist and the Program Administrator(s) will engage in detailed discussions regarding the Organization's implementation requests (and applicable limitations) prior to the implementation of a Technology Solution related to the Card Program and can modify the implementation over time.

- b) Truist will exercise its sole discretion over the operation, content, and features available to the Organization for each and every Technology Solution used as part of the Card Program; from time to time, Truist may modify or terminate any aspect, feature, configuration, functionality, or capability associated with any Technology Solution(s), including but not limited to enhancing, augmenting, updating, modifying, or removing any Technology Solution (in whole or in part) without prior notice.
- c) Truist does not warrant that a Technology Solution or Truist's configuration thereof will comply with Organization's requested business or technical requirements or technology vendor relationships. The Organization agrees to use any Technology Solution associated with the Card Program in strict accordance with the user manuals, reference guides, training materials, or other materials provided by Truist (the "Technology Solution Materials") and under any additional terms and conditions that may relate to the use and operation of such Technology Solution. For each and every Technology Solution the Organization uses in relation to the Card Program, Truist shall provide the Organization with a license (if applicable) to access the Technology Solution and the Organization acknowledges that, as between the Organization and Truist, Truist retains all right, title, and interest in the Technology Solution. If authentication is required to access a Technology Solution, Truist will provide security credentials only to those Program Administrators (and Authorized Users, as applicable) designated by the Organization.
- d) The Organization is responsible for the creation of Authorized User roles and permissions, for ensuring that each and every Authorized User uses the Technology Solution in strict accordance with the Technology Solution Materials and the Agreement, and for maintaining the confidentiality of passwords, account numbers, security credentials, and other information relating to the use of the Technology Solution in connection with the Card Program. A Program Administrator and Authorized User shall immediately notify Truist in the event a password, security credential, or other means of accessing the Card Program has been compromised in any way.
- e) The Organization bears the sole responsibility for any Transactions that occur prior to Truist's receipt of such notice and thereafter for the period of time it takes Truist to reasonably act upon the notice. Passwords or other security credentials may be changed by Truist upon the Program Administrator's request or as otherwise described in the relevant Technology Solution Materials. The Organization agrees that Truist may give the new password or other security credentials to anyone Truist believes in good faith (i.e., through Truist's commercially reasonable process for authenticating an Authorized User) to be the Organization's Program Administrator or the applicable Authorized User. The Organization agrees that these security procedures are commercially reasonable.
- f) Organization may also request, and Truist may provide, one or more file transmission services in connection with the Card Program. These file transmission services may be provided by Truist or a Third Party. By requesting file transmission services, Organization agrees that Truist may supply to any Third Party the details of the Organization's Authorized User(s) and any Transactions completed using a Card, Technology Service, or the Card Program.
- g) Common Data Format (CDF) / Visa Commercial Format (VCF) file transmissions: If Truist agrees to provide Transactional data to the Organization (or to a third party at Organization's direction and request) for the Organization's internal use, Organization acknowledges and agrees that these CDF and VCF (as applicable) files are provided solely for Organization's convenience and Truist does not warrant the accuracy or compatibility of the data to be used in any expense management, accounting, or auditing system leveraged by the Organization.

## **14. Electronic and Telephone Communications**

- a) Organization agrees that all electronic communications that Truist receives relating to the Card Program or otherwise relating to transactions, items, or topics discussed in the Agreement will be deemed valid, authentic, and binding obligations, including those received through a Technology Solution(s), such as those directing Truist to take an action with respect to the Organization's Card Program that match the security credentials or other identity information the Organization, a Program Administrator, Authorized Officer, or other Authorized Users provided when enrolling in or using the Card Program. These communications will be given the same legal effect as Organization's written and signed paper communications and shall be considered "written" or "in writing."
- b) These communications shall also be deemed to have been "signed" and to constitute an "original" when printed from electronic files or records established and maintained in the normal course of business. The Organization recognizes that unencrypted email is inherently insecure and that such communications and transfers occur openly and can be monitored, intercepted, rerouted, copied, and read by others. If Organization chooses to communicate with Truist using unencrypted email, the Organization assumes the entire risk for such use. Organization agrees that electronic copies of communications are valid and that Organization will not contest the validity or enforceability of such communications or any related communications, absent proof of altered data or tampering, under the provisions of any applicable law relating to whether certain agreements are required to be in writing or signed by the party to be bound thereby, and such copies shall be admissible as evidence in any judicial, arbitration, mediation, or administrative proceeding to the same extent and under the same conditions as other business records originated and maintained in paper form.
- c) Organization agrees that Truist will not be liable for any of the following: (i) any delays, failure to deliver, or misdirected delivery of any communication if such delay, failure, or misdirection resulted from Organization's acts or omissions or was otherwise due to factors beyond Truist's control; (ii) errors in the content of a communication that were caused by the Organization's acts or omissions or were otherwise due to factors beyond Truist's control; (iii) any actions taken or not taken by Organization or any third party in reliance on a communication.
- d) Truist may offer security alerts or optional alerts and communications about the Organization's Card Program. These alerts may be sent automatically by email to the designated primary email address for Organization, Authorized Officer(s), Program Administrator(s), Cardholder(s), or Authorized Users and by text message to their respective mobile device number, if a properly functional number has been provided and to the extent permitted by law. To receive security alerts or other communications via text message, the receiving mobile device must be subscribed to a wireless service on a participating mobile carrier and must be able to receive text messages using the mobile device and the applicable carrier's service.
- e) Truist has the right to monitor telephone calls related to the Card Program for the purpose of measuring its performance under this Agreement. Such monitoring will be conducted by Truist's employees or agents in accordance with law and substantive information discussed therein will remain confidential.

## **15. Affiliates of Organization**

Upon Truist's agreement, Organization may request that a designated Affiliate(s) receive services or otherwise use the Card Program under the Agreement. Each act or omission of each and every such Affiliate related to the Card Program or the Agreement shall be deemed an act or omission of the Organization; the Organization and such Affiliate shall be jointly and severally liable for the acts or omissions of the Affiliate related to the Card Program, including liability for all Transactions and Fees incurred by such Affiliate.

## **16. Third Party Vendors**

Organization acknowledges that some aspects of the Card Program, benefits or enhancements may be supplied by third parties who are not Affiliates of Truist (each a "Third Party"), and Truist is not responsible or liable for the actions or inaction of Third Party vendors or for anything in connection with those products or services provided by such Third Parties.

## 17. Periodic Statements, Chargebacks

- a) Truist will deliver to the Organization periodic billing statements for the Card Program, reflecting activity related to the Card Program's use and any other outstanding amounts owed by the Organization to Truist under the Agreement. The Organization hereby agrees to examine each periodic statement and immediately notify Truist regarding any charge, Transaction, fee, or other item it believes to be in error or subject to dispute. The Organization has 60 days after the billing date listed on the periodic statement on which any alleged inaccuracy(ies) first appear(s) to notify Truist of the disputed amount in writing. If the Organization fails to meet this requirement, the statement will be considered as accepted by the Organization and correct.
- b) Under certain circumstances, the Organization may have the right to reverse a disputed Transaction via the Network's chargeback procedure(s). The Organization acknowledges that, to initiate a chargeback, the Organization must comply with the Network's rules and procedures, including providing Truist with written notice of its intent to initiate a chargeback within sixty (60) days of the date the disputed Transaction appears on the Organization's periodic statement. Such written notice shall contain a statement specifically describing the Transaction and giving a valid reason for the requested chargeback. If Truist's investigation determines that the reason the Organization provided in support of its dispute is valid, Truist will attempt to charge the Transaction back to the merchant in accordance with the Network rules; each such chargeback that is accepted by the Network will be credited on the Organization's next periodic statement.
- c) Notwithstanding the foregoing, the Organization is expected to pay in full the entire amount detailed within the periodic statement, including attempted chargebacks that are not credited to Organization. All communications regarding disputed Transactions must be sent to the designated address indicated on the periodic statement.
- d) If the Organization initiates a payment via Truist's Buyer Initiated Payment ("BIP") option, ORGANIZATION HEREBY AGREES TO IRREVOCABLY WAIVE ANY AND ALL CHARGEBACK RIGHTS IT MAY HAVE ON ALL PAYMENTS MADE TO A SUPPLIER USING THE BIP OPTION.

## 18. Payments

- a) The Organization must pay in full the outstanding balance shown on each and every periodic statement by the payment due date indicated. The Organization is responsible for all charges on the Card Program, including each and every amount for which the Organization has requested that individual Authorized Users receive a personalized periodic statement. The Organization unequivocally understands and acknowledges that Truist's decision to send individual statements to Authorized Users is done only as a convenience to the Organization; while a Cardholder may pay on behalf of the Organization for the amount billed to the Authorized User each periodic billing cycle, the Organization nevertheless remains entirely liable for all amounts billed on these statements. In addition to any other payment obligations under the Agreement, the Organization agrees to immediately pay the full amount of any outstanding balance in excess of the Organization Credit Limit.
- b) All payments will be made in U.S. dollars which are drawn on a U.S. financial institution. Payments will be made by mail at the address shown on the periodic statements or by electronic means agreed upon by the Parties. The payment will be credited as of the date a payment is received by Truist. If Truist receives a payment in an amount less than the outstanding balance shown on the periodic statement, Truist may apply such partial payments to the balance as Truist elects. Truist may apply the payments to Fees, interest, principal and other charges in any order it determines, in its discretion. If the amount due in the periodic statement is not paid in full on or before the stated payment due date, the unpaid portion of the outstanding balance will be considered past due and shown in subsequent periodic statements as a "past due amount." Truist may assess a fixed dollar amount or percentage of the past due amount as described in the Fee Schedule ("Late Payment Fee"). Truist may assess the Late Payment Fee in each subsequent periodic statement until the past due amount is paid in full.

- c) If Truist accepts a check, money order, or any other payment item marked "payment in full" (or other similar language) but in an amount that does not satisfy the entire obligation due from the Organization under the Agreement, the Organization agrees that such payment will not result in the Organization's fulfillment of its entire debt obligation to Truist under the Agreement; instead, the partial payment will merely reduce the total outstanding obligation due from Organization to Truist by the amount of the partial payment.

## 19. Ownership of Cards, Termination of individual Cards

- a) Each and every Card associated with the Card Program remains at all times the property of Truist. Authorized Users may not transfer Cards to another individual; likewise, the access credentials used by any Authorized User are non-transferrable. If a Card or the Card Program has been terminated, the Organization must ensure that the applicable Card(s) is/are immediately destroyed (or, if requested, must be surrendered to Truist). Notwithstanding any other provision in the Agreement, Truist may restrict, suspend, cancel, or terminate the right to use any Card, Technology Solution, or any other aspect of the Card Program without prior notice and for any reason.
- b) In the event an Authorized User's employment or other relationship with the Organization is terminated, the Organization will promptly notify Truist and request cancellation of such Authorized User's Card, access credentials for Technology Solution(s), or both as applicable. Until Truist has received and had a reasonable time to act on this notice from Organization, the Organization will be liable for all use of the Card Program by the Authorized User including any such use after the Authorized User's termination of employment or agency. The Organization will be liable for any pre-authorized Transactions made using the Card Program, even after the Card is canceled, unless such Transactions are reversed subject to the Organization's chargeback rights.

## 20. MCC Restrictions

Merchant Category Codes ("MCC") are numbers assigned to merchants by the applicable Network, to classify the types of goods or services typically being sold by that merchant. Subject to Truist's agreement, a Program Administrator may request that Truist restrict Transactions to or from merchants falling within certain MCC designations. If Organization requests such restrictions, Truist will take commercially reasonable steps to enable Organization to limit Transactions based upon those MCCs as assigned by the applicable Network. Organization acknowledges that MCCs are not determined by Truist and may not accurately reflect merchant's business or the merchandise or services provided by that merchant. The Organization agrees that – even in the case where Truist agrees to take steps to enable Organization to limit Transactions by MCC – Truist will not be liable for Transactions wherein the MCC assigned by the applicable Network to either the merchant or the Transaction is not reflective of merchant's actual business or the actual merchandise and services provided.

## 21. Annual Fees

The Organization shall be responsible for paying Truist a nonrefundable annual fee for each Card issued in relation to the Card Program and in the amount as disclosed (by Product Type) on the Fee Schedule. The annual fee will be due and payable for each Card when the applicable Card is initially established and in the same month annually thereafter (the "Card Anniversary Date"). Each annual fee is deemed fully earned (i.e., will not be prorated) when assessed against the Card Program. Each annual fee shall be nonrefundable notwithstanding the following: (a) Truist may at any time revoke or cancel all or any part of the privileges related to the Card Program or Card(s); or (b) Truist may at any time amend the Agreement; or (c) that Organization may fail to utilize any of the benefits of a Card to which an annual fee applies.

## 22. The Organization's Additional Affirmative Obligations to Truist

- a) The Organization further acknowledges and agrees that the Organization shall immediately provide to Truist written notice of the following:
  - i. Any change in the Organization's ownership or Organization's Beneficial Owners;

- ii. Any change in the Organization's Authorized Officer(s) or Program Administrator(s);
- iii. Any change to the address, phone number, email, or other contact information applicable to the Organization;
- iv. Any change to the Guarantor(s) and any change to any Guarantor's ability to pay or perform any obligations, liability, or indebtedness to Bank;
- v. If the Organization (or any Guarantor) becomes insolvent or if bankruptcy or other insolvency proceedings are commenced by or against the Organization (or any Guarantor);
- vi. If a receiver or trustee for the benefit of creditors is appointed for the Organization;
- vii. The Organization's merger with or consolidation into another entity;
- viii. The Organization's sale to another entity;
- ix. The Organization's purchase of another entity;
- x. Any fine or entry of a judgment against the Organization of a material nature or amount;
- xi. Any seizure or forfeiture of, or the issuance of any writ of possession, garnishment or attachment, or any turnover for any material property of the Organization.

b) Periodic Review of Financial Information

From time to time and upon the Bank's reasonable request, the Organization agrees to submit to the Bank updated financial information in form and detail satisfactory to the Bank. If the Organization fails or refuses to produce financial information within ten (10) business days after the Bank's request, the Bank may immediately terminate the Agreement.

### **23. When the Card Program is in Default**

- a) Subject to applicable law and any right(s) that Organization may have under that law, Organization will be in Default if any of the following occur:
  - i. Any required payment is not made by Organization on or before the payment due date.
  - ii. The Organization or any Guarantor fails to pay any other obligation to Truist.
  - iii. The Organization violates any terms of the Agreement (including through the actions of an Authorized Officer, Program Administrator, or other Authorized User related to the Card Program).
  - iv. The Organization or a Guarantor violates any credit account or loan agreement (including a mortgage agreement) that they have with Truist.
  - v. A payment on the Card Program cannot be processed before the applicable payment due date.
  - vi. A payment on the Card Program is rejected and not successfully resubmitted before the applicable payment due date.
  - vii. An attachment, garnishment, or bankruptcy proceeding is initiated against the Organization or any Guarantor.
  - viii. Truist reasonably believes (in our sole discretion) that the Organization's or the Guarantor's ability to pay the Card Program obligations is materially impaired.
  - ix. The Organization or any Cardholder, Authorized User, Authorized Officer, Program Administrator, or Guarantor provides Truist with false, misleading, or fraudulent information (including a forged or false signature).
  - x. The Organization or any Cardholder, Authorized User, Authorized Officer, Program Administrator, or Guarantor makes illegal or improper use of the Card Program.
  - xi. The Card Program, Technology Solutions, or any Card is used after the Card Program has been closed.

- xii. The Organization is sold, acquired, merged, or the majority ownership is transferred to any person or entity that did not have such ownership when the Card Program was established;
- xiii. Any Beneficial Owner fails to furnish information to Truist sufficient to verify his or her identity.

### **24. Security Interest, Right of Set-Off**

- a) To the extent permitted by applicable law, Organization shall be liable for all amounts owed to Truist under the Agreement related to the Card Program. As collateral security for repayment of all amounts due under the Agreement and to secure any and all other loans, notes, indebtedness, and obligations that Organization (and all Guarantor(s)) may now or in the future owe to Truist, whether direct or indirect, absolute or contingent of any nature or kind (with the exception of any indebtedness under a consumer credit card account), Organization hereby grants to Bank a continuing security interest in each and every one of Organization's deposit accounts (whether checking, savings, or some other account) or securities now or hereafter in the possession of or on deposit with Truist or any Truist Affiliate or subsidiary of Truist including without limitation all accounts held jointly by Organization with someone else and all accounts Organization may open at Truist in the future. All IRA, pension, trust, and tax-deferred accounts are exempted from the foregoing security collateral.
- b) If the Organization is in Default, each and every of the following applies: (i) Organization waives all notices and demands concerning the Card Program; (ii) the Organization agrees that the total amount due related to the Card Program shall include all costs, expenses, and reasonable attorneys' fees (including costs allocated for in-house counsel), legal proceedings, and bankruptcy and insolvency proceedings for the collections of sums due under the Agreement; and (iii) the Organization further agrees that the amount due related to the Card Program shall include any liabilities, losses, demands, and judgments Truist is subject to or incurs related to each and every use of the Card Program.
- c) Upon Default, the Organization and all Guarantors of the Card Program agree and understand that, without prior notice or demand, Truist has the absolute right to set-off against: (i) each and every one of Organization's accounts (whether checking, savings, or some other account type) and securities now or hereafter in the possession of or on deposit with Truist and any Truist Affiliate including without limitation every account held jointly by the Organization with someone else and certificates of deposit; and (ii) each and every one Guarantor's respective accounts with Truist and Truist Affiliates. Truist may make such setoff in any order or amount of its choosing and apply those amount(s) to the then existing debt on the Card Program, as well as any sums due and owing under the Agreement.

### **25. Lost or Stolen Cards and Unauthorized Use of the Card Program**

- a) The Organization must take reasonable steps to prevent the Unauthorized Use of each and every Card (including for cash advances), Technology Solution, or other credentials/devices used to access or obtain credit using the Card Program.
- b) The Organization agrees to promptly notify Truist of any loss, theft, or alleged or actual Unauthorized Use in any way of a Card, Technology Solution, or the Card Program by calling the number on the back of any Card. Because of this requirement, Truist expects that the Organization will regularly review the statement(s) associated with the Card Program to analyze Transactions and all other charges that post to the Card Program accounts and to confirm whether unauthorized Transactions have posted to the Card Program accounts. The Organization acknowledges that the statement(s) and Transactions will be readily available for review by the Organization using Truist's online account management platform. The Organization is further expected to ensure that each and every Authorized User responsibly safeguards the Card(s), convenience checks, and other credentials/devices used to access or obtain credit using the Card Program to promptly report each and every loss, theft, or alleged or actual Unauthorized Use of the Card Program.

## **26. Liability for Unauthorized Use**

- a) To the extent allowed by applicable law, the Organization and Guarantor are liable for all use of the Card Program by each and every Authorized User(s) and anyone else the Organization or an Authorized User allows (directly or indirectly) to use the Card Program. The Organization must ensure that the Organization and all Authorized User(s) abide by all applicable federal, state, and local laws and regulations as well as the terms, conditions, rules, and regulations established by Truist with respect to use of the Card Program under the Agreement, as may be amended from time to time. The Organization is liable for all use of the Card Program by every Cardholder and every Authorized User regardless of whether Truist is notified about such Cardholder or Authorized User's use or the Cardholder/Authorized User exceeds the limit that the Organization authorized or intended.
- b) If Unauthorized Use of the Card Program occurs, the Organization agrees to cooperate with Truist and law enforcement authorities in identifying the unauthorized user. All claims of alleged loss, theft, or Unauthorized Use of the Card Program are subject to investigation. If the Organization is an entity to whom we have issued more than ten (10) Cards, the Organization may be liable for claims, costs, interest, fees, Transactions, and other charges related to claims of Unauthorized Use.
- c) The Organization will not be liable for the Unauthorized Use of the Card Program if that use occurs after the Organization has notified Truist as noted above of the alleged loss, theft, or Unauthorized Use. Truist may assess a Replacement Card Fee as disclosed on the Organization's Fee Schedule for each replacement Card that Truist reissues related to a claim that the Card was lost or stolen. The Organization shall remain liable for all use of the Card Program by an Authorized User following his or her termination of employment or agency from the Organization until Truist has received and had a reasonable time to act on the notice of the Authorized User's termination and except as specified by the Visa Liability Waiver Program or the Mastercard MasterCoverage Liability Protection Program (as applicable).
- d) Truist will not be liable if the Organization or any Authorized User or other party who has direct or indirect access to the Card Program engages in an illegal Transaction or activity related to the Card Program. If any illegal use or activity occurs related to the Card Program, the Organization also agrees to waive any right to sue Truist for such illegal use or any activity directly or indirectly related to it; the Organization also agrees to indemnify and hold Truist harmless from any suits or other legal action or liability, directly or indirectly, resulting from illegal use of the Card Program.

## **27. Amendments**

- a) To the extent permitted by applicable law and at any time and without prior notice, Truist may amend any term or condition of the Card Program and may otherwise amend the Agreement. Amendments will be made in any manner deemed acceptable by Truist. Truist may employ any of the following methods to communicate to the Organization amendments regarding the Agreement or Card Program; the following are merely illustrative (and not exhaustive) examples of the options Truist may use to communicate amendments to the Organization: (i) amending the information within the Terms or within the Truist Commercial Card Terms and Conditions Addendum, if any, and providing a copy of the same to Organization, or (ii) by general posting on Truist's website or via other online channels, or (iii) sending notice by mail or email to the address(es) provided by the Organization for that purpose, or (iv) including identified amendments within the Card Program billing statement(s).
- b) All amendments requested by the Organization must be agreed upon in writing by both the Organization and Truist and be captured within an executed Truist Commercial Card Terms and Conditions Addendum (or other written document/addendum that is duly executed by both Parties).
- c) Organization acknowledges that if Truist amends the Card Program or the Agreement by general posting on Truist's website or online channels, Truist shall be under no obligation to otherwise notify Organization of the amendments as Organization understands that Organization's access to the website or online channels is assumed and shall be sufficient notice. Any change in terms will apply to any outstanding account balances on the effective date of the change. Organization's continued use of the Card Program (as, e.g., through use of any Card or Technology Solution) after the effective date of the amendment constitutes acceptance by the Organization of all such amendments.

The parties agree that Truist does not need to furnish to any Guarantor(s) separate notice of any amendment to the Card Program or the Agreement.

## **28. Termination/Closure/Suspending the Card Program**

- a) Organization may close the Card Program (including use of any individual Card or Technology Solution) at any time. Truist may require the Organization (via a Program Administrator or Authorized Officer) to provide a closure request in writing. The Organization may cancel any Card at any time through our online card management platform.
- b) Except as otherwise required by applicable law, Truist has the right to terminate or suspend the Organization's ability (as well as that of any Authorized User) to use the Card Program, any Card, access any Technology Solution, or any feature of the Card Program at any time and for any reason, without prior notice. Truist may also suspend, cancel, or close any and all Cards at any time and for any reason. Truist reserves the right to suspend, restrict, or terminate the Organization's (including any and all Authorized User(s) and Cardholder(s)) ability to earn or redeem Rewards or Rebates (or both) during any timeframe within which any Card or the Card Program is or was determined by Truist (in its sole and absolute discretion) to not be in Good Standing.
- c) Organization will remain liable under the Agreement for all of the following that occur prior to termination of the Card Program: all Transactions made using the Card Program (including through use of Card(s) and Technology Solutions), plus any fees, interest charges, balances, and other amounts due related to the Card Program.
- d) In the event the Organization is in Default, Truist has the immediate right to terminate the Card Program without notice and declare all unpaid amounts of any kind associated with the Card Program immediately due and payable. The Agreement will otherwise remain in full force and effect until the Organization pays all sums due Truist.
- e) Immediately upon termination of this Agreement: (i) all outstanding Cards will be cancelled and all rights or benefits of the Organization and all Authorized Users with respect to the Card Program will be terminated; (ii) the Organization is expected to pay the aggregate of all Transactions made using the Card Program (including through use of Card(s) and Technology Solutions), plus any fees, interest charges, balances, and other amounts due related to the Card Program; (iii) Truist has the right to set-off (as outlined within the Agreement) any of the Organization's accounts with Truist or any of Truist's present or future Affiliates (including their successors or assigns) to pay sums due under the Agreement; and (iv) the Organization will pay any and all costs, expenses, and reasonable attorneys' fees incurred by Truist for the collection of sums due and owing under the Agreement.
- f) Immediately following the Card Program's closure, all Cards, convenience checks, and other means used by the Organization (and each and every Authorized User) to access the Card Program must be immediately destroyed by Organization or, if Truist requests, surrendered to us. If requested by Truist, the Organization will promptly certify, in writing, that it has completed the destruction of all Cards, convenience checks, and other means used by the Organization (and each and every Authorized User) to access the Card Program.
- g) The initial term of the Agreement will be for three (3) years. Unless otherwise terminated by either Party, the Agreement shall automatically renew for consecutive one (1) year term(s) after the conclusion of the initial term of the Agreement.
- h) Any provision of this Agreement which may reasonably be interpreted or construed as surviving the termination of this Agreement shall survive such termination and be enforceable thereafter unless barred by an applicable statute of limitations.

## **29. Intellectual Property**

Other than expressly agreed to by the Parties in the Agreement, neither Party shall use the names, trademarks, trade dress, logos, service marks or trade names of the other Party in connection with any representation, solicitation, advertising, promotion, sales or marketing publication or advertisement without prior full disclosure to and written permission from the other Party, which approval may be withheld in the other party's sole reasonable discretion. Truist, the Truist logo and Truist purple are service marks of Truist Financial Corporation.

All other trademarks and service marks used in relation to the Card Program are the property of Truist unless otherwise designated. Except as expressly stated herein, nothing contained in the Agreement shall be construed as granting by implication, estoppel, or otherwise a license or right by Truist to any patent, trademark, copyright, or proprietary rights of Truist or of any third party. Notwithstanding the foregoing, the Organization grants Truist the right and license to use the Organization's name, trademarks, service marks, copyrights and logos and other textual information solely in connection with the provision of Card Program services.

### **30. Limitation of Liability**

The Organization hereby acknowledges and agrees that an immaterial deviation by Truist from the terms set forth in the Agreement shall not be deemed a failure to exercise ordinary care or to act in good faith. The Organization further agrees that Truist shall not be liable to any person or entity for any error or mistake in judgment or for any act done or step taken or omitted, or for any mistake in fact or law, or for anything which it may do or refrain from doing in connection with the Agreement, except that which results solely from Truist's gross negligence or willful misconduct.

The Organization also acknowledges that some aspects of the Card Program, benefits or enhancements may be supplied by Third Parties who are not Affiliates of Truist, and Truist is not responsible or liable in connection with those products or services provided by such Third Parties. Unless the Organization's Card Program has been suspended, restricted, or terminated (in whole or in part), Truist will make commercially reasonable efforts to ensure that the Card Program will be continuously operational; however, Truist cannot warrant that the Card Program will be uninterrupted or error-free, due to limitations of Truist's authorization systems, systems management and ordinary stand-in processes, and of the applicable Card Association Network or merchant systems, and other systems or circumstances outside of Truist's reasonable control. The Organization therefore waives any and all claims that it may have against Truist arising out of the use and performance of the Card Program, except as contained herein.

To the maximum extent provided by law, neither party will be liable to the other for any special, punitive, exemplary, indirect or consequential damages, including but not limited to lost profits and lost revenues, without regard to the form of the claim or action or whether the claim is in contract, tort or otherwise, and even if the defending party knew or should have known such losses or damages were possible or likely. Notwithstanding anything to the contrary in this Agreement, in no event shall Truist be liable to the Organization for losses or damages of any kind whatsoever incurred in relation to the Agreement, including by way of breach or indemnity, in an amount greater than one-half of one percent (0.5%) of Organization's net Transactions made across the Card Program in the preceding Calendar Year (and as calculated by Truist), provided, however, that losses or damages caused by Truist's gross negligence or willful misconduct shall not be subject to this limitation amount.

**TRUIST SPECIFICALLY DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, ARISING OUT OF OR RELATED TO THE AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT, EACH OF WHICH IS EXPRESSLY EXCLUDED BY AGREEMENT OF THE PARTIES. WHILE TRUIST WILL MAKE COMMERCIALLY REASONABLE EFFORTS TO PROVIDE ACCURATE INFORMATION IN CONNECTION WITH THE CARD PROGRAM, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, TRUIST MAKES NO WARRANTY THAT THE CARD PROGRAM (INCLUDING TECHNOLOGY SOLUTION(S)) WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE OR THAT ANY INFORMATION CONTAINED ON, RESULTS THAT MAY BE OBTAINED FROM THE USE OF OR OTHER ASPECT OF THE CARD PROGRAM (INCLUDING TECHNOLOGY SOLUTION(S)) WILL BE ACCURATE, CURRENT, COMPLETE, OR RELIABLE.**

Organization agrees that Organization will indemnify Truist and hold Truist harmless from and against any claim arising out of honoring or acting upon any instructions received from the Organization (e.g., as through its Authorized Officer, Program Administrator(s), or Authorized Users) related to the Card Program.

### **31. Organization Obligations**

- a) The Organization shall reimburse Truist for any and all damages, judgments, liabilities, fines, penalties, losses, claims, actions, demands, lawsuits, costs, and expenses, including, without limitation, reasonable attorneys' fees and expenses, (collectively "Claims") imposed in any manner upon or accruing against Truist that arise out of or relate to any or all of the following:
  - (i)Organization's (including through the action(s) or failure(s) to act by any Authorized User) breach of this Agreement, including, but not limited to confidentiality and information security breaches and breaches of representations and warranties;
  - (ii)Organization's (including through the action(s) or failure(s) to act by any Authorized User) negligence, willful misconduct, or fraud;
  - (iii)payments, compensation, damages, or other amounts, however characterized or determined, to a third party (including, without limitation, Truist's providers whose products or services are utilized for Card Program delivery, suppliers from whom Organization and its Authorized Users purchase products/services using or pursuant to the Card Program, or governmental and other regulatory authorities), which Truist has reimbursed or may be obligated to pay as a result of any of the foregoing matters described in subsections (i) and (ii) above;
  - (iv)disputes between (A) the Organization and any Authorized User; (B) the Organization and any of its Affiliates (including Claims arising out of actions taken by the Organization on an Affiliate's behalf under this Agreement) unless such Claim is solely the result of Truist's gross negligence or willful misconduct; and (C) the Organization (including all Authorized Users, employees, agents, and representatives) and any supplier or merchant;
  - (v)actions or inactions that Truist takes or omits based upon the direction or instructions of the Organization or any Authorized User.

### **32. Governing Law, Severability, Enforcement of Rights**

The Agreement is binding upon the permitted assigns and successors of the Organization. The Agreement and the interpretation and enforcement thereof (including but not limited to the exportation of interest rates) will be governed by federal law applicable to Truist and, to the extent not preempted by federal law, the laws of the state of North Carolina without regard to its conflicts of law provisions and principles. If any portion of this Agreement is declared invalid or unenforceable for any reason, such portion is deemed severed and the remainder of this Agreement will remain fully valid and enforceable. Truist can delay enforcing its rights under this Agreement without waiving those rights. A waiver of rights in one instance will not be a waiver in other instances. Truist accepts the Agreement in the state of North Carolina.

### **33. Transaction Disputes**

Truist is not responsible for any defects in or poor quality of the merchandise or services obtained by any use of the Card Program. Any claim or dispute between the Organization and a merchant or supplier, including with respect to the merchant's or supplier's right to compensation, will be the object of a direct settlement among the Organization and the merchant or supplier and any such dispute will not affect the Organization's obligation to pay in full to Truist all of Organization's obligations under the Agreement in accordance with the terms of the Agreement. Organization shall make a good faith effort to resolve or otherwise settle all disputes in any way related to goods or delivery of services or performance directly with the merchant involved. In addition, Organization acknowledges and agrees that the applicable Network shall not be responsible for any claims, losses, damages or liabilities incurred by any Network member (including Truist or by the agents, brokers, cardholders (including the Organization or any Cardholder), or merchants of any such Network member arising out of the Network product and services provided under the Agreement.

## 34. Notifications

- a) Notices permitted or required under the Agreement related to the following matters must be in writing and delivered by US mail or email: (i) all notices affirmatively required to be provided by the Organization to Truist as outlined within the "Organization's Additional Affirmative Obligations to Truist" section of the Agreement; (ii) requests made by the Organization to materially amend the Agreement, including changes to the Organization's Authorized Officer(s) or Program Administrator(s); and (iii) notices of termination of this Agreement. The notice will be deemed effective when sent.
- b) Notices from Truist to the Organization may be delivered to the Authorized Officer and address as provided within the current Client Acceptance Form. Organization must send to Truist all notices regarding the Card Program and the Agreement at the following address:

Truist  
Mail Code FL-ORLANDO-9214  
7455 Chancellor Drive  
2nd Floor  
Orlando, FL 32809-6213  
Attn: Commercial Card Services

- c) All other notices may also be delivered as outlined within the "Amendments" section of the Agreement (if applicable).

## 35. Confidentiality

### a) Definitions

"Confidential Information" includes, but is not limited to, the following information relating to or provided by a party to the Agreement (including all Affiliates or agents of that party) ("Disclosing Party") to any other party to the Agreement (including all Affiliates or agents of that party) ("Receiving Party"), whether such information is written or oral, electronic or in other form: advertising, branding and branding related information, business systems and practices, business strategies, compensation and compensation practices, customer surveys, customer lists, designs, diagrams, drawings, financial information, flowcharts, forecasts, ideas, inventions, know-how, manuals, markets, marketing plans, operations, organizational charts, personnel files, personnel information, personnel lists, policies, processes, products and product plans, proposals, questionnaires, reports, research, sales practices, services, software, software developments, strategies, technical descriptions, trade secrets, information exchanged between the parties regarding potential services that a third party may provide to Truist and which potential service could be contracted under the Agreement, and any other information that the Disclosing Party designates, orally or in writing, as confidential or which the Receiving Party should reasonably know is confidential. Confidential Information also includes information used in the performance of Bank's services in relation to the Agreement, and any reports or documents that include, summarize, are based on or refer to Confidential Information and all derivative works of any Confidential Information. Confidential Information includes Personal Information (i.e., Personally Identifiable Information or non-public information) and Restricted Information. All Confidential Information remains the property of the Disclosing Party. Each party to the Agreement may be a Disclosing Party or a Receiving Party hereunder.

"Personally Identifiable Information" means information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular person or household.

"Restricted Information" means any Truist Confidential Information that (i) is labeled "Restricted" or "Private"; (ii) is or includes Personal Information; or (iii) if the contents of the data are reasonably known to the Organization (or its Affiliates or agents), is of the type or nature where its loss or alteration could reasonably be expected to have a significant impact on Truist's or its Affiliates' clients or business.

All software that Truist provides or makes available to your Organization, whether owned by Truist or any third-party services provider, will be considered "Confidential Information" pursuant to the Agreement.

### b) Confidentiality Obligations of the Parties

Each party will: (i) not use or disclose the Confidential Information except for the purpose for which it was disclosed; (ii) permit access to the Confidential Information only to individuals who have a need to know and have signed separate confidentiality agreements or are otherwise bound by the confidentiality and security obligations contained in the Agreement; (iii) implement security measures to ensure compliance with the Agreement; (iv) ensure that the return or disposal of Confidential Information is performed in a manner that is in compliance with the Agreement; and (v) upon termination or expiration of the Agreement, not use or disclose the Confidential Information of the Disclosing Party.

Organization and Truist understand and agree that:

- 1.) Organization or Truist may be provided or obtain the Confidential Information of the other Party or third parties of that Party, such as suppliers of your Organization or service providers of Truist.
- 2.) Any Confidential Information (other than Personally Identifiable Information) related to Card Program usage belongs equally to each Party, and nothing in the Agreement will prohibit either Party from disclosing or using such data or information in accordance with the terms of the Agreement.
- 3.) Unless otherwise stated in the Agreement:
  - A.) Each Party will keep all Confidential Information in strict confidence to avoid Unauthorized Use or disclosure.
  - B.) Neither Party will directly or indirectly disclose any Confidential Information to any third party other than permitted parties (such as third party service providers of Truist) except with the other Party's prior written consent.
  - C.) Organization agrees and hereby consents to its Confidential Information being shared with Truist's third party service providers and other such permitted parties for purposes of providing services related to the Card Program and to Authorized Users.

### c) Exclusions regarding Confidential Information

- i. Information is excluded from this section (Confidential Information) if, as shown by reasonable evidence that: (1) the information was placed in the public domain by the Disclosing Party; (2) the information was provided to the Receiving Party prior to entering into discussions related to the Agreement or related transactions on a non confidential basis from a source other than the Disclosing Party, provided that such source is not bound by a confidentiality or non-disclosure agreement with the Disclosing Party or is not otherwise prohibited from transmitting the information by a contractual, legal, or fiduciary obligation; (3) the information is independently developed by a Receiving Party without use of or reference to the Confidential Information of the Disclosing Party; or (4) the information is disclosed by a Receiving Party with the prior written approval of the Disclosing Party.
- ii. Information regarding the use of a Card, Technology Solution, or the Card Program by the Organization, a Cardholder, or an Authorized User (including any reimbursement they received from the Organization, employment status, and location) may be exchanged between the Organization and Truist.

### d) Authorized Disclosure of Confidential Information

Confidential Information may be disclosed if and only to the extent that disclosure is required by: (i) law, including subpoena, or judicial process; or (ii) to the Parties' respective personnel, state and federal regulators, and agents (such as third-party providers of the Bank) having a need to know such Confidential Information,

in which case the Receiving Party may disclose the Confidential Information subject to the limitations set forth herein and shall, unless prohibited by law or a state or federal regulator, promptly notify the Disclosing Party in writing of the terms and circumstances of the disclosure and cooperate with any efforts to prevent or limit disclosure, except that Truist is not required to provide any notice to the Organization where Truist is required to make such disclosure, in its sole and exclusive opinion, in the ordinary course of dealings with any state or federal regulator or court-issued subpoena or order. Truist is a state and federally regulated financial institution, and the Organization acknowledges and agrees that it may be required to cooperate with Truist in the course of an internal audit, and in dealings with any state or federal regulator. The Organization will provide such cooperation, including cooperating with Truist's requests for information. The Organization authorizes Truist to release information regarding the Card Program to comply with any subpoena or other proper order from a state or federal agency or court. Truist may investigate the Organization's credit record from time to time in connection with the Card Program.

## **36. Privacy Information**

Truist may, to the extent and in the manner permitted by applicable law, communicate information about Truist's experiences and Transactions with the Organization to credit bureaus, Truist's Affiliates, and others who may properly receive that information. Truist only reports Business Credit to Business Bureaus. Truist will not share this information about the Organization with third parties for marketing purposes. You may refer to Truist's Privacy statement for more details about how Truist collects, uses, retains, discloses, and safeguards personal information about any Cardholder related to the Card Program. A complete copy of the Truist Privacy Policy is available at [Truist.com](http://Truist.com).

## **37. Assignment**

The Agreement shall be binding upon and shall inure to the benefit of the Organization and Truist and their respective successors and permitted assigns. The Agreement or any of the rights hereunder, may not be assigned by the Organization without Truist's express prior written consent. Organization further agrees that, prior to any sale, transfer, or assignment of Organization's business or business interests, Organization shall give written notice of the existence of the Agreement to any purchaser, transferee, assignee, or other successor in interest of the Organization; Organization shall immediately provide to Truist a written copy of any such notice. In no event shall Organization be relieved of any liability to Truist arising hereunder unless and until a purchase, transferee, assignee, or other successor in interest to the Organization's business shall expressly assume such liability in writing and Truist, in its sole and absolute discretion, accepts the written assumption of the liability. Truist may assign the Card Program, in whole or in part, and any of Truist's rights under the Agreement without Organization's consent.

## **38. Foreign Currency**

Truist and the Network convert any Transaction made in a foreign currency into U.S. dollars using the Network conversion rate in effect on the day the Transaction is posted to a Card or the Card Program, as applicable. Truist's current conversion charge (the "Foreign Transaction Fee") is added to the Transaction amount as disclosed in the Fee Schedule. The amount of the Transaction after conversion (including Foreign Transaction Fee) is shown on the statement. If a credit is subsequently given for the Transaction, the currency conversion rate at the time the credit is issued shall be applied.

Therefore, the credit currency conversion rate may differ from the rate applied to the original charge, and as a result, the amount of the credit may be different from the amount that was originally charged for the Transaction.

## **39. Miscellaneous**

- a) **Legal Purposes Only:** Truist at its discretion may block any Transaction(s) that could be considered of an illegal or high-risk nature. Truist will not be liable if the Organization (including through the actions or failure to act of any Authorized User) engages in an illegal Transaction or for Truist's failure to process an illegal or high-risk Transaction.
- b) **Force Majeure:** Non-performance of Truist will be excused for the period of any delay caused by any force majeure event, including act of God, war, terrorism, pandemic, or any other cause beyond Truist's reasonable control.
- c) **Counterparts:** The Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.
- d) **Facsimile, Electronic Delivery, Digital Signatures:** A duplicate or copy of any counterpart of the Agreement that is delivered by facsimile or email attachment will be as effective and enforceable as an original, manually-signed document. Digital signatures will be as effective and enforceable as manual signatures. A digital, electronic, or photo static image of any counterpart of the Agreement that is maintained in Truist's record retention system will be as effective and enforceable as an original, manually-signed document.
- e) **Entire Agreement:** The Agreement and the incorporated schedules, amendments, addenda, forms, and exhibits constitute the entire Agreement between the Parties. There are no understandings or agreements related hereto other than those which are expressed within the Agreement, and all prior negotiations, agreements, and understandings, whether oral or written, are superseded by the Agreement.
- f) **IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT AT TRUIST:** To help the United States Government fight terrorism and money laundering, Federal law requires us to obtain, verify, and record information that identifies each business or entity that opens an account or establishes a relationship. What this means for you: when you open an account or establish a relationship, we will ask for your business name, a street address, and a tax identification number that Federal law requires us to obtain.

## 40. Commercial Card Fee Schedule

<b>Fees</b>	<b>Cost</b>
Annual Fee - Executive Card	\$275 per Card
Annual Fee - Truist Preferred One Card	\$750 first Card; \$275 each additional Card
Annual Fee - Central Travel Account (CTA)	\$150 per Card
Annual Rewards Fee - Organization Rewards	\$150 per Organization
Annual Rewards Fee - Cardholder Rewards	\$75 per Cardholder
Cash Advance Fee	\$10.00 or 4% of each advance, whichever is greater
Late Fee Central Bill	1.5% of balance (\$30 minimum fee), if past due balance is \$25 or more
Late Fee Individual Bill (Corporate /Executive Card Only)	1.5% of balance (\$30 minimum fee), if past due balance is \$25 or more
Foreign Transaction Fee	2% of the Transaction after conversion to US Dollars
Non-Sufficient Funds Fee	\$39 each occurrence
Copy of Statements	\$5 per statement copy
Rush Delivery Fee - Truist Preferred One Card	\$0
Rush Delivery Fee - All other product types	\$25
Card Design/Logos	\$500 - per occurrence
Technology Solution Implementation (TSI) - Standard	\$250 - one time
Technology Solution Implementation (TSI) - Enhanced	\$500 - one time
Technology Solution Implementation (TSI) - Premiere	\$1500 - one time
Third Party Data File Set-up	\$250 per occurrence
Professional Services	Up to \$1500 per occurrence

Card Design/Logos are not available on Truist One Card, Truist Preferred One Card, or Truist Executive Card

TSI Standard: Statement Manager only

TSI Enhanced: Includes Standard functionality and any Workflow, Image Module, and Data Extract Module. No custom programming or custom reporting included

TSI Premiere: Includes Standard and Enhanced functionality, plus Payables Manager, Expense Manager, Requisition Manager, ICBT Virtual Travel Account, Custom Programming

Professional Services: Additional services needed before, during, or after the initial implementation process such as Consulting, Onsite training or Re-training. Also includes TSI Reconfiguration or Maintenance request; any changes requested to the original Technology Solution Implementation (TSI). Professional Services Fee Amount is determined based on level of complexity or professional expertise required.



## Commercial Card Incentive Addendum

**This form must be accompanied by an executed and dated  
Commercial Card Client Acceptance Form**

### Organization

Organization Legal Name:	CITY OF MURFREESBORO
Doing Business As (DBA), if any: City of Murfreesboro	

Unless otherwise defined, capitalized terms used herein shall have the meaning ascribed to them within the Commercial Card Terms and Conditions (the "Terms").

**The undersigned Organization and Truist Bank, through the respective signatures of their respective Authorized Officers below, hereby agree to the terms described below and expressly incorporate this Commercial Card Incentive Addendum ("Incentive Addendum") into the Agreement. Except as specifically amended by this Incentive Addendum, all other portions of the Agreement shall continue in full force and effect.**

### Incentive Program Overview:

Through use of the Card Program, the Organization can earn incentives and take advantage of either the "Rebates" or "Rewards" (or a combination of both) redemption option(s) as outlined within this Incentive Addendum; as such, for purposes of the Agreement and Card Program, Truist shall use the term "Incentive Program" to describe the collective incentive earn and redemption options applicable to the Organization.

- Notwithstanding anything to the contrary in the Agreement (including this Incentive Addendum), all Rebates, Rewards, and other incentives (e.g., bonus(es), if applicable) are subject to change by Truist immediately and without prior notice to the Organization if an event external to Truist materially increases Truist's cost of providing the Card Program or decreases the revenue Truist receives from the Card Program. Organization hereby agrees and acknowledges that the following illustrative (but not exhaustive) list identifies external events that could materially increase Truist's cost of providing the Card Program or decrease the revenue Truist receives from the Card Program: changes in Network rules; decreases in interchange revenue paid to Truist by Network; changes in federal or state laws, rules or regulations; increases in funding costs due to interest rate changes; deterioration in Organization's financial condition (in Truist's sole reasonable discretion); or if the Organization owes any amounts related to the Card Program that are more than 90 days past due.
- The Incentive Program is void where prohibited by federal, state, or local law.
- Organization is responsible for any fees, taxes, and charges incurred by or imposed upon Organization for all Rebate(s) and Reward(s) paid to Organization or any Cardholder related to the Card Program.
- Truist reserves the right to suspend, restrict, or terminate Organization's (including any and all Authorized User(s) and Cardholder(s) ability to earn or redeem Rewards during any timeframe within which any Card, the Card Program (including any related accounts), or Incentive Program account is or was determined by Truist (in its sole and absolute discretion) not to be in Good Standing.
- Any fraud or abuse by any Cardholder, Authorized User, or the Organization relating in any way to the Incentive Program may result in the forfeiture of accrued Rebate(s), Reward(s), and other incentives; such fraud or abuse may also result in the immediate termination of the Organization's Card Program (including any related accounts).



### **Commercial Card Performance Incentive Program Redemption Options**

#### **Commercial Card Rebate**

Rebate Period selection : Annually, January to December

Initial Term for Rebate Pricing (from the date the Acceptance Form is executed by Organization):  3 years  5 years

*See additional sections below for important details, definitions, and calculations applicable to Rebates.*

#### **Commercial Card Rewards**

Truist only offers "Rewards" as the incentive for Qualifying Purchases made using our Truist Preferred One Card, Truist Corporate Card, Truist One Card, and Truist Executive Card Product Types; any Transaction made using any other Product Type will not earn or be eligible for Rewards.

If the Organization chooses "Rewards" as a redemption option, the Organization will only earn Rewards for those eligible Transactions made using any of our Truist Preferred One Card, Truist Corporate Card, Truist One Card, and Truist Executive Card Product Types.

To the extent the Organization earns a Rebate for Transactions made using the Card Program, Organization will not earn Rewards for those same Transactions; that is, the Organization will not earn both a Reward and a Rebate for the same Transaction.

## **Important Details and Definitions applicable to Rebates**

### **Rebate Calculations and Definitions**

Truist will calculate the Organization's Commercial Card Rebate ("Rebate") based upon the following:

To the extent the Organization earns Rewards for Transactions made using the Card Program, Organization will not earn any Rebate for those same Transactions; neither will those Transactions be included in any of the below aggregations for purposes of calculating the Organization's Card Program spend and corresponding Rebate. To be clear, the Organization will not earn both a Reward and a Rebate for the same Transaction; each Transaction will only be applied to one or the other type of incentive within the Incentive Program.

The below calculations and definitions, therefore, include only those "Rebate-eligible" Transactions made by the Organization through use of the Card Program. For purposes of calculating the Rebate:

- Each **Calendar Year** runs from January 1 through December 31 of a given year.
- **Rebate Period** means the 12-month timeframe beginning the first day of January and ending on December 31 of a given Calendar Year; the Rebate Period will reset and renew annually on the first day of January. The Organization's initial Rebate Period will begin the first day of the month in which Organization makes its first Transaction and shall continue until December 31st of that same Calendar Year; accordingly, the Organization's initial Rebate Period may actually be shorter than 12 full months.
- **Large Ticket Transactions** are those Transactions made during the Rebate Period that qualify for reduced interchange rates as determined by the applicable Card Association Network (such designation made at the sole discretion of the respective Card Association Network(s) and usually due to Transaction size or merchant type).
- **Negotiated Interchange Transactions** are those Transactions made during the Rebate Period with certain merchants that have negotiated reduced interchange rates with the applicable Card Association Network (such designation made at the sole discretion of the respective Card Association Network(s)).
- **Net Purchases** refers to the aggregated sum of all Standard Spend plus all Large Ticket Transactions plus all Negotiated Interchange Transactions made by the Organization during the Rebate Period.
  - As relates to any Transaction, each and every of the following will be expressly excluded from the computation of Net Purchases: credit chargebacks, credit losses, delinquency assessments, fees, disputed amounts, and charges or other Transactions determined (in Truist's sole reasonable discretion) to be unauthorized. The following items are also expressly not considered by Truist to be Transactions included in the Net Purchase computation: (1) Cash Advances (via ATM or by any other means), (2) Quasi-Cash or Cash-Equivalent items (e.g., wire transfers, cryptocurrency, travelers' checks, money orders, foreign currency, lottery tickets, or gambling chips or wagers), (3) Convenience Checks, (4) Stored Value Cards (e.g., gift cards, prepaid cards, etc.), and (5) the purchase of Rewards incentives.
- **Annual Spend** is the Organization's aggregated total during the Rebate Period of all Net Purchases plus all Cash Advances minus all credits, fees, and disputed Transactions. Truist will calculate the Organization's Annual Spend once every 12 months, after the end of the Rebate Period.
- **Standard Spend** is the net amount after deducting all of the Organization's Cash Advances, Large Ticket Transactions, and Negotiated Interchange Transactions from the Annual Spend.
- **Large Ticket Transactions Spend** is the net amount after deducting all of the Organization's Cash Advances, Standard Spend, and Negotiated Interchange Transactions from the Annual Spend.
- **Negotiated Interchange Transactions Spend** is the net amount after deducting all of the Organization's Cash Advances, Standard Spend, and Large Ticket Transactions from the Annual Spend.

Truist and the Organization may agree that different Rebate pricing will apply based on the Organization's spend on different respective Product Types across the Card Program. The Parties may also agree to different pricing based on the Billing Cycle applicable to a Product Type(s). To the extent either or both of these scenarios applies to your Organization's Incentive Program, this Incentive Addendum will reflect multiple Rebate Pricing Tables below and will designate the applicable Product Type(s) to which each respective Rebate Pricing Table will apply.

If a single Rebate Pricing Table applies to the Organization's Incentive Program, for each Rebate Period:

- First, we will calculate the Standard Spend, Large Ticket Transactions Spend, and Negotiated Interchange Transactions Spend;
- Then, we will calculate the **Standard Spend Rebate, LTI Spend Rebate, and Negotiated Spend Rebate** by multiplying the applicable "Rebate Rate" (based on the applicable Billing Cycle as reflected in the Rebate Pricing Table) by the Standard Spend, Large Ticket Transactions Spend, and Negotiated Interchange Transactions Spend, respectively;
- Next, we will determine the **Charge-Offs**; this shall be all amounts owed by the Organization related to the Card Program (including personal charges made on any Card) and that remain unpaid by the Organization for a period of 90 days.

If multiple Rebate Pricing Tables apply to the Organization's Incentive Program, for each Rebate Period:

- First, we will calculate the Standard Spend, Large Ticket Transactions Spend, and Negotiated Interchange Transactions Spend for each respective Product Type;
- Then, we will calculate the **Standard Spend Rebate, LTI Spend Rebate, and Negotiated Spend Rebate for each Product Type** by multiplying the applicable "Rebate Rate" (based on the applicable Billing Cycle as reflected in that Product Type's Rebate Pricing Table) by the Standard Spend, Large Ticket Transactions Spend, and Negotiated Interchange Transactions Spend, respectively, for that Product Type;
- Next, we will aggregate all of the respective Product Type-specific rebates to calculate the Organization's Standard Spend Rebate, LTI Spend Rebate, and Negotiated Spend Rebate, respectively, across all Product types;
- Then, we will determine the **Charge-Offs**; this shall be all amounts owed by the Organization related to the Card Program (including personal charges made on any Card) and that remain unpaid by the Organization for a period of 90 days.

The **Organization's Commercial Card Rebate** for a given **Rebate Period** is, therefore, determined by adding the sum of all Standard Spend Rebate(s) (across all Product Types) plus all LTI Spend Rebate(s) (across all Product Types) plus all Negotiated Spend Rebate(s) (across all Product Types) and then subtracting all Charge-Offs.

Generally, Truist will pay the Rebate via Automated Clearing House (ACH) within ninety (90) days after the later-occurring of the following events: (i) the end of the applicable Rebate Period, or (ii) the Agreement has been terminated. If, for any reason, the Agreement is terminated in the midst of any Rebate Period, the Organization's Rebate shall be calculated based on the Organization's actual-to-date Annual Spend within that Rebate Period.

For the avoidance of doubt, Truist unequivocally reserves the right to hold, withdraw, or offset any accrued Rebate for the satisfaction of any unpaid balance owed to Truist or if Truist determines (in its sole and absolute discretion) that the Organization: (i) fails to comply with the Agreement, (ii) is in delinquency, (iii) is in default, (iv) fails to maintain other Truist relationships in a manner satisfactory to Truist, (v) has or is committing fraud or abuse related to the Incentive Program (including through the actions of an Authorized User or Cardholder), (vi) is involved in bankruptcy proceedings, or (vii) is otherwise not in Good Standing.

### Rebate Pricing Table(s)

This rebate grid references the **State of Tennessee Consortium**

Rebate Tier	Consortium Total Annual Spend	REBATE RATE by Entity Annual Spend			Rebate will be increased by the below bps based on billing and payment option
		<\$5MM	<\$25MM	>=\$25MM	
1	<\$1MM				
2	\$1MM to \$5MM	1.40%			
3	\$5MM to \$25MM	1.42%	1.57%		
4	\$25MM to \$50MM	1.47%	1.62%	1.90%	
5	\$50MM to \$100MM	1.49%	1.64%	1.92%	
6	\$100MM to \$300MM	1.52%	1.67%	1.95%	
7	>\$300MM	1.57%	1.72%	2.00%	
LTI Rate					
Negotiated Rate					
Standard Rebate will be decreased by the below bps for Certain Card Programs.					
Corporate Card (0.08%)					
Single Use, CTA, Executive (0.10%)					

## **Rebate Payment Authorization**

The Organization hereby designates the below depository account to be the account into which Truist will initiate Rebate payment(s) to Organization. Typically, Rebate payments are made by Automated Clearing House (ACH) credit entry to the designated depository account within ninety (90) days following the established Rebate Period.

Organization also authorizes Truist to initiate ACH debits from the Organization's depository account as necessary to correct any errors in the Rebate payment(s) made by Truist to Organization.

This authorization will remain in effect until the Organization notifies Truist in writing (in accordance with the notice provisions of the Agreement) to revoke this authorization and Truist has a reasonable time to implement the revocation. Organization understands and agrees that it must give Truist at least 3 business days' notice to cancel this authorization. Truist may cancel this authorization at any time and for any reason, without giving Organization advance notice.

Truist is authorized to send the Commercial Card Rebate payment via ACH to the below account ("Organization Depository Account"):

Depository bank name: Truist  
Routing number: TBD  
Account number: TBD  
Name on account: City of Murfreesboro

If, for any reason, the Rebate payment is rejected by the designated depository bank, Truist will make a reasonable attempt to notify the Organization (e.g., by informing a Program Administrator) of the rejection; Truist may thereafter apply the Rebate as a statement credit to the Card Program or may take no further action.

This authorization is subject to the terms and conditions of the Agreement, any other Card Program agreements, and applicable United States state and federal laws and regulations. The Organization also agrees to be bound by the NACHA Operating Rules.

**SIGNATURES**

**ORGANIZATION**

By signing as an Authorized Officer below, I hereby attest that I have the intention and requisite authority to bind the Organization to this Commercial Card Incentive Addendum to the Agreement.

Signature of Authorized Officer:
Name of Authorized Officer (please print): MITCHELL SHANE MCFARLAND
Title: Mayor
Date:

**TRUIST BANK**

By signing as an Authorized Officer below, I hereby attest that I have the intention and requisite authority to bind Truist Bank to this Commercial Card Incentive Addendum to the Agreement

Signature of Authorized Officer:
Name of Authorized Officer (please print): Chris Attridge
Title: SVP, Head of Commercial Card Sales and CIG Relationship Management
Effective Date (date signed by Truist):



## Commercial Card Terms and Conditions Addendum

**This form must be accompanied by an executed and dated  
Commercial Card Client Acceptance Form.**

### Organization

Organization Legal Name:	CITY OF MURFREESBORO
Doing Business As (DBA), if any: City of Murfreesboro	

Unless otherwise defined, capitalized terms used herein shall have the meaning ascribed to them within the Commercial Card Client Acceptance Form or Commercial Card Terms, as applicable.

**The undersigned Organization and Truist Bank, through the respective signatures of their respective Authorized Officers below, hereby agree to amend the Truist Commercial Card Terms and Conditions (the "Terms") as described below and expressly incorporate this Commercial Card Terms and Conditions Addendum into the Agreement. Except as specifically amended by this Commercial Card Terms and Conditions Addendum, all other portions of the Terms shall continue in full force and effect.**

**Amended:** Technology Solution Implementation (TSI) - Standard, Technology Solution Implementation (TSI) - Enhanced, Technology Solution Implementation (TSI) - Premiere, Third Party Data File Set-up

### SIGNATURES

#### ORGANIZATION

By signing as an Authorized Officer below, I hereby attest that I have the intention and requisite authority to bind the Organization to this Commercial Card Terms and Conditions Addendum.

Signature of Authorized Officer:
Name of Authorized Officer (please print): MITCHELL SHANE MCFARLAND
Title: Mayor
Date:

#### TRUIST BANK

By signing as an Authorized Officer below, I hereby attest that I have the intention and requisite authority to bind Truist Bank to this Commercial Card Terms and Conditions Addendum.

Signature of Authorized Officer:
Name of Authorized Officer (please print): Chris Attridge
Title: SVP, Head of Commercial Card Sales and CIG Relationship Management
Effective Date (date signed by Truist):



# COUNCIL COMMUNICATION

Meeting Date: 09/14/2023

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**Item Title:** CIP Transfers

**Department:** Finance

**Presented by:** Jennifer Brown, Finance Director

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## Summary

Notification to Council of CIP transfers.

## Background Information

Major capital investments are generally funded by debt. The funds secured are allocated annually with the CIP Budget process. The transfer of CIP funds something is necessary under certain circumstances, such as transfer of priorities, unanticipated project delays, etc.

Another circumstance requiring CIP funds transfer is the potential for arbitrage earnings, which result in IRS penalties. Arbitrage earnings result when the City's investment earning on unexpended funds is greater than the interest that is paid for those funds. The unprecedented rapid rise in interest rates has recently created a risk of arbitrage earnings unless transfer of CIP funds is undertaken. Council has granted the Finance Department authority to transfer funds when necessary to avoid IRS penalties on arbitrage earnings.

The transfers shown in the attached schedule shows the proposed transfer of funds between the Bond Fund and the General Fund. The amount of funding for the existing projects listed does not change, only the source of the funds to be expended.

## Council Priorities Served

*Responsible budgeting*

Proper management of borrowed funds is required to maintain the funding's tax status and avoid undue penalties.

## Fiscal Impacts

The transfer of CIP Funds will have no effect on the CIP Funds balance.

## Attachments:

1. CIP Transfers Schedule
2. CIP Funds Transfer Request – General Fund/2021 Bond
3. CIP Funds Transfer Request – General Fund/2021 Bond/2022 Bond

**Funds Available by Loan Before Transfer**

September, 2023	Project	18 Bond Available Funds	19 Bond Available Funds	21 Bond Available Funds	22 Bond Available Funds	General Fund Available Funds	MED Proceeds Available Funds	TOTALS Available Funds
	Towne Creek					10,000		10,000
	Rucker Lane				10,000			10,000
	Cherry Lane Phase 3				1,814,004			1,814,004
	Pre-K Building				605,096			605,096
	Transfer Station					2,182,031		2,182,031
	2021 Bond Interest					2,419,100		2,419,100
	2022 Bond Interest					2,182,031		2,182,031
<b>Total</b>		<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,429,100</u></b>	<b><u>2,182,031</u></b>	<b><u>4,611,131</u></b>	<b><u>-</u></b>	<b><u>9,222,262</u></b>

**Funds Available by Loan After Reallocation**

June, 2023	Project	18 Bond Available Funds	19 Bond Available Funds	21 Bond Available Funds	22 Bond Available Funds	General Fund Available Funds	MED Proceeds Available Funds	TOTALS Available Funds
	Towne Creek			10,000				10,000
	Rucker Lane					10,000		10,000
	Cherry Lane Phase 3					1,814,004		1,814,004
	Pre-K Building					605,096		605,096
	Transfer Station					2,182,031		2,182,031
	2021 Bond Interest			2,419,100				2,419,100
	2022 Bond Interest				2,182,031			2,182,031
<b>Total</b>		<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,429,100</u></b>	<b><u>2,182,031</u></b>	<b><u>4,611,131</u></b>	<b><u>-</u></b>	<b><u>9,222,262</u></b>



### **CIP Funds Transfer Request**

Submitted for your approval is the following request to transfer CIP funds.

CIP Loan General Fund / 2021 Bond

Transfer CIP funds from:	Transfer CIP funds to:		
Town Creek (General Fund)	(10,000.00)	Rucker Lane (General Fund)	10,000.00
Rucker Lane (2021)	(10,000.00)	Town Creek (2021)	10,000.00
<b>TOTAL TRANSFER</b>	<u>(20,000.00)</u>	<b>TOTAL TRANSFER</b>	<u>20,000.00</u>

Explanation: It is requested that \$10,000.00 Town Creek General Fund be swapped with Rucker Lane 2021 Bond to accommodate spending down of the Loan/Bond Funds. Assigned Fund Balance for Rucker Lane will be increased by \$10,000.00

Vicki J. Massey 08/31/23  
Reviewed by Finance Date

Approved	<input checked="" type="checkbox"/>	<u>Jenny Bear</u> Finance Director
Declined	<input type="checkbox"/>	<u>8/31/23</u> Date

Please send the original to Vicki Massey, Finance & Tax Dept., once all signatures have been obtained.



**Agenda Item Title:** Approve agreement with Browning Chapman, LLC d/b/a Sport Court of Tennessee for the installation of a multi-activity court at Discovery School

**Board Meeting Date:** April 30, 2024

**Department:** Operations

**Presented by:** Trey Duke

**Board Agenda Category:**

Consent Agenda	<input type="checkbox"/>
Action Item	<input checked="" type="checkbox"/>
Reports and Information	<input type="checkbox"/>

**Requires City Council Approval:** Yes  No

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### Summary

Murfreesboro City Schools is seeking to resurface and install sport tiles on the current tennis court at Discovery School. This agreement with Browning Chapman, LLC d/b/a Sport Court of Tennessee is pursuant to Sourcewell agreement 031022-GER-3 and will be funded by the Project Diabetes Grant previously accepted by the school district as well as interest earned on County Shared Bonds. This is the second year of the three-year Project Diabetes Grant award.

### Staff Recommendation

Approve agreement with Browning Chapman, LLC d/b/a Sport Court of Tennessee for the installation of a multi-activity court at Discovery School.

### Fiscal Impact

Total cost of the proposal is \$139,855.00.

\$93,000.00 will be funded by the Project Diabetes Grant

\$46,855.00 will be funded by interest earned on County Shared Bonds.

### Connection to MCS's Five-Year Strategic Plan

- Known:** Every student will be *known* through whole-child programs and support.
- Safe:** Every student will be *safe* through equitable access to buildings, facilities, and infrastructure that meets their needs.
- Challenged:** Every student will be *challenged* by learning from highly effective educators and employees.
- Empowered:** Every student will be *empowered* through academic success

Monday, December 11<sup>th</sup>, 2023

## Sport Court Demolition & Fence Proposal for Discovery School

Current Site Dimensions: 144' x 119' = 17,136 sq. ft.

Target Site Dimensions: 100' x 119' = 11,900 sq. ft.

### DEMO SCOPE OF WORK (CSCI 140):

#### Demolition & Excavation of One Doubles Tennis Court

- Approximately 5,236 sq. ft. of Asphalt Removed
- Hauling Fees & Dump Fees Included

SQUARE (Saw-cut) the Entirety (all four sides) of the Remaining Asphalt Pad after the Demo is Complete

- Squareness is Paramount to Accept the Sport Court Playing Surface!
- Approximately 438 lin. ft.

#### Removal of Existing Basketball Hoop

- Hauling Fees & Dump Fees Included

#### Removal of (4) Tennis Net Posts & (2) Tennis Nets

- Hauling Fees & Dump Fees Included

#### Excavation for (3) Basketball Anchors

- Hauling Fees & Dump Fees Included
- Requires Concrete to be Poured in Each Basketball Anchor / Footing
- Approximately 3 Yards of Concrete

#### Clean up / Rough Grading of the Demo Area

	<u>w/ Sourcewell</u>	<u>MSRP</u>
<b><u>DEMO TOTAL:</u></b>	<b><u>\$28,000.00</u></b>	<b><u>\$41,495.00</u></b>



A Division of Browning Chapman, LLC

Monday, December 11<sup>th</sup>, 2023

#### FENCE SCOPE OF WORK (CSCI 140):

Current Site Dimensions: 144' x 119' = 17,136 sq. ft.

Target Site Dimensions: 100' x 119' = 11,900 sq. ft.

#### Removal of Existing Chain-link Fence

- Approximately 526 lin. ft. = 5,260 sq. ft. Removed
- Hauling Fees & Dump Fees Included

#### Installation of New 10' Tall Black Vinyl Chain-link Fence

- Approximately 438 lin. ft. = 4,380 sq. ft. Installed
- Installed in the Same Fashion as the Existing Fence
  - Top Rails all around
  - Mid Rails at the four corners
  - Bottom Tension Wire all around
- (2) New 4' Wide Fence Gates
- Post-hole Digging & Sleeve Setting for All New Fence Verticals

	<u>w/ Sourcewell</u>	<u>MSRP</u>
<b>TOTAL:</b>	<b><u>\$21,000.00</u></b>	<b><u>\$21,780.00</u></b>
<b>GRAND TOTAL FOR ALL THE ABOVE (DEMO &amp; FENCE):</b>	<b><u>\$49,000.00</u></b>	<b><u>\$63,275.00</u></b>

#### CONTACT INFORMATION REGARDING SOURCEWELL:

Joel McCausland, Sport Court Corporate

(801) 706-6071

Email: [jmccausland@sportcourt.com](mailto:jmccausland@sportcourt.com)

Monday, December 11<sup>th</sup>, 2023

## Sport Court Game Court Proposal for Discovery School

<u>PLAYING SURFACE</u>	<u>w/ Sourcewell</u>	<u>MSRP</u>
Basketball Court: Sport Court PowerGame+ Playing Surface (CSCI 299)	\$37,000.00	\$47,600.00
Tennis / Pickleball Court: Sport Court SportGame PB (Pickleball) Playing Surface (CSCI 298)	\$37,000.00	\$49,087.50
• Current Site Dimensions: 144' x 119' = 17,136 sq. ft.		
• Target Site Dimensions: 100' x 119' = 11,900 sq. ft.		
• PowerGame+ Cost/Sq. Ft.	\$6.22	\$8.00
• SportGame PB Cost/Sq. Ft.	\$6.22	\$8.25
 <u>PREP WORK &amp; COMPONENTS</u>		
Crack Fill (CSCI 140)	\$3,000.00	\$3,000.00
Screen / Recoat (CSCI 040)	\$3,000.00	\$3,000.00
(3) Pro 3672 Glass Height Adjustable Basketball System (CSCI 337)	\$10,500.00	\$10,500.00
Replacement Tennis Net, 41'9" Tour (CSCI 352)	\$355.00	\$355.00
 <b><u>TOTAL:</u></b>	<b><u>\$90,855.00</u></b>	<b><u>\$113,542.50</u></b>

\* The figures in this proposal include all freight, local delivery, and installation costs.

### CONTACT INFORMATION REGARDING SOURCEWELL:

Joel McCausland, Sport Court Corporate

(801) 706-6071

Email: [jmccausland@sportcourt.com](mailto:jmccausland@sportcourt.com)

## **Agreement for MultiSport Courts at Discovery School**

This Agreement is entered into and effective as of \_\_\_\_\_ (the "Effective Date") by and between the **City of Murfreesboro**, a municipal corporation of the State of Tennessee (the "City"), and **Browning Chapman, LLC dba Sport Court of Tennessee**, a limited liability company of the State of Indiana ("Contractor").

This Agreement consists of the following documents:

- This document
- Sourcewell Contract No. 031022-GER (the "Sourcewell Contract");
- Contractor's Proposals, dated December 11, 2023 ("Contractor's Proposals");
- Any properly executed amendments to this Agreement.

In the event of conflicting provisions, all documents will be construed according to the following priorities:

- First, any properly executed amendment or change order to this Agreement (most recent amendment or change order given first priority);
- Second, this Agreement;
- Third, the Sourcewell Contract
- Lastly, Contractor's Proposals.

### **1. Duties and Responsibilities of Contractor.**

- a. Scope of Work. Contractor is engaged by the City to provide the goods and refurbish and install the multisport courts at Discover School, located at 1165 Middle Tennessee Boulevard, Murfreesboro TN 37130 as follows:

#### **Playing Surface**

- Basketball Court: Sport Court PowerGame+ Playing Surface (CSCI 299)
- Tennis / Pickleball Court: Sport Court SportGame PB (Pickleball) Playing Surface (CSCI 298)
- Current Site Dimensions: 144' x 119' = 17,136 sq. ft.
- Target Site Dimensions: 100' x 119' = 11,900 sq. ft.

#### **Prep Work and Components**

- Crack Fill & Surface Prep (CSCI 140)
- Screen/Recoat (CSCI 040)
- Install (3) Pro 3672 Glass Height Adjustable Basketball System (CSCI 337)
- Replace Tennis Net, 41'9" Tour (CSCI 352)

#### **Demo Scope of Work**

- Demolition & Excavation of One Doubles Tennis Court
  - Approximately 5,236 sq. ft. of Asphalt Removed
  - Hauling Fees & Dump Fees Included
- **SQUARE** (Saw-cut) the Entirety (all four sides) of the Remaining Asphalt Pad after the Demo is Complete;
- Approximately 438 lin. ft.

- Removal of Existing Basketball Hoop
  - Hauling Fees & Dump Fees Included
- Removal of (4) Tennis Net Posts & (2) Tennis Nets
  - Hauling Fees & Dump Fees Included
- Excavation for (3) Basketball Anchors
  - Hauling Fees & Dump Fees Included
  - Requires Concrete to be Poured in Each Basketball Anchor / Footing
  - Approximately 3 Yards of Concrete
- Clean up / Rough Grading of the Demo Area

b. Supervision and Superintendence of Work.

1. Contractor will supervise and direct the work efficiently and with Contractor's best skill and attention. Contractor will be solely responsible for the means, methods, techniques, sequences, and procedures of construction. Contractor will be responsible to see that the finished work complies accurately with the Contract documents.
2. Contractor will keep on the work site at all times during work progress a competent resident superintendent. The superintendent will be Contractor's representative at the site and shall have authority to act on behalf of Contractor. All communications given to the superintendent shall be as binding as if given to Contractor.

c. Labor, Materials, and Equipment.

1. Contractor will provide competent, suitably qualified personnel to perform the work as set forth in Contractor's Proposal. The Contractor will at all times maintain good discipline and order at the site.
2. Contractor will furnish all materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, and all other incidentals necessary for the execution, testing, initial operation, and completion of the work.
3. All materials will be new, except as otherwise provided in the Contract documents. If required by the City, Contractor will furnish satisfactory evidence as to the kind and quality of materials and equipment.
4. All materials and equipment shall be applied, installed, connected, erected, used, cleaned and conditioned in accordance with the instructions of the applicable manufacturer, fabricator or processors, except as otherwise provided in the Contract documents.

d. Warranty and Guarantee. The Contractor warrants to the City that:

1. Unless otherwise provided for, all materials, machinery, and equipment used on the work shall be new, of the best quality in their kind and grade, and of the most efficient and effective design and type available for the purposes for which they are intended;
2. All materials, machinery, and equipment conform in every respect with the specifications, drawings, approved samples, and other requirements of the Contract documents;
3. Only such materials, machinery, and equipment shall be used on the work as have been produced or manufactured in accordance with the established and generally accepted standards for goods and workmanship of the type covered by the specifications and are of such a design and construction as to perform properly the function or work for which they are intended and to afford the maximum ease in upkeep and repair;
4. The finish of the exterior surface of the materials, machinery and equipment used on the work shall be in accordance with the specifications, or if there are no applicable

specifications, such finish shall be consistent with commercially accepted practices for the services to be rendered by the respective materials, machinery, and equipment; and,

5. The Contractor agrees that all warranties in the Contract documents shall survive acceptance of, delivery of, and payment for, the goods, whether any defects shall be latent or patent, and agrees to indemnify and hold the City harmless from any loss, damage, or other expense, including attorneys' fees, that the City may suffer as a result of the failure of the materials, machinery, and equipment or workmanship to be as warranted. Each warranty with respect to any items other than machinery and equipment, shall expire sixty (60) months from the date of receipt by the City of such items and, with respect to machinery and equipment, twenty-four (24) months after the date of initial operation of such machinery and equipment. The Contractor agrees to correct without expense to, and to the satisfaction of, the City, any defects that may develop in material, workmanship, and design during the period of such warranty.

The warranties set forth in this subsection are cumulative and shall not exclude or affect the operation of any other warranty or guaranty provided by law or by the Contract documents.

e. Subcontractors.

1. Contractor will not employ any subcontractor to perform any of the work required under the Contract documents without first obtaining the written approval of the City's designated representative to employ the subcontractor.
2. Contractor will be fully responsible for all acts and omissions of any subcontractor and of persons directly or indirectly employed by them and of persons for whose acts any of them may be liable to the same extent that Contractor is responsible for the acts and omissions of persons directly employed by Contractor. Nothing in the Contract documents shall create any contractual relationships between any subcontractor and the City or any obligation on the part of the City to pay or to see to the payment of any moneys due any subcontractor, except as may otherwise be required by law. The City may furnish to any subcontractor, to the extent practicable, evidence of amounts paid to Contractor on account of specific work done in accordance with the schedule of values.
3. Contractor agrees to bind specifically every subcontractor to the applicable terms and conditions of the Contract documents for the benefit of the City.
4. All work performed for Contractor by a subcontractor shall be pursuant to an appropriate written agreement between Contractor and the subcontractor.

f. Permits. Contractor will secure and pay for all construction permits and licenses and will pay all governmental charges and inspection fees necessary for the prosecution of the work, which are applicable at the time of Contractor's bid. Contractor will also pay all public utility charges.

g. Use of Premises.

1. Contractor will confine Contractor's equipment, the storage of materials and equipment and the operations of Contractor's workers to areas permitted by law, ordinances, permits, or the requirements of the Contract documents, and shall not unreasonably encumber the premises with materials or equipment.
2. Contractor will not load nor permit any part of the structure to be loaded with weights that will endanger the structure, nor will Contractor subject any part of the work to stresses or pressures that will endanger it.

h. Safety and Protection.

1. Contractor will be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the work. Contractor will take all necessary precautions for the safety of, and will provide the necessary protection to prevent damage, injury or loss to:
  - a. All employees on the work and other persons who may be affected thereby,
  - b. All the work and all materials or equipment to be incorporated there, whether in storage on or off the site, and
  - c. Other property at the site or adjacent property, including trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designated for removal, relocation, or replacement in the course of construction.
- Contractor will comply with all applicable laws, ordinances, rules, regulations and order of any public body having jurisdiction for the safety of persons or property or to protect them from damage, injury or loss. Contractor will erect and maintain, as required by the conditions and progress of the work, all necessary safeguards for safety and protection. Contractor will notify the City of adjacent utilities when prosecution of the work may affect them. All damage, injury, or loss to any property referred to in subparagraph (2) or (3) of this section caused directly or indirectly, in whole or in part, by Contractor, any subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, will be remedied by Contractor; except damage or loss attributable to the fault of drawings or specifications or to the acts or omissions of the City or anyone employed by either of them or anyone for whose acts either of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of Contractor.
2. Contractor will designate a responsible member of Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be Contractor's superintendent unless otherwise designated in writing by Contractor to the City.
- i. **Emergencies.** In emergencies affecting the safety of persons or the work or property at the site or adjacent property, Contractor, without special instruction or authorization from the City, is obligated to act, at Contractor's discretion, to prevent threatened damage, injury or loss.
- j. **Cleaning Up.** Contractor will keep the premises free from accumulations of waste materials, rubbish, and other debris resulting from the work, and at the completion of the work Contractor will remove all waste materials, rubbish and debris from and about the premises as well as all tools, construction equipment and machinery, and surplus materials, and will leave the site clean and ready for occupancy by the City. Contractor will restore to their original condition those portions of the site not designated for alteration by the Contract documents.
- k. **Access to the Work.** Representatives of the City will at all times have access to the work. Contractor will provide proper facilities for such access and observation of the work and also for any inspection or testing by others.
- l. **Contractor's Continuing Obligation.** Contractor's obligation to perform the work and complete the Project in accordance with the Contract documents shall be absolute. Neither any payment by the City to Contractor under the Contract documents, nor any use or occupancy of the Project or any part by the City, nor any act of acceptance by the City nor any failure to do so, nor any correction of defective work by the City shall constitute acceptance of work not in accordance with the Contract documents.
2. **Term.** The term of this Agreement shall be One Hundred Twenty (120) days from the Notice to Proceed. Contractor's services may be terminated in whole or in part:

- a. Upon 30-day prior notice, for the convenience of the City.
- b. For the convenience of Contractor, provided that Contractor notifies the City in writing of its intent to terminate under this paragraph at least 30 days prior to the effective date of the termination.
- c. For cause, by either party where the other party fails in any material way to perform its obligations under this Agreement. Termination under this subsection is subject to the condition that the terminating party notifies the other party of its intent to terminate, stating with reasonable specificity the grounds therefore, and the other party fails to remedy the problem within 15 days after receiving the notice.
- d. Should Contractor fail to fulfill in a timely and proper manner its obligations under this Agreement or if it should violate any of the terms of this Agreement, the City has the right to immediately terminate the Agreement. Such termination does not relieve Contractor of any liability to the City for damages sustained by virtue of any breach by Contractor.
- e. Should the appropriation for Contractor's work be withdrawn or modified, the City has the right to terminate the Agreement immediately upon written notice to Contractor.

3. **Price; Compensation; Method of Payment.** Contractor will be compensated upon the delivery and acceptance of the goods and services specified in Contractor's Proposals dated December 11, 2023 for Playing Surface, Prep Work and Components for \$90,855.00 and Demolition Scope of Work for \$49, which reflects a **total price of \$139,885.00**. Any compensation due Contractor under the Agreement shall be made upon submittal of an invoice after performance of the portion of the services which each payment represents. The City agrees to pay Contractor after goods and/or services have been received, accepted, and properly invoiced as indicated in the Agreement and/or purchase order. The final payment shall be made only after Contractor has completely performed its duties under this Contract and the work has been accepted by the City and all work has been approved by an inspector from the Murfreesboro Building and Codes Department or City designee, if applicable. Invoices must bear the purchase order number. Final payment shall not be made until after performance is complete. All invoices should be sent to: [accountspayable@murfreesboron.gov](mailto:accountspayable@murfreesboron.gov).

4. **Insurance.** Contractor must maintain commercial general liability insurance for bodily injury and property damage, automobile liability insurance, and workers' compensation insurance as required by the State of Tennessee and as specified in Exhibit A hereto. Contractor must name the City and the City of Murfreesboro as an additional insured Contractor must notify the City within five days if the insurance policy is renewed, cancelled, or altered in any manner and provide written documentation of such alteration.

5. **Indemnification.**

- a. Contractor must indemnify, defend, and hold harmless the City, its officers, agents and employees from any claims, penalties, damages, costs and attorney fees ("Expenses") arising from injuries or damages resulting from, in part or in whole, the negligent or intentional acts or omissions of contractor, its officers, employees and/or agents, including its subcontractors or independent contractors, in connection with the performance of this Agreement, and, Expenses arising from any failure of Contractor, its officers, employees and/or agents, including its subcontractors or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.
- b. Pursuant to Tennessee Attorney General Opinion 93-01, the City will not indemnify, defend or hold harmless in any fashion Contractor from any claims arising from any failure,

regardless of any language in any attachment or other document that Contractor may provide.

**6. Notices.**

Notice of assignment of any rights to money due to Contractor under this Agreement must be mailed first class mail or hand delivered to the following:

If to the City of If to Contractor:

Murfreesboro:

City Manager

City of Murfreesboro

111 West Vine Street

Murfreesboro, TN 37130

Browning Chapman dba Sport Court of

Tennessee

Attn: Garrett Allen

2101 Bastian Court

Westfield, IN 46074

[garrett@sportcourtoftn.com](mailto:garrett@sportcourtoftn.com)

**7. Maintenance of Records.** Contractor must maintain documentation for all charges against the City. The books, records, and documents of Contractor, insofar as they relate to work performed or money received under the Agreement, must be maintained for a period of three full years from the date of final payment and will be subject to audit, at any reasonable time and upon reasonable notice by the City or its duly appointed representatives. Accounting records must be maintained in accordance with the Generally Accepted Accounting Principles.

**8. Modification.** This Agreement may be modified only by written amendment executed by all parties and their signatories hereto.

**9. Relationship of the Parties.** Nothing herein may in any way be construed or intended to create a partnership or joint venture between the parties or to create the relationship of principal and agent between or among any of the parties. None of the parties hereto may hold itself out in a manner contrary to the terms of this paragraph. No party becomes liable for any representation, act, or omission of any other party contrary to this section.

**10. Waiver.** No waiver of any provision of this Agreement affects the right of any party thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default.

**11. Employment.** Contractor may not subscribe to any personnel policy which permits or allows for the promotion, demotion, employment, dismissal or laying off of any individual due to race, creed, color, national origin, age, sex, veteran status, or any other status or class protected under federal or state law or which is in violation of applicable laws concerning the employment of individuals with disabilities.

**12. Non-Discrimination.** It is the policy of the City not to discriminate on the basis of age, race, sex, color, national origin, veteran status, disability, or other status or class protected under federal or state law in its hiring and employment practices, or in admission to, access to, or operation of its programs, services, and activities. With regard to all aspects of this Agreement, Contractor certifies and warrants it will comply with this policy. No person may be excluded from participation in, be denied benefits of, be discriminated against in the admission or access to, or be discriminated against in treatment or employment in the City's contracted programs or activities, on the grounds of handicap and/or disability, age, race, color, religion, sex, national origin, or any other classification protected by federal or Tennessee State Constitutional or statutory law; nor may they be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of contracts with the City or in the employment practices of the City's Contractors. Accordingly, all proposers entering into contracts with the City may upon request be required to show proof of such

nondiscrimination and to post in conspicuous places that are available to all employees and applicants, notices of nondiscrimination.

13. **Gratuities and Kickbacks.** It is a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therewith. It is a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this Agreement, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from being a contractor or subcontractor under the City.

14. **Assignment.** The provisions of this Agreement inure to the benefit of and are binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Contractor under this Agreement, neither this Agreement nor any of the rights and obligations of Contractor hereunder may be assigned or transferred in whole or in part without the prior written consent of the City. Any such assignment or transfer does not release Contractor from its obligations hereunder.

15. **Integration.** This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof and governs the respective duties and obligations of the parties.

16. **Force Majeure.** No party has any liability to the other hereunder by reason of any delay or failure to perform any obligation or covenant if the delay or failure to perform is occasioned by *force majeure*, meaning any act of God, storm, fire, casualty, unanticipated work stoppage, strike, lockout, labor dispute, civil disturbance, riot, war, national emergency, act of public enemy, or other cause of similar or dissimilar nature beyond its control.

17. **Governing Law and Venue.** The validity, construction and effect of this Agreement and any and all extensions or modifications thereof are governed by the laws of the state of Tennessee regardless of choice of law doctrine or provision in any attachment or other document that Contractor may provide. Any action between the parties arising from this agreement may only be filed in the courts of Rutherford County, Tennessee.

18. **Severability.** Should any provision of this Agreement be declared to be invalid by any court of competent jurisdiction, such provision will be severed and not affect the validity of the remaining provisions of this Agreement.

19. **Attorney Fees.** In the event any party takes legal action to enforce any provision of the Agreement, should the City prevail, Contractor will pay all expenses of such action including attorney fees, expenses, and costs at all stages of the litigation and dispute resolution.

20. **Contractor's Background Check.** Pursuant to T.C.A. & 49-5-413, Contractor must agree to a background check, which requires a criminal history records check conducted by the TBI and the FBI, for each employee prior to permitting an employee to enter school grounds when students are present.

21. **Tobacco Free School.** Pursuant to Murfreesboro City Schools Board Policy 1.803 and State law, the use of tobacco and tobacco products, including smokeless tobacco, is prohibited on all of Murfreesboro City Schools' property. Contractor and all employees of Contractor must abide by this policy.
22. **Iran Divestment Act of Tennessee.** By submission of the Contractor's Bid, Contractor certifies, under penalty of perjury, that to the best of its knowledge and belief that Contractor is not on the list created pursuant to Tenn. Code Ann. §12-12-106.
23. **Non-Boycott of Israel.** By submission of the Contractor's Bid, Contractor certifies, under penalty of perjury, that to the best of its knowledge and belief that each supplier is not boycotting Israel pursuant to Tenn. Code Ann. § 12-4-119 and will not boycott Israel during the term of contract. This applies to contracts of \$250,000 or more and to contractors with ten (10) or more employees.
24. **Effective Date.** This Agreement is not binding upon the parties until signed by each of the Contractor and authorized representatives of the City and is thereafter effective as of the date set forth above.

**IN WITNESS WHEREOF**, the parties enter into this agreement as of the Effective Date first listed above.

**CITY OF MURFREESBORO, TENNESSEE BROWNING CHAPMAN D/B/A SPORT COURT**

By: \_\_\_\_\_  
Shane McFarland, Mayor  
Approved as to form:

By: \_\_\_\_\_  
Allan Browning, President

Adam F. Tucker, City Attorney

## **Exhibit A**

### **Insurance Requirements**

Contractor must, as a material obligation to the Owner and a condition precedent to any payment otherwise due to Contractor, furnish and maintain, and cause its Subcontractors to furnish and maintain, insurance in accordance with the provisions of this Exhibit.

Contractor must secure and maintain without interruption, from the date of commencement of the Work until the later of the date of Final Completion, the date of final payment, or the date until which this Agreement requires any coverage to be maintained after final payment, policies of commercial general liability, commercial auto, umbrella/excess, workers' compensation and employer's liability insurance, providing the following coverages, limits and endorsements:

#### **1. Commercial General Liability Insurance.**

- 1.1 The CGL policy must be written on an occurrence basis, on ISO form CG 001 or its equivalent, providing coverage for bodily injury, broad form property damage, personal injury (including coverage for contractual and employee acts), contractual liability, incidental professional liability, the hazards commonly referred to as XCU, and products and completed operations, with a combined single limit of liability of not less than \$1,000,000 for each occurrence applicable to the Work, and an annual aggregate limit of liability of not less than \$1,000,000 applicable solely to the Work, and meeting all other requirements of this Exhibit.
- 1.2 The general liability insurance may be accomplished with a combination of a general liability and an excess/umbrella liability policy.
- 1.3 Each general liability policy must be endorsed or written to:
  - a. Include the per project aggregate endorsement;
  - b. Name as additional insureds the following: the City of Murfreesboro and its elected officials, officers, employees, representatives and agents (collectively, the "Additional Insureds");
  - c. Stipulate that the insurance afforded by the policies furnished by Contractor will be primary insurance and that any insurance, self-insured retention, deductibles, or risk retention programs maintained or participated in by the Additional Insureds, or their agents, officials or employees will be excess and not contributory to the liability insurance furnished by Contractor and by its Subcontractors;
  - d. Includes a severability of interest clause; and
  - e. Waive all rights of recovery against the Additional Insureds.

2. **Workers' Compensation Insurance.** Workers' Compensation policy must meet all Tennessee statutory requirements, including Employers' Liability Insurance with limits of at least \$ 1,000,000 per accident or disease per employee, both policies endorsed to waive subrogation against the Additional Insureds.

3. **Auto Liability Insurance**

- 3.1 Commercial auto liability must be carried with minimum combined single limit of \$1,000,000 per occurrence.
- 3.2 This policy must include a duty to defend and cover all owned, non-owned, leased, hired, assigned or borrowed vehicles.
- 3.3 This policy must be endorsed, by specific or blanket endorsement, to name the Additional Insureds as such, stipulate that any insurance carried by the Additional Insureds must be excess and not contributory, and to waive subrogation against the Additional Insureds.

#### 4. **Term of Coverage**

- 4.1 The products and completed operations liability coverage required by this Agreement must extend for a period of not less than five years after the earlier of Final Payment for the Work, or the termination of the Agreement (the “Completed Operations Term”).
- 4.2 If at any time during the Completed Operations Term Contractor cannot obtain equivalent coverage by replacement or renewal, Contractor must acquire a tail policy prior to expiration of the existing policy that will extend coverage until the end of the Completed Operations Term.
- 4.3 Contractor will furnish certificates of insurance and other evidence that the Owner may reasonably require during the Completed Operations Term to establish compliance with the requirements of this paragraph.
- 4.4 All other policies of insurance must be maintained continuously in force from commencement of the Work until the date of Final Payment.

#### 5. **Subcontractor and Lower-Tier Entities Insurance Requirements**

- 5.1 Contractor must require all of Contractor's Subcontractors and must require its Subcontractors to require their Lower Tier Entities, as a condition of working on the Project, and of receiving payment, to:
  - a. Purchase and maintain Commercial General Liability, Workers' Compensation and Employer's Liability, and Automotive insurance policies, with the same coverages, endorsements, terms of coverage and other provisions as are required of Contractor under by this Exhibit, **EXCEPT THAT** the combined coverage limits of the general liability insurance to be furnished by Lower Tier Entities must be \$ 1,000,000 per occurrence, and \$ 1,000,000 as the annual aggregate limit; and
  - b. Timely furnish to the Owner proper certificates, endorsements, copies of declarations pages, and other documents necessary to establish the Subcontractor's compliance with this Exhibit.
  - c. The Lower Tier Entities' general liability policy must also be endorsed to provide the policy must be primary insurance, the general liability insurance furnished by Contractor must be the secondary and non-contributory, and any insurance carried by the Additional Insureds must be excess, tertiary and non-contributory to the insurance furnished by Contractor and Subcontractor.

- d. The Owner has the right to inspect and copy all such certificates, endorsements, or other proof at any reasonable time.

6. **Other Policy Provisions.** Each policy to be furnished by Contractor and each Subcontractor must:

- 6.1 Be issued by an insurance carrier having a rating from A.M. Best Company of at least A-VII or better;
- 6.2 Provide that attorney's fees are outside of the policy's limits and be unlimited;
- 6.3 Include the Project per aggregate endorsement;
- 6.4 Waive all rights of subrogation against the Owner;
- 6.5 Provide a Certificate that contains a provision that coverages afforded under the policies will not be canceled, allowed to expire, or reduced in amount until at least thirty (30) days' prior written Notice has been given to the Owner; and
- 6.6 Be otherwise satisfactory to the Owner. The Owner agrees to consider alternatives to the requirements imposed by this Exhibit but only to the extent that the Owner is satisfied the insurance is not commercially available to the insured. In such event, the Owner has the right to set conditions for such waiver, including, but not limited to, additional indemnities, and the request that the Owner be a loss-payee under the policy.

7. **Certificates and Endorsements**

- 7.1 Within 10 days after the execution of this Agreement, Contractor must provide the Owner with certificates and endorsements;
- 7.2 Upon the Owner request, Contractor must provide the Owner with certificates and endorsements from each of its Subcontractors, in all cases evidencing compliance by Contractor, each Subcontractor, and Lower Tier Entities with the requirements of this Exhibit together with letters from the respective carriers (including, but not limited to, the Errors and Omissions insurance carriers) that there are no known or pending claims or incidents which have resulted in the establishment of a reserve or otherwise have reduced the amount of coverage potentially available to the Owner under the policy and that available coverage has not been reduced because of revised limits or payments made (or, in the event such representations cannot be given, Contractor, its Subcontractors, and its Lower Tier Entities must furnish the particulars thereof to the Owner).
- 7.3 If any of the foregoing insurance coverages are required to remain in force after Final Completion, Contractor must submit an additional certificate evidencing continuation of such coverage with its application for final payment.

8. **Reduction in Coverage.** Contractor must promptly inform the Owner of any reduction of coverage resulting from revised limits, claims paid, or both and must require its Subcontractors and Lower Tier Entities to promptly inform Contractor of same. The Owner has the right to require Contractor or the applicable Subcontractor to obtain supplemental or replacement coverage to offset such reduced coverage, at the sole cost or expense of Contractor or the applicable Subcontractor.

**9. Suppliers and Materialmen Coverages**

- 9.1 Contractor will endeavor to cause all suppliers and materialmen to deliver any equipment, machinery or other goods FOB Site.
- 9.2 With respect to any equipment, machinery or other goods for which the Owner or Contractor has paid a deposit, Contractor will cause the respective suppliers and materialmen to maintain personal property insurance in an amount equal to the value of such equipment, machinery or other goods (but in no event less than the amount of the applicable deposit) during fabrication, storage and transit, naming the Owner and Contractor as loss payee as their interests appear.

**10. Condition Precedent to Starting Work**

- 10.1 Prior to, and as a condition of its right to begin performing any Work on the Site, Contractor and each Subcontractor and Lower Tier Entities must deliver to the Owner certificates of insurance representing that the required insurance is in force, together with the additional insured endorsements and waivers of subrogation required above, and such other proof satisfactory to the Owner that the required insurance is in place; together with the original of each bond required under this Agreement. Contractor and each Subcontractor and Lower Tier Entities hereby authorize the Owner to communicate directly with the respective insurance agents, brokers and/or carriers and sureties to verify their insurance and bond coverage;
- 10.2 The Owner is under no obligation or duty to make any such inquiry and the Owner is entitled to rely on any proofs of insurance tendered by Contractor or its Subcontractors and Lower Tier Entities. The Owner's acceptance of any proof of insurance and bonds offered by Contractor or any Subcontractor or Lower Tier Entities will not be deemed a waiver of the obligations of Contractor and Subcontractors and Lower Tier Entities to furnish the insurance and bonds required by this Exhibit.

11. **Additional Proofs of Insurance.** Contractor must, within 10 days after request, provide the Owner with certified copies of all policies and endorsements obtained in compliance with this Agreement.

12. **Indemnity.** The fact that Contractor and its Subcontractors are required by this Agreement to purchase and maintain insurance in no way limits or restricts any other obligations or duties Contractor and its Subcontractors and Lower Tier Entities may have to indemnify, defend or hold harmless the Owner and the other Additional Insureds from and against any and all demands, liabilities, losses or expenses of whatever kind or nature.

13. **Interpretation.** In the event of any inconsistency between the provisions of this Exhibit and those of the other provisions of the Agreement, the terms of this Exhibit will govern.

**14. Performance Bond and Payment Bond.**

- 14.1 The Contractor shall provide surety bonds as follows:

Type	Penal Sum (\$0.00)
Performance Bond	100% of the Contract Sum
Labor and Material Payment Bond	100% of the Contract Sum

- 14.2 Bonds shall be issued by a surety licensed in the State of Tennessee and satisfactory to the Owner.
- 14.3 The Contractor must provide evidence of Bonds prior to the beginning of work. If the Performance and Payment Bonds are not furnished within ten (10) days of execution of the Agreement, the Owner, in its sole discretion, may elect to terminate the Agreement and award the Project to an alternate contractor.
- 14.4 The Owner will require the Contractor to increase the Performance and Payment Bonds to accommodate Change Orders that individually or cumulatively exceed 10% of the original Contract Sum. The Contractor shall furnish to the Owner and keep in force during the term of the Contract, performance and labor and material payment bonds guaranteeing that the Contractor will perform its obligations under the Contract and will pay for all labor and materials furnished for the Work.
- 14.5 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Agreement, the Contractor shall promptly furnish a copy of the bonds or shall permit a copy to be made.



STATE OF TENNESSEE  
DEPARTMENT OF  
COMMERCE AND INSURANCE



BROWNING CHAPMAN, LLC D/B/A SPORT COURT OF  
TENNESSEE

412289

ID NUMBER: 80969  
LIC STATUS: ACTIVE  
EXPIRATION DATE: April 30, 2026

BOARD FOR LICENSING CONTRACTORS  
CONTRACTOR

THIS IS TO CERTIFY THAT ALL REQUIREMENTS  
OF THE STATE OF TENNESSEE HAVE BEEN MET

BROWNING CHAPMAN, LLC D/B/A SPORT COURT OF TENNESSEE  
2101 BASTION COURT  
WESTFIELD, IN 46074

# State of Tennessee

412289

BOARD FOR LICENSING CONTRACTORS  
CONTRACTOR

BROWNING CHAPMAN, LLC D/B/A SPORT COURT OF TENNESSEE

*This is to certify that all requirements of the State of Tennessee have been met.*

ID NUMBER: 80969  
LIC STATUS: ACTIVE  
EXPIRATION DATE: April 30, 2026  
3,000,000; BC-B



IN-1313  
DEPARTMENT OF  
COMMERCE AND INSURANCE

**BOARD FOR LICENSING CONTRACTORS**

AREAS OF CERTIFICATION/MONEY LIMITS

**3,000,000; BC-B**

**Agenda Item Title:** Schools Budget Amendment for Summer School Grant

**Board Meeting Date:** April 30, 2024

**Department:** Finance & Federal Programs

**Presented by:** Trey Duke

**Board Agenda Category:**

Consent Agenda	<input type="checkbox"/>
Action Item	<input checked="" type="checkbox"/>
Reports and Information	<input type="checkbox"/>

**Requires City Council Approval:** Yes  No

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### Summary

This amendment budgets the new Summer Learning and Transportation grants in the General-Purpose Schools funds. These new revenues and expenditures are awarded by TDOE to pay for the June 2024 summer learning program, and it will have no effect on the fund balance.

The \$1,779,702 Summer Learning grant funds salaries for teachers, assistants, nurses, crossing guards, administrative staff, and clerical staff. Additionally, the grant funds instructional materials and supplies.

The \$174,481 Transportation grant funds salaries for bus drivers and transportation staff as well as gasoline for the buses.

### Staff Recommendation

Approve the amendment for the new Summer Learning and Transportation grants.

### Fiscal Impact

Increases revenues and corresponding expenditures by \$1,954,183.

### Connection to MCS's Five-Year Strategic Plan

- Known:** Every student will be *known* through whole-child programs and support.
- Safe:** Every student will be *safe* through equitable access to buildings, facilities, and infrastructure that meets their needs.
- Challenged:** Every student will be *challenged* by learning from highly effective educators and employees.
- Empowered:** Every student will be *empowered* through academic success

General Purpose Schools Fund 141  
Fiscal Year 2023-24

## Summer Learning Grants

Account Description	BUDGET AS PASSED OR PREV AMENDED	AMENDED BUDGET	AMENDMENT INCREASE (DECREASE)
<b>Revenues</b>			
Other State Grants	1,679,034	1,679,034	
Other Federal Through State (14.08%)	275,149	275,149	
<b>Total Increase in Revenues</b>	<b>\$</b>	<b>\$ 1,954,183</b>	<b>\$ 1,954,183</b>

Summer Learning Camps Grant  
Expenditures

Teachers	37,686,500	38,370,900	684,400
Educational Assistants	3,476,425	3,519,625	43,200
Social Security	2,591,433	2,638,794	47,361
State Retirement	2,670,778	2,732,445	61,667
Medicare	606,065	617,635	11,570
Hybrid Retirement	325,000	332,346	7,346
Instructional Supplies & Materials	454,750	1,190,393	735,643
Other Supplies & Materials	192,180	195,180	3,000
Medical Personnel	654,100	674,260	20,160
Social Security	41,795	43,245	1,450
State Retirement	59,500	63,103	3,603
Medicare	9,775	10,267	492
Hybrid Retirement	5,000	5,262	262
Other Salaries	46,640	92,640	46,000
Social Security	107,580	110,666	3,086
State Retirement	128,738	130,734	1,996
Medicare	25,160	26,054	894
Hybrid Retirement	1,300	1,626	326
Travel	7,500	9,500	2,000
Principals	1,558,300	1,603,100	44,800
Clerical Personnel	*	17,280	17,280
Social Security	263,800	268,649	4,849
State Retirement	345,790	351,755	5,965
Medicare	61,695	62,695	1,000
Hybrid Retirement	11,500	12,170	670
Janitorial Services	2,839,000	2,869,682	30,682
<b>Total Summer Learning Camps</b>	<b>\$ 54,170,304</b>	<b>\$ 55,950,006</b>	<b>1,779,702</b>

Summer Transportation Grant			
Bus Drivers	1,341,300	1,423,956	2,765,256
Other Salaries-Bus Aides	665,000	721,645	1,386,645
Social Security	150,745	159,483	310,228
State Retirement	295,900	312,853	608,753
Medicare	35,255	37,376	72,631
Gasoline	275,000	282,368	557,368
<b>Total Summer Transportation Grant</b>	<b>2,763,200</b>	<b>2,937,681</b>	<b>174,481</b>
<b>Total Increase in Expenditures</b>	<b>56,933,504</b>	<b>58,887,687</b>	<b>1,954,183</b>

## CHANGE IN FUND BALANCE (CASH)

This amendment budgets new TDOE summer grants totaling \$1,954,183 in the General Purpose School Fund for Summer Learning Camps and Summer Transportation during the month of June.

The grant covers salaries for teachers, assistants, nurses, crossing guards, bus drivers and aides, and administrative and clerical staff. The grant also funds instructional supplies and gasoline.

There is no change to fund balance since this is a reimbursement grant. No new positions were added.

Reviewed by Finance Director/Finance Manager

4/22/24  
Date

Approved	<input checked="" type="checkbox"/>	<i>Bobbi Jo Delle III</i>	<i>4/22/24</i>
Declined	<input type="checkbox"/>	Director of Schools	Date

**Agenda Item Title:** Approval of the 2024-2025 General Purpose Budget

**Board Meeting Date:** April 30, 2024

**Department:** Finance

**Presented by:** Trey Duke

**Board Agenda Category:**

Consent Agenda	<input type="checkbox"/>
Action Item	<input checked="" type="checkbox"/>
Reports and Information	<input type="checkbox"/>

**Requires City Council Approval:** Yes  No

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### Summary

The 2024-2025 General Purpose School budget is being presented to the Board for approval. The budget includes projected revenues and expenditures associated with the district's operational program.

The 2024-2025 certified and classified salary scales and differentiated pay plans are presented with the General-Purpose Schools' budget. A minimum of 3% cost of living increase has been applied to the certified teacher salary scale with additional amounts added at specific experience levels to ensure the district remains competitive in all pay lanes. The classified salary scale has a minimum of 4% cost of living increase.

### Staff Recommendation

To approve the FY 2024-2025 General Purpose School budget as presented.

### Fiscal Impact

Total Budgeted Revenues:	\$107,633,849
Total Budgeted Expenditures:	\$112,419,127
Total from Fund Balance:	\$4,785,278

### Connection to MCS's Five-Year Strategic Plan

- Known:** Every student will be *known* through whole-child programs and support.
- Safe:** Every student will be *safe* through equitable access to buildings, facilities, and infrastructure that meets their needs.
- Challenged:** Every student will be *challenged* by learning from highly effective educators and employees.
- Empowered:** Every student will be *empowered* through academic success

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

**9705**

<b>REVENUES</b>		<b>2023-24</b>	<b>2023-24</b>	<b>2024-25</b>	<b>Net Budget</b>	<b>Pct. Change</b>	<b>Pct. Change</b>
<b>Description</b>		<b>Est. Rev.</b>	<b>Budget</b>	<b>Budget</b>	<b>Incr/(Decr)</b>	<b>2023-24</b>	<b>2023-24</b>
County Taxes	\$ 34,086,000	\$ 31,059,800	\$ 33,670,000	\$ 2,610,200		8.40%	-1.22%
Licenses and Permits	2,000	2,000	2,000	-		0.00%	0.00%
Charges for Current Services	150,000	150,000	150,000	-		0.00%	0.00%
Other Local Revenue	939,500	848,638	419,500	(429,138)		-50.57%	-55.35%
State of Tennessee	62,156,742	61,714,302	65,132,246	3,417,944		5.54%	4.79%
Federal Government	24,000	24,000	24,000	-		0.00%	0.00%
Other Local Sources	8,520,538	8,510,538	8,236,103	(274,435)		-3.22%	-3.34%
<b>TOTAL REVENUES</b>	<b>\$ 105,878,780</b>	<b>\$ 102,309,278</b>	<b>\$ 107,633,849</b>	<b>\$ 5,324,571</b>		<b>5.20%</b>	<b>1.66%</b>
<b>RESERVES/FUND BAL.</b>	<b>\$ (1,888,978)</b>	<b>\$ 4,126,611</b>	<b>\$ 4,785,278</b>	<b>\$ 658,667</b>		<b>15.96%</b>	<b>-353.33%</b>
<b>GRAND TOTAL REV./FUND BAL.</b>	<b>\$ 103,989,802</b>	<b>\$ 106,435,889</b>	<b>\$ 112,419,127</b>	<b>\$ 5,983,238</b>		<b>5.62%</b>	<b>8.11%</b>

<b>EXPENDITURES</b>		<b>2023-24</b>	<b>2023-24</b>	<b>2024-25</b>	<b>Net Budget</b>	<b>Pct. Change</b>	<b>Pct. Change</b>
<b>Description</b>		<b>Est. Exp.</b>	<b>Budget</b>	<b>Budget</b>	<b>Incr/(Decr)</b>	<b>2023-24</b>	<b>2023-24</b>
Regular Instruction	\$ 54,330,731	\$ 55,654,848	\$ 59,611,680	\$ 3,956,832		7.11%	9.72%
Special Educ. Instruction	12,357,750	12,472,983	13,353,365	880,382		7.06%	8.06%
Student Support - Attendance	158,165	160,965	180,601	19,636		12.20%	14.18%
Student support - Health	1,070,270	1,072,249	1,214,210	141,961		13.24%	13.45%
Other Student Support	3,432,960	3,623,785	4,090,501	466,716		12.88%	19.15%
Support Staff - Reg. Instruction	2,408,466	2,493,762	2,699,349	205,587		8.24%	12.08%
Support Staff - Special Ed. Instr.	1,779,535	2,001,350	2,087,054	85,704		4.28%	17.28%
Support Services - Technology	2,613,012	2,674,265	2,568,810	(105,455)		-3.94%	-1.69%
Admin. Support - Board of Educ.	1,957,760	1,966,681	2,051,595	84,914		4.32%	4.79%
Support Services - Director Office	416,570	438,963	471,438	32,475		7.40%	13.17%
Support Services - Principal Office	5,591,230	5,628,525	6,020,571	392,046		6.97%	7.68%
Support Services - Fiscal Services	862,480	886,045	861,755	(24,290)		-2.74%	-0.08%
Support Services - Personnel	599,965	594,415	596,836	2,421		0.41%	-0.52%
Support Services - Oper. Of Plant	6,291,034	6,371,800	6,290,500	(81,300)		-1.28%	-0.01%
Support Services - Maint. Of Plant	4,009,263	4,153,183	3,240,580	(912,603)		-21.97%	-19.17%
Support Services - Transportation	4,136,689	4,221,565	5,025,384	803,819		19.04%	21.48%
Community Service	521,595	522,655	492,605	(30,050)		-5.75%	-5.56%
Early Childhood Education	1,062,845	1,108,368	1,121,775	13,407		1.21%	5.54%
Regular Capital Outlay	171,872	171,872	222,919	51,047		29.70%	29.70%
Issuance Costs/Capital Outlay-Bonds	-	-	-	-		NA	NA
Other Uses/Transfers	217,610	217,610	217,601	(9)		0.00%	0.00%
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 103,989,802</b>	<b>\$ 106,435,889</b>	<b>\$ 112,419,127</b>	<b>\$ 5,983,238</b>		<b>5.62%</b>	<b>8.11%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

Acct. Group	Description	2023-24 Est. Rev.	2023-24 Budget	2024-25 Budget	Net Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Rev.
40000	County Taxes	\$ 34,086,000	\$ 31,059,800	\$ 33,670,000	\$ 2,610,200	8.40%	-1.22%
41000	Licenses and Permits	2,000	2,000	2,000	-	0.00%	0.00%
43000	Charges for Current Services	150,000	150,000	150,000	-	0.00%	0.00%
44000	Other Local Revenue	939,500	848,638	419,500	(429,138)	-50.57%	-55.35%
46000	State of Tennessee	62,156,742	61,714,302	65,132,246	3,417,944	5.54%	4.79%
47000	Federal Government	24,000	24,000	24,000	-	0.00%	0.00%
49000	Other Local Sources	8,520,538	\$8,510,538	8,236,103	(274,435)	-3.22%	-3.34%
<b>TOTAL REVENUES</b>		<b>\$ 105,878,780</b>	<b>\$ 102,309,278</b>	<b>\$ 107,633,849</b>	<b>\$ 5,324,571</b>	<b>5.20%</b>	<b>1.66%</b>
<b>RESERVES &amp; FUND BALANCES</b> (Increase)Decrease		<b>\$ (1,888,978)</b>	<b>\$ 4,126,611</b>	<b>\$ 4,785,278</b>	<b>\$ 658,667</b>	<b>15.96%</b>	<b>-353.33%</b>
<b>GRAND TOTAL REVENUES</b>		<b>\$ 103,989,802</b>	<b>\$ 106,435,889</b>	<b>\$ 112,419,127</b>	<b>\$ 5,983,238</b>	<b>5.62%</b>	<b>8.11%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

Acct. No.	Description	2023-24 Est. Rev.	2023-24 Budget	2024-25 Budget	Net Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Rev.
40110	Current Property Tax	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ -	0.00%	0.00%
40120	Trustee's Collection - Prior	165,000	165,000	165,000	-	0.00%	0.00%
40130	Property Tax - Prior (Other)	100,000	100,000	100,000	-	0.00%	0.00%
40140	Interest and Penalty	37,000	37,000	37,000	-	0.00%	0.00%
40150	Pick-Up Taxes	20,000	20,000	24,000	4,000	20.00%	20.00%
40161	Payments in Lieu Taxes - TV	1,000	1,000	1,000	-	0.00%	0.00%
40162	Payments in Lieu Taxes - Loc	23,000	23,000	23,000	-	0.00%	0.00%
40210	Local Option Sales Tax	17,000,000	14,300,000	16,700,000	2,400,000	16.78%	-1.76%
40240	Wheel Tax	840,000	750,000	800,000	50,000	6.67%	-4.76%
40270	Business Tax	500,000	420,000	420,000	-	0.00%	-16.00%
40275	Mixed Drink Tax	400,000	243,800	400,000	156,200	64.07%	0.00%
40290	Other Local Option Tax	-	-	-	-	NA	NA
<b>TOTAL LOCAL TAXES</b>		<b>\$ 34,086,000</b>	<b>\$ 31,059,800</b>	<b>\$ 33,670,000</b>	<b>\$ 2,610,200</b>	<b>8.40%</b>	<b>-1.22%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

<b>Acct. No.</b>	<b>Description</b>	<b>2023-24 Est. Rev.</b>	<b>2023-24 Budget</b>	<b>2024-25 Budget</b>	<b>Net Budget Incr/(Decr)</b>	<b>Pct. Change 2023-24 Budget</b>	<b>Pct. Change 2023-24 Est. Rev.</b>
41110	Marriage Licenses	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	0.00%	0.00%
	<b>TOTAL LICENSES AND PERMITS</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ -</b>	<b>0.00%</b>	<b>0.00%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

<b>Acct. No.</b>	<b>Description</b>	<b>2023-24 Est. Rev.</b>	<b>2023-24 Budget</b>	<b>2024-25 Budget</b>	<b>Net Budget Incr/(Decr)</b>	<b>Pct. Change 2023-24 Budget</b>	<b>Pct. Change 2023-24 Est. Rev.</b>
43511	Tuition/County Students	\$ -	\$ -	\$ -	\$ -	NA	NA
43517	Tuition/Integrated PK	\$ 150,000	\$ 150,000	\$ 150,000	\$ -	0.00%	0.00%
<b>TOTAL CURRENT SERVICES</b>		<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>0.00%</b>	<b>0.00%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

Acct. No.	Description	2023-24 Est. Rev.	2023-24 Budget	2024-25 Budget	Net Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Rev.
44110	Interest Earned/Investments	\$ 2,500	\$ 1,000	\$ 2,500	\$ 1,500	150.00%	0.00%
44111	Interest Earned/Checking	\$ 490,000	\$ 60,000	\$ 225,000	\$ 165,000	275.00%	-54.08%
44130	Sale of Materials & Supplies	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	0.00%	0.00%
44170	Miscellaneous	\$ 160,000	\$ 160,000	\$ 160,000	\$ -	0.00%	0.00%
44180	City of Murfreesboro-Tech.	\$ -	\$ -	\$ -	\$ -	NA	NA
44520	Insurance Recovery	\$ -	\$ -	\$ -	\$ -	NA	NA
44530	Sale of Equipment	\$ 10,000	\$ 10,000	\$ 15,000	\$ 5,000	50.00%	50.00%
44560	Damages Recovered/Individual	\$ -	\$ -	\$ -	\$ -	NA	NA
44570	Donations and Gifts	\$ 115,000	\$ 455,638	\$ 15,000	\$ (440,638)	-96.71%	-86.96%
44990	Other Local Revenue	\$ 160,000	\$ 160,000	\$ -	\$ (160,000)	-100.00%	-100.00%
<b>TOTAL OTHER LOCAL REVENUE</b>		<b>\$ 939,500</b>	<b>\$ 848,638</b>	<b>\$ 419,500</b>	<b>\$ (429,138)</b>	<b>-50.57%</b>	<b>-55.35%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

Acct. No.	Description	2023-24 Est. Rev.	2023-24 Budget	2024-25 Budget	Net Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Rev.
46310	Health Department Programs	\$93,900	\$93,900	\$126,700	32,800	34.93%	34.93%
46510	Tisa	60,000,000	59,713,965	63,477,651	3,763,686	6.30%	5.80%
46511	Basic Education Program	-	-	-	-	NA	NA
46515	Early Childhood Education	1,326,895	1,326,895	1,326,895	-	0.00%	0.00%
46530	Energy Efficient Schools	-	-	-	-	NA	NA
46590	Other State Education Funds	-	-	-	-	NA	NA
46591	Coordinated School Health	-	-	-	-	NA	NA
46592	ConnectTenn - ARRA	-	-	-	-	NA	NA
46594	Family Resource Center	-	-	-	-	NA	NA
46595	SSMS - ARRA	-	-	-	-	NA	NA
46610	Career Ladder Program	62,405	56,000	51,000	(5,000)	-8.93%	-18.28%
46612	Career Ladder Extended Cor	-	-	-	-	NA	NA
46615	Extended Contract - ARRA	-	-	-	-	NA	NA
46981	Safe Schools	154,175	154,175	-	(154,175)	-100.00%	-100.00%
46990	Other State Funds	519,367	369,367	150,000	(219,367)	-59.39%	-71.12%
<b>TOTAL STATE OF TENNESSEE</b>		<b>\$62,156,742</b>	<b>\$61,714,302</b>	<b>\$65,132,246</b>	<b>\$ 3,417,944</b>	<b>5.54%</b>	<b>4.79%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

<b>Acct. No.</b>	<b>Description</b>	<b>2023-24 Est. Rev.</b>	<b>2023-24 Budget</b>	<b>2024-25 Budget</b>	<b>Net Budget Incr/(Decr)</b>	<b>Pct. Change 2023-24 Budget</b>	<b>Pct. Change 2023-24 Est. Rev.</b>
47143	Education of Handicapped	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	0.00%	0.00%
47145	IDEA Preschool	9,000	9,000	9,000	-	0.00%	0.00%
47590	Other Federal Thru State	-	-	-	-	NA	NA
<b>TOTAL FEDERAL REVENUE</b>		<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ -</b>	<b>0.00%</b>	<b>0.00%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

Acct. No.	Description	2023-24 Est. Rev.	2023-24 Budget	2024-25 Budget	Net Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Rev.
49100	Bond Proceeds	-	-	-	-	NA	NA
49410	Bond Premium	-	-	-	-	NA	NA
49700	Insurance Recovery	20,000	10,000	25,000		0.00%	25.00%
49800	Transfers	450,000	450,000	170,000	(280,000)	-62.22%	-62.22%
49810	City General Fund Transfers	7,885,103	7,885,103	7,885,103	-	0.00%	0.00%
49820	Operating Transfers	165,435	165,435	156,000	(9,435)	-5.70%	-5.70%
49830	Operating Transfer-Opioid	-	-	-	-	NA	NA
<b>TOTAL OTHER LOCAL SOURCES</b>		<b>\$ 8,520,538</b>	<b>\$ 8,510,538</b>	<b>\$ 8,236,103</b>	<b>\$ (289,435)</b>	<b>-3.40%</b>	<b>-3.34%</b>
<hr/>							
<b>TOTAL REVENUE</b>		<b>\$ 105,878,780</b>	<b>\$ 102,309,278</b>	<b>\$ 107,633,849</b>	<b>\$ 5,309,571</b>	<b>5.19%</b>	<b>1.66%</b>
<hr/>							
<b>FUND BALANCE - (INCR.)/DECR.</b>		<b>\$ (1,888,978)</b>	<b>\$ 4,126,611</b>	<b>\$ 4,785,278</b>	<b>\$ 658,667</b>	<b>15.96%</b>	<b>-353.33%</b>
<hr/>							
<b>GRAND TOTAL REV. &amp; FUND BAL.</b>		<b>\$ 103,989,802</b>	<b>\$ 106,435,889</b>	<b>\$ 112,419,127</b>	<b>\$ 5,968,238</b>	<b>5.61%</b>	<b>8.11%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

Acct. Group	Description	2023-24	2023-24	2024-25	Net Increase	Pct. Change	Pct. Change
		Est. Exp.	Budget	Budget	Budget Incr/(Decr)	2023-24 Budget	2023-24 Est. Exp.
71100	Regular Instruction	\$ 54,330,731	\$ 55,654,848	\$ 59,611,680	\$ 3,956,832	7.11%	9.72%
71200	Special Educ. Instruction	12,357,750	12,472,983	13,353,365	880,382	7.06%	8.06%
72110	Student Support - Attendance	158,165	160,965	180,601	19,636	12.20%	14.18%
72120	Student support - Health	1,070,270	1,072,249	1,214,210	141,961	13.24%	13.45%
72130	Other Student Support	3,432,960	3,623,785	4,090,501	466,714	12.88%	19.15%
72210	Support Staff - Reg. Instruction	2,408,466	2,493,762	2,699,349	205,587	8.24%	12.08%
72220	Support Staff - Special Ed. Instr.	1,779,535	2,001,350	2,087,054	85,704	4.28%	17.28%
72250	Support Services - Technology	2,613,012	2,674,265	2,568,810	(105,455)	-3.94%	-1.69%
72310	Admin. Support - Board of Educ.	1,957,760	1,966,681	2,051,595	84,914	4.32%	4.79%
72320	Support Services - Director Office	416,570	438,963	471,438	32,475	7.40%	13.17%
72410	Support Services - Principal Office	5,591,230	5,628,525	6,020,571	392,046	6.97%	7.68%
72510	Support Services - Fiscal Services	862,480	886,045	861,755	(24,289)	-2.74%	-0.08%
72520	Support Services - Personnel	599,965	594,415	596,836	2,421	0.41%	-0.52%
72610	Support Services - Oper. Of Plant	6,291,034	6,371,800	6,290,500	(81,300)	-1.28%	-0.01%
72620	Support Services - Maint. Of Plant	4,009,263	4,153,183	3,240,580	(912,603)	-21.97%	-19.17%
72710	Support Services - Transportation	4,136,689	4,221,565	5,025,384	803,819	19.04%	21.48%
73300	Community Service	521,595	522,655	492,605	(30,049)	-5.75%	-5.56%
73400	Early Childhood Education	1,062,845	1,108,368	1,121,775	13,406	1.21%	0.00%
82130	Issuance Costs/Capital Outlay-Bonds	-	-	-	-	NA	NA
76100	Regular Capital Outlay	171,872	171,872	222,919	51,047	29.70%	29.70%
99100	Other Uses/Transfers	217,610	217,610	217,601	(9)	0.00%	0.00%
<b>GRAND TOTAL EXPENDITURES</b>		<b>\$ 103,989,802</b>	<b>\$ 106,435,889</b>	<b>\$ 112,419,127</b>	<b>\$ 5,983,237</b>	<b>5.62%</b>	<b>8.11%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

<b>71100--REGULAR INSTRUCTION</b>								
<b>Acct. No.</b>	<b>Description/Explanation</b>	<b>2023-24 Est. Exp.</b>	<b>2023-24 Budget</b>	<b>2024-25 Budget</b>	<b>Net Increase Budget Incr/(Decr)</b>	<b>Pct. Change 2023-24 Budget</b>	<b>Pct. Change 2023-24 Est. Exp.</b>	
116	Teachers <i>586 positions including steps and degree changes.</i>	\$ 36,914,685	\$ 37,686,500	\$ 38,814,000	\$ 1,127,500	2.99%	5.15%	
117	Career Ladder Program <i>State flow-thru.</i>	32,000	41,000	33,000	(8,000)	-19.51%	3.13%	
127	Career Ladder Extended Contracts <i>State flow-thru.</i>	-	-	-	-	NA	NA	
163	Educational Assistants <i>129.33 positions including steps.</i>	3,200,000	3,476,425	3,685,000	208,575	6.00%	15.16%	
172	Instructional Coach <i>13 positions</i>	-	-	1,050,000	1,050,000	NA	NA	
189	Other Salaries and Wages	-	-	-	-	NA	NA	
195	Substitute Teachers	565,000	565,000	615,000	50,000	8.85%	8.85%	
201	Social Security <i>6.2% matching.</i>	2,524,125	2,591,433	2,740,215	148,782	5.74%	8.56%	
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	3,070,600	2,670,778	3,200,000	529,222	19.82%	4.21%	
206	Life Insurance <i>Annual life coverage.</i>	92,000	103,500	112,000	8,500	8.21%	21.74%	
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	5,410,500	5,810,500	6,115,000	304,500	5.24%	13.02%	
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	160,000	176,305	180,000	3,695	2.10%	12.50%	
212	Medicare <i>1.45% matching.</i>	590,320	606,065	640,860	34,794	5.74%	8.56%	
217	Retirement-Hybrid Stabilization	185,000	325,000	200,000	(125,000)	-38.46%	8.11%	
299	Other Fringe Benefits <i>Health Ins. Benefit @ \$1,500.</i>	244,500	244,500	255,000	10,500	4.29%	4.29%	
336	Maint. and Repair - Equipment <i>Instructional Equipment.</i>	5,000	5,000	5,000	-	0.00%	0.00%	
399	Other Contracted Services <i>Copier Lease, etc. (Software moved to 429)</i>	25,000	25,000	25,000	-	0.00%	0.00%	
429	Inst. Supplies and Materials <i>\$14.50/pupil; \$200/tchr; Art @ \$2/pupil, Software, etc.</i>	450,000	454,750	1,045,745	590,995	129.96%	132.39%	
449	Textbooks <i>Science, Social Studies, etc.</i>	600,000	608,200	649,760	41,560	6.83%	8.29%	
499	Other Supplies and Materials <i>\$20/student (Equipment).</i>	192,000	192,180	194,100	1,920	1.00%	1.09%	
599	Other Charges <i>Attendance certificates, band, etc.</i>	60,000	60,712	40,000	(20,712)	-34.12%	-33.33%	
722	Regular Instruction Equipment <i>Misc. Tech. Equip, Instructional Equip.</i>	10,000	12,000	12,000	-	0.00%	20.00%	
<b>TOTAL REG. INSTR.</b>		<b>\$ 54,330,731</b>	<b>\$ 55,654,848</b>	<b>\$ 59,611,680</b>	<b>\$ 3,956,832</b>	<b>7.11%</b>	<b>9.72%</b>	

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

71200--SPECIAL EDUCATION INSTRUCTION							
Acct. No.	Description	2023-24 Est. Exp.	2023-24 Budget	2024-25 Budget	Net Increase Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Exp.
116	Teachers <i>73 positions including steps &amp; degree changes.</i>	\$4,586,900	\$4,539,000	\$4,892,000	\$ 353,000	7.78%	6.65%
117	Career Ladder Program <i>State flow-thru.</i>	6,000	4,000	7,000	3,000	75.00%	16.67%
127	Career Ladder Extended Contracts <i>State flow-thru.</i>	-	-	-	-	NA	NA
163	Educational Assistants <i>138.33 positions including steps.</i>	3,200,000	3,256,000	3,530,000	274,000	8.42%	10.31%
171	Speech Teachers <i>14 positions including steps.</i>	972,300	943,150	995,050	51,900	5.50%	2.34%
189	Other Salaries & Wages	-	-	-	-	NA	NA
195	Substitute Teachers	153,000	153,000	183,000	30,000	19.61%	19.61%
201	Social Security <i>6.2% matching.</i>	552,930	551,730	595,640	43,910	7.96%	7.72%
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	738,430	704,435	858,075	153,639	21.81%	16.20%
206	Life Insurance <i>Annual life coverage.</i>	20,000	22,100	24,000	1,900	8.60%	20.00%
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	1,354,000	1,454,000	1,585,600	131,600	9.05%	17.10%
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	43,000	50,600	50,695	95	0.19%	17.90%
212	Medicare <i>1.45% matching.</i>	129,315	129,045	139,305	10,260	7.95%	7.73%
217	Retirement-Hybrid Stabilization	30,000	65,500	35,500	(30,000)	-45.80%	18.33%
299	Other Fringe Benefits <i>Health Ins. Benefit @ \$1,500.</i>	102,875	100,500	105,000	4,500	4.48%	2.07%
311	Contracts w/Other School Systems	43,000	43,500	43,500	-	0.00%	1.16%
312	Contracts w/Private Agencies <i>Genesis Learning Centers.</i>	245,000	245,000	150,000	(95,000)	-38.78%	-38.78%
399	Other Contracted Services <i>Speech and hearing contracts.</i>	40,000	50,000	5,000	(45,000)	-90.00%	-87.50%
429	Inst. Supplies and Materials <i>Curriculum and assistive technology.</i>	56,000	56,000	69,500	13,500	24.11%	24.11%
499	Other Supplies and Materials <i>Workbooks, gloves, etc.</i>	60,000	77,243	25,000	(52,243)	-67.63%	-58.33%
725	Special Education Equipment <i>Assistive technology devices &amp; laptops.</i>	25,000	28,180	59,500	31,320	111.14%	138.00%
<b>TOTAL SPECIAL ED INSTR.</b>		<b>\$12,357,750</b>	<b>\$12,472,983</b>	<b>\$13,353,365</b>	<b>\$880,382</b>	<b>7.06%</b>	<b>8.06%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

<b>72110--STUDENT SERVICES - ATTENDANCE</b>							
<b>Acct. No.</b>	<b>Description</b>	<b>2023-24 Est. Exp.</b>	<b>2023-24 Budget</b>	<b>2024-25 Budget</b>	<b>Net Increase Budget Incr/(Decr)</b>	<b>Pct. Change 2023-24 Budget</b>	<b>Pct. Change 2023-24 Est. Exp.</b>
189	Other Salaries & Wages <i>2.5 positions.</i>	\$89,200	\$90,885	\$104,500	\$ 13,615	14.98%	17.15%
201	Social Security <i>6.2% matching.</i>	5,530	5,635	6,480	845	15.00%	17.17%
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	10,860	11,065	12,720	1,654	14.95%	17.13%
206	Life Insurance <i>Annual life coverage.</i>	200	250	275	25	10.00%	37.50%
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	24,800	24,800	24,300	(500)	-2.02%	-2.02%
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	405	410	460	50	12.20%	13.58%
212	Medicare <i>1.45% matching.</i>	1,295	1,320	1,515	195	14.77%	16.97%
299	Other Fringe Benefits <i>Health Ins. Benefit @ \$1,500.</i>	125	125	-	(125)	-100.00%	-100.00%
307	Communication <i>Monthly cell phone charges.</i>	-	-	-	-	NA	NA
355	Travel <i>Mileage reimbursement.</i>	250	1,250	1,250	-	0.00%	400.00%
399	Other Contracted Services <i>Skyward &amp; Fundmax</i>	12,500	12,500	12,500	-	0.00%	0.00%
499	Other Supplies and Materials <i>Attendance supplies - Plotter paper, registration cards, etc.</i>	2,500	2,500	2,500	-	0.00%	0.00%
524	In-Service/Staff Development	5,000	9,400	9,400	-	0.00%	88.00%
599	Other Charges <i>Miscellaneous supplies and contingency.</i>	500	500	500	-	0.00%	0.00%
704	Attendance Equipment	5,000	325	4,200	3,875	1192.31%	-16.00%
<b>TOTAL ATTENDANCE</b>		<b>\$158,165</b>	<b>\$160,965</b>	<b>\$180,601</b>	<b>\$19,636</b>	<b>12.20%</b>	<b>14.18%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

		72120--STUDENT SUPPORT SERVICES - HEALTH					Net Increase Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Exp.
Acct. No.	Description	2023-24 Est. Exp.	2023-24 Budget	2024-25 Budget					
105	Supervisor/Director	\$ 27,535	\$ 27,535	\$28,080	\$ 545			1.98%	1.98%
131	Medical Personnel <i>12 LPN's &amp; 4 RN's including steps.</i>	650,000	654,100	725,000	70,900			10.84%	11.54%
161	Secretary	-	-	-	-			NA	NA
189	Other Salaries and Wages <i>Sub Nurses</i>	27,000	27,140	27,140	-			0.00%	0.52%
201	Social Security <i>6.2% matching.</i>	43,685	43,945	48,375	4,429			10.08%	10.73%
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	60,000	63,720	70,000	6,280			9.86%	16.67%
206	Life Insurance <i>Annual life coverage.</i>	1,500	1,800	2,000	200			11.11%	33.33%
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	102,100	95,000	102,000	7,000			7.37%	-0.10%
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	3,000	3,100	3,100	-			0.00%	3.33%
212	Medicare <i>1.45% matching.</i>	10,220	10,280	11,315	1,035			10.07%	10.72%
217	Retirement-Hybrid Stabilization	5,500	5,000	6,000	1,000			20.00%	9.09%
299	Other Fringe Benefits <i>Health Ins. Benefit @ \$1,500.</i>	10,550	10,050	13,500	3,450			34.33%	27.96%
307	Communication <i>Cell phones for nurses.</i>	600	600	600	-			0.00%	0.00%
355	Travel <i>Mileage reimbursement.</i>	1,000	1,500	1,500	-			0.00%	50.00%
399	Other Contracted Services <i>SNAP, Stericycle, Project Diabetes, Etc.</i>	107,500	107,500	144,000	36,500			33.95%	33.95%
413	Drugs and Medical Supplies <i>First aid kits, hepatitis shots, etc.</i>	5,000	5,000	8,000	3,000			60.00%	60.00%
499	Other Supplies and Materials <i>Supplies for schools.</i>	5,000	5,400	7,000	1,600			29.63%	40.00%
524	In-Service/Staff Development	5,000	5,500	5,500	-			0.00%	10.00%
599	Other Charges <i>CSH matching.</i>	80	79	100	21			26.58%	25.00%
790	Equipment	5,000	5,000	11,000	6,000			120.00%	120.00%
<b>TOTAL HEALTH</b>		<b>\$ 1,070,270</b>	<b>\$ 1,072,249</b>	<b>\$1,214,210</b>	<b>\$141,961</b>			<b>13.24%</b>	<b>13.45%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

72130--STUDENT SUPPORT SERVICES - OTHER									
Acct. No.	Description	2023-24 Est. Exp.	2023-24 Budget	2024-25 Budget	Net Increase Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Exp.		
105	Supervisor/Director <i>.5 position.</i>	\$ 79,265	\$ 79,265	\$ 66,170	\$ (13,095)	-16.52%	-16.52%		
117	Career Ladder Program <i>State flow-thru.</i>	2,200	3,000	2,000	(1,000)	-33.33%	-9.09%		
123	Guidance Personnel <i>20 positions including steps.</i>	1,310,000	1,354,150	1,465,500	111,350	8.22%	11.87%		
127	Career Ladder Extended Contracts <i>State flow-thru.</i>	-	-	-	-	NA	NA		
130	Social Workers <i>6 including steps.</i>	308,000	306,300	420,000	113,700	37.12%	36.36%		
189	Other Salaries & Wages <i>8 Behavior Specialists including steps, 1 Mental Health, 7 EAs &amp; 1.5 Adm.</i>	790,000	860,165	970,000	109,835	12.77%	22.78%		
201	Social Security <i>6.2% matching.</i>	154,350	161,380	181,270	19,889	12.32%	17.44%		
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	176,045	224,580	288,865	64,285	28.62%	64.09%		
206	Life Insurance <i>Annual coverage.</i>	6,500	7,000	7,500	500	7.14%	15.38%		
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	315,000	318,000	400,000	82,000	25.79%	26.98%		
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	10,000	11,200	12,000	800	7.14%	20.00%		
212	Medicare <i>1.45% matching.</i>	36,100	37,745	42,395	4,650	12.32%	17.44%		
217	Retirement-Hybrid Stabilization	10,000	15,200	12,000	(3,200)	-21.05%	20.00%		
299	Other Fringe Benefits <i>Health Ins. Benefit @ \$1,500.</i>	10,500	15,000	15,000	-	0.00%	42.86%		
307	Communication	7,000	7,800	7,800	-	0.00%	11.43%		
322	Evaluation and Testing <i>System-wide benchmark testing</i>	75,000	80,000	80,500	500	0.63%	7.33%		
355	Travel <i>Mileage reimbursement.</i>	3,000	3,000	4,000	1,000	33.33%	33.33%		
399	Other Contracted Services <i>Proprio, Translator, (originally budgeted under 72210) &amp; etc.</i>	35,000	35,000	55,000	20,000	57.14%	57.14%		
499	Other Supplies and Materials <i>School allocation - \$350 per position, etc.</i>	81,500	81,500	35,000	(46,500)	-57.06%	-57.06%		
524	In-Service/Staff Development	16,500	16,500	21,500	5,000	30.30%	30.30%		
790	Equipment	7,000	7,000	4,000	(3,000)	-42.86%	-42.86%		
<b>TOTAL OTHER SUPPORT</b>		<b>\$3,432,960</b>	<b>\$3,623,785</b>	<b>\$ 4,090,501</b>	<b>\$ 466,714</b>	<b>12.88%</b>	<b>19.15%</b>		

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

<b>72210--STUDENT SUPPORT SERVICES - REGULAR INSTRUCTION</b>							
<b>Acct. No.</b>	<b>Description</b>	<b>2023-24 Est. Exp.</b>	<b>2023-24 Budget</b>	<b>2024-25 Budget</b>	<b>Net Increase Budget Incr/(Decr)</b>	<b>Pct. Change 2023-24 Budget</b>	<b>Pct. Change 2023-24 Est. Exp.</b>
105	Supervisor/Director <i>.6 position.</i>	\$74,830	\$74,830	\$78,310	3,480	4.65%	4.65%
117	Career Ladder Program <i>State flow-thru.</i>	5,000	5,000	5,000	-	0.00%	0.00%
127	Career Ladder Extended Contracts <i>State flow-thru.</i>	-	-	-	-	NA	NA
129	Librarians/Media Specialists <i>13 positions including steps.</i>	900,000	938,750	959,500	20,750	2.21%	6.61%
138	Instr. Support Personnel <i>6.5 positions.</i>	480,000	494,905	600,000	105,095	21.24%	25.00%
161	Secretaries <i>2 positions.</i>	65,000	74,951	75,300	349	0.47%	15.85%
163	Educational Assistants <i>5 MDAs and 2 EAs including steps.</i>	116,500	100,000	103,560	3,560	3.56%	-11.11%
189	Other Salaries and Wages <i>1 Interpreter.</i>	34,000	46,640	35,360	(11,280)	-24.19%	4.00%
201	Social Security <i>6.2% matching.</i>	98,270	107,580	115,138	7,557	7.02%	17.16%
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	115,780	128,738	134,825	6,087	4.73%	16.45%
206	Life Insurance <i>Annual cost.</i>	4,000	4,200	5,000	800	19.05%	25.00%
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	201,000	186,500	237,500	51,000	27.35%	18.16%
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	5,500	6,000	6,500	500	8.33%	18.18%
212	Medicare <i>1.45% matching.</i>	22,985	25,160	26,931	1,770	7.03%	17.17%
217	Retirement-Hybrid Stabilization	1,300	1,300	3,000	1,700	130.77%	130.77%
299	Other Fringe Benefits <i>Health Ins. Benefit @ \$1,500.</i>	6,000	10,500	10,500	-	0.00%	75.00%
307	Communication <i>Monthly phone service.</i>	3,300	3,323	1,200	(2,123)	-63.89%	-63.64%
322	Evaluation and Testing	-	-	-	-	NA	NA
355	Travel <i>Mileage reimbursement.</i>	7,000	7,500	10,000	2,500	33.33%	42.86%
399	Other Contracted Services <i>Annual Skyward license fee, Digital records, 504, etc.</i>	112,000	112,000	120,000	8,000	7.14%	7.14%
432	Library Books <i>9648 x \$6.00 &amp; Destiny.</i>	70,000	77,660	78,000	340	0.44%	11.43%
499	Other Supplies and Materials	6,000	6,000	6,000	-	0.00%	0.00%
524	In-Service/Staff Development	45,000	45,000	50,500	5,500	12.22%	12.22%
599	Other Charges	-	-	-	-	NA	NA
790	Equipment <i>Scanners for Digital records, etc.</i>	35,000	37,225	37,225	-	0.00%	6.36%
<b>TOTAL INSTR. SUPPORT</b>		<b>\$2,408,466</b>	<b>\$2,493,762</b>	<b>\$2,699,349</b>	<b>\$205,587</b>	<b>8.24%</b>	<b>12.08%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

72220--STUDENT SUPPORT SERVICES - SPECIAL EDUCATION INSTRUCTION							
Acct. No.	Description	2023-24 Est. Exp.	2023-24 Budget	2024-25 Budget	Net Increase Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Exp.
105	Supervisor/Director <i>1 position.</i>	\$100,750	\$112,115	\$117,475	\$ 5,360	4.78%	16.60%
117	Career Ladder Program <i>State flow-thru.</i>	1,000	1,000	1,000	-	0.00%	0.00%
124	Psychological Personnel <i>9 positions including steps.</i>	664,000	696,915	675,220	(21,695)	-3.11%	1.69%
131	Medical Personnel <i>1 OT &amp; 3 COTA including steps.</i>	139,200	184,200	193,655	9,455	5.13%	39.12%
161	Secretary	-	-	-	-	NA	NA
189	Other Salaries and Wages <i>6.5 Positions+4 Gifted including steps.</i>	392,000	437,300	516,550	79,250	18.12%	31.77%
201	Social Security <i>6.2% matching.</i>	80,415	88,880	93,245	4,364	4.91%	15.95%
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	79,825	85,590	111,000	25,410	29.69%	39.05%
206	Life Insurance <i>Annual cost.</i>	3,235	3,600	4,500	900	25.00%	39.10%
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	124,500	146,000	174,000	28,000	19.18%	39.76%
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	4,450	4,750	5,500	750	15.79%	23.60%
212	Medicare <i>1.45% matching.</i>	18,810	20,800	21,810	1,010	4.85%	15.95%
217	Retirement-Hybrid Stabilization	8,500	12,000	12,000	-	0.00%	41.18%
299	Other Fringe Benefits <i>Health Ins. Benefit @ \$1,500.</i>	6,250	10,500	10,500	-	0.00%	68.00%
307	Communication <i>Monthly cell phone charges.</i>	600	600	600	-	0.00%	0.00%
312	Contracts with Private Agencies <i>PCG</i>	40,000	40,000	40,000	-	0.00%	0.00%
322	Evaluation and Testing <i>Gifted Testing</i>	-	-	-	-	NA	NA
355	Travel <i>Mileage reimbursement.</i>	3,000	3,500	5,000	1,500	42.86%	66.67%
399	Other Contracted Services	-	-	-	-	NA	NA
499	Other Supplies and Materials <i>New Psych. Protocols &amp; Instructional supplies.</i>	71,000	75,000	60,000	(15,000)	-20.00%	-15.49%
524	In-Service/Staff Development	30,000	55,600	30,000	(25,600)	-46.04%	0.00%
599	Other Charges <i>Camp Boro flow through.</i>	-	8,000	-	(8,000)	-100.00%	NA
790	Equipment	12,000	15,000	15,000	-	0.00%	25.00%
<b>TOTAL SP. ED. SUPPORT</b>		<b>\$1,779,535</b>	<b>\$2,001,350</b>	<b>\$2,087,054</b>	<b>\$ 85,704</b>	<b>4.28%</b>	<b>17.28%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

72250--SUPPORT SERVICE - TECHNOLOGY							
Acct. No.	Description	2023-24 Est. Exp.	2023-24 Budget	2024-25 Budget	Net Increase Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Exp.
105	Supervisor/Director <i>1 position.</i>	\$100,785	\$100,785	\$104,540	\$ 3,755	3.73%	3.73%
121	Data Processing Personnel <i>1 network engineer, 1 cybersecurity engineer, 1 network adm, 1 system adm, 1 security adm, Webmaster .15 (.75 in 73300 &amp; Nutrition) &amp; 7 technicians including steps.</i>	760,000	806,780	821,800	15,020	1.86%	8.13%
162	Clerical Personnel <i>1 position.</i>	34,000	34,205	35,360	1,155	3.38%	4.00%
201	Social Security <i>6.2% matching.</i>	55,480	58,390	59,625	1,235	2.12%	7.47%
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	108,895	113,880	117,040	3,159	2.77%	7.48%
206	Life Insurance <i>Annual cost.</i>	2,000	2,400	2,500	100	4.17%	25.00%
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	130,500	127,000	140,000	13,000	10.24%	7.28%
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	3,500	4,000	4,000	-	0.00%	14.29%
212	Medicare <i>1.45% matching.</i>	12,977	13,660	13,945	285	2.08%	7.45%
217	Retirement-Hybrid Stabilization	-	-	-	-	NA	NA
299	Other Fringe Benefits <i>Health Ins. Benefit @ \$1,500.</i>	875	1,500	1,500	-	0.00%	71.43%
307	Communication <i>Monthly phone charges.</i>	9,500	9,500	9,500	-	0.00%	0.00%
317	Data Processing Services <i>Cisco Smartnet, Webex, Etc.</i>	139,000	139,167	132,000	(7,167)	-5.15%	-5.04%
350	Internet Connectivity <i>Internet Services.</i>	202,000	202,000	202,000	-	0.00%	0.00%
355	Travel <i>Mileage reimbursement.</i>	3,000	3,500	4,500	1,000	28.57%	50.00%
399	Other Contracted Services <i>Skyward, FMX, Etc.</i>	100,000	103,500	100,000	(3,500)	-3.38%	0.00%
435	Office Supplies	4,000	4,000	4,000	-	0.00%	0.00%
470	Cabling	25,000	25,000	25,000	-	0.00%	0.00%
471	Software <i>Dell License Renewal, VEEAM, Barracuda, Malware, Etc.</i>	423,000	423,200	470,000	46,800	11.06%	11.11%
524	In-Service/Staff Development	23,000	23,200	25,500	2,300	9.91%	10.87%
599	Other Charges	12,000	15,000	15,000	-	0.00%	25.00%
709	Technology Equipment <i>Firewall &amp; Network equipment.</i>	463,500	463,598	281,000	(182,598)	-39.39%	-39.37%
<b>TOTAL OTHER SUPPORT</b>		<b>\$2,613,012</b>	<b>\$2,674,265</b>	<b>\$2,568,810</b>	<b>(\$105,455)</b>	<b>-3.94%</b>	<b>-1.69%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

72310--ADMINISTRATIVE SUPPORT - BOARD OF EDUCATION							
Acct. No.	Description	2023-24 Est. Exp.	2023-24 Budget	2024-25 Budget	Net Increase Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Exp.
189	Other Salaries & Wages <i>Legal &amp; Secretary to the Board (10%).</i>	\$127,430	\$127,430	\$132,720	\$ 5,290	4.15%	4.15%
191	Board Members Fees <i>6 @ \$400 per month &amp; 1 @ \$450 per month.</i>	23,000	25,800	34,200	8,400	32.56%	48.70%
196	In-Service Training <i>Board Member training expenses.</i>	15,000	18,010	18,010	-	0.00%	20.07%
201	Social Security <i>6.2% matching.</i>	9,330	9,505	10,350	845	8.89%	10.94%
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	15,510	15,512	16,155	643	4.15%	4.16%
206	Life Insurance <i>Annual Cost.</i>	125	187	340	153	81.82%	172.00%
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	11,050	11,355	52,700	41,345	364.11%	376.92%
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	290	300	350	50	16.67%	20.69%
210	Unemployment Compensation <i>Unemployment benefits paid.</i>	30,000	51,000	51,000	-	0.00%	70.00%
212	Medicare <i>1.45% of Board Member fees.</i>	2,185	2,225	2,420	195	8.78%	10.76%
299	Other Fringe Benefits <i>65+ supplements. (2)</i>	1,600	1,600	1,600	-	0.00%	0.00%
305	Audit Services <i>Annual contract.</i>	57,250	54,750	57,250	2,500	4.57%	0.00%
320	Dues and Memberships <i>TSBA, AIMS, Chamber of Commerce, etc.</i>	13,000	15,000	15,000	-	0.00%	15.38%
331	Legal Services <i>Schools' portion for City Legal Department.</i>	35,000	35,000	35,000	-	0.00%	0.00%
355	Travel <i>Travel portion of Board In-Service expenses.</i>	1,000	2,000	2,000	-	0.00%	100.00%
399	Other Contracted Services <i>Consultants, Public Relations, School Messenger, and contingency.</i>	30,000	30,000	30,000	-	0.00%	0.00%
506	Liability Insurance	470,000	470,000	470,000	-	0.00%	0.00%
508	Premiums on Corporate Surety Bonds <i>State Bond for fiscal agent, notary bonds and bonded employees.</i>	3,000	7,500	7,500	-	0.00%	150.00%
510	Trustees Commission <i>Based upon County revenue. 1% on Sales and 2% on Property Taxes.</i>	467,990	445,000	445,000	-	0.00%	-4.91%
513	Workers Compensation Insurance <i>Workers comp insurance for General, Federal and Nutrition employees.</i>	575,000	574,507	600,000	25,493	4.44%	4.35%
533	Criminal Investigation of Applicants <i>Background checks.</i>	30,000	30,000	30,000	-	0.00%	0.00%
599	Other Charges <i>Retirement gifts, memorials and contingency.</i>	40,000	40,000	40,000	-	0.00%	0.00%
<b>TOTAL BOARD OF EDUC.</b>		<b>\$1,957,760</b>	<b>\$1,966,681</b>	<b>\$2,051,595</b>	<b>\$84,914</b>	<b>4.32%</b>	<b>4.79%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

<b>72320--ADMINISTRATIVE SUPPORT - OFFICE OF DIRECTOR</b>							
<b>Acct. No.</b>	<b>Description</b>	<b>2023-24 Est. Exp.</b>	<b>2023-24 Budget</b>	<b>2024-25 Budget</b>	<b>Net Increase Budget Incr/(Decr)</b>	<b>Pct. Change 2023-24 Budget</b>	<b>Pct. Change 2023-24 Est. Exp.</b>
101	Administrative Officer <i>Contract amount.</i>	\$159,985	\$159,985	\$166,390	\$ 6,405	4.00%	4.00%
117	Career Ladder Program <i>State flow-thru.</i>	-	-	-	-	NA	NA
161	Secretaries <i>1 position (90%).</i>	48,860	48,860	52,540	3,680	7.53%	7.53%
162	Clerical Personnel <i>1 position.</i>	25,000	30,895	32,130	1,235	4.00%	28.52%
189	Other Salaries & Wages <i>1 position.</i>	33,245	33,245	34,575	1,330	4.00%	4.00%
196	In-Service Training <i>State flow-thru.</i>	-	-	-	-	NA	NA
201	Social Security <i>6.2% matching.</i>	16,560	16,925	17,710	785	4.64%	6.95%
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	23,930	24,650	25,095	445	1.80%	4.87%
206	Life Insurance <i>Annual cost.</i>	600	725	725	-	0.00%	20.83%
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	25,000	31,000	23,000	(8,000)	-25.81%	-8.00%
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	1,000	1,300	1,000	(300)	-23.08%	0.00%
212	Medicare <i>1.45% matching.</i>	3,875	3,960	4,145	184	4.65%	6.97%
299	Other Fringe Benefits <i>Health ins. Benefit @ \$1,500.</i>	1,125	-	1,500	1,500	NA	33.33%
307	Communication <i>C.O. phone bills.</i>	10,000	15,000	15,000	-	0.00%	50.00%
320	Dues and Memberships <i>TOSS</i>	4,600	4,600	5,600	1,000	21.74%	21.74%
348	Postal Charges <i>Postage, supplies and meter rental.</i>	12,000	12,000	14,000	2,000	16.67%	16.67%
355	Travel <i>Mileage reimbursement</i>	2,000	2,000	3,000	1,000	50.00%	50.00%
399	Other Contracted Services <i>Office machine usage and repair contracts.</i>	15,000	15,000	15,000	-	0.00%	0.00%
435	Office Supplies <i>C.O. supplies only.</i>	8,000	10,000	10,000	-	0.00%	25.00%
524	In-Service/Staff Development	6,790	6,790	13,000	6,210	91.46%	91.46%
599	Other Charges <i>Miscellaneous.</i>	12,000	15,000	20,000	5,000	33.33%	66.67%
701	Administration Equipment	7,000	7,028	17,028	10,000	142.29%	143.26%
<b>TOTAL OFFICE OF SUPT.</b>		<b>\$416,570</b>	<b>\$438,963</b>	<b>\$471,438</b>	<b>\$32,475</b>	<b>7.40%</b>	<b>13.17%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

<b>72410--ADMINISTRATIVE SUPPORT - OFFICE OF PRINCIPAL</b>							
<b>Acct. No.</b>	<b>Description</b>	<b>2023-24 Est. Exp.</b>	<b>2023-24 Budget</b>	<b>2024-25 Budget</b>	<b>Net Increase Budget Incr/(Decr)</b>	<b>Pct. Change 2023-24 Budget</b>	<b>Pct. Change 2023-24 Est. Exp.</b>
104	Principals <i>14 positions including steps.</i>	\$1,545,000	\$1,558,300	\$1,615,725	\$ 57,425	3.69%	4.58%
117	Career Ladder Program <i>State flow-thru.</i>	3,000	2,000	3,000	1,000	50.00%	0.00%
139	Assistant Principals <i>17 at 10.5 months including steps.</i>	1,415,000	1,434,500	1,565,400	130,900	9.13%	10.63%
161	Secretary/Bookkeepers <i>13 positions including steps.</i>	530,000	530,000	550,620	20,620	3.89%	3.89%
162	Clerical	-	-	-	-	NA	NA
189	Other Salaries and Wages <i>15 Office E.A.'s and 13 Technical Secretaries (plus \$2,500 for sub) including steps.</i>	730,000	730,000	785,500	55,500	7.60%	7.60%
201	Social Security <i>6.2% matching.</i>	261,830	263,800	280,255	16,455	6.24%	7.04%
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	355,125	345,790	371,205	25,415	7.35%	4.53%
206	Life Insurance <i>Annual cost.</i>	9,500	11,000	12,000	1,000	9.09%	26.32%
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	494,600	481,000	572,000	91,000	18.92%	15.65%
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	16,000	17,000	17,500	500	2.94%	9.38%
212	Medicare <i>1.45% matching.</i>	61,235	61,695	65,545	3,849	6.24%	7.04%
217	Retirement-Hybrid Stabilization	3,000	11,500	8,500	(3,000)	-26.09%	183.33%
299	Other Fringe Benefits <i>Health Ins. Benefit @ \$1,500.</i>	30,000	34,500	34,500	-	0.00%	15.00%
307	Communication <i>School phone bills.</i>	85,000	95,000	95,000	-	0.00%	11.76%
348	Postal Charges <i>Mailing student records.</i>	-	-	-	-	NA	NA
355	Mileage <i>Bookkeeper Mileage.</i>	3,500	4,000	5,000	1,000	25.00%	42.86%
524	In-Service/Staff Development	-	-	-	-	NA	NA
599	Other Charges <i>Administrative Discretion Allocations \$4.00 @ 9705</i>	48,440	48,440	38,820	(9,620)	-19.86%	-19.86%
<b>TOTAL PRINCIPAL OFFICE</b>		<b>\$5,591,230</b>	<b>\$5,628,525</b>	<b>\$6,020,571</b>	<b>\$392,046</b>	<b>6.97%</b>	<b>7.68%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

72510--ADMINISTRATIVE SUPPORT - FISCAL SERVICES							
Acct. No.	Description	2023-24 Est. Exp.	2023-24 Budget	2024-25 Budget	Net Increase Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Exp.
105	Supervisor/Director <i>2 positions.</i>	\$202,125	\$199,530	\$197,460	\$ (2,070)	-1.04%	-2.31%
119	Accountants/Bookkeepers <i>5 positions.</i>	270,000	286,580	253,090	(33,490)	-11.69%	-6.26%
122	Purchasing Personnel <i>1 position.</i>	46,000	50,960	52,000	1,040	2.04%	13.04%
161	Secretaries <i>1 position.</i>	45,935	45,935	47,695	1,760	3.83%	3.83%
189	Other Salaries and Wages	-	-	-	-	NA	NA
201	Social Security <i>6.2% matching.</i>	34,975	36,150	34,115	(2,034)	-5.63%	-2.46%
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	68,650	67,485	66,965	(520)	-0.77%	-2.45%
206	Life Insurance <i>Annual cost.</i>	1,415	1,400	1,400	-	0.00%	-1.06%
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	83,815	83,500	92,000	8,500	10.18%	9.77%
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	2,560	2,850	2,850	-	0.00%	11.33%
212	Medicare <i>1.45% matching.</i>	8,180	8,455	7,980	(475)	-5.62%	-2.45%
299	Other Fringe Benefits <i>Health Ins. Benefit @ \$1,500.</i>	1,125	3,000	1,500	(1,500)	-50.00%	33.33%
307	Communication <i>Cell phone.</i>	1,200	1,200	1,200	-	0.00%	0.00%
355	Travel <i>Mileage reimbursement.</i>	1,000	1,500	1,500	-	0.00%	50.00%
399	Other Contracted Services <i>Skyward.</i>	68,500	70,000	72,000	2,000	2.86%	5.11%
411	Data Processing Supplies <i>Checks, printer cartridges, etc.</i>	6,000	6,500	6,500	-	0.00%	8.33%
524	In-Service/Staff Development	7,500	7,500	10,000	2,500	33.33%	33.33%
599	Other Charges <i>Contingency.</i>	3,500	3,500	3,500	-	0.00%	0.00%
701	Administration Equipment <i>Finance department equipment.</i>	10,000	10,000	10,000	-	0.00%	0.00%
<b>TOTAL FISCAL SERVICES</b>		<b>\$862,480</b>	<b>\$886,045</b>	<b>\$861,755</b>	<b>\$ (24,289)</b>	<b>-2.74%</b>	<b>-0.08%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

		72520--SUPPORT SERVICE - PERSONNEL				Net Increase Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Exp.
Acct. No.	Description	2023-24 Est. Exp.	2023-24 Budget	2024-25 Budget				
105	Supervisor/Director <i>2 Positions.</i>	\$272,000	\$272,040	\$256,150	\$ (15,890)		-5.84%	-5.83%
121	Data Processing Personnel <i>1 position.</i>	48,850	48,850	50,725	1,875		3.84%	3.84%
189	Other Salaries & Wages <i>2.5 positions.</i>	96,000	96,600	110,320	13,720		14.20%	14.92%
201	Social Security <i>6.2% matching.</i>	25,845	25,885	25,870	(14)		-0.05%	0.10%
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	50,735	36,230	35,890	(339)		-0.94%	-29.26%
206	Life Insurance <i>Annual cost.</i>	715	925	1,000	75		8.11%	39.86%
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	7,000	8,500	8,500	-		0.00%	21.43%
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	825	1,100	1,100	-		0.00%	33.33%
212	Medicare <i>1.45% matching.</i>	6,045	6,055	6,050	(4)		-0.07%	0.08%
217	Retirement-Hybrid Stabilization	-	-	-	-		NA	NA
299	Other Fringe Benefits <i>Health Ins. Benefit @ \$1,500.</i>	4,500	4,500	4,500	-		0.00%	0.00%
307	Communication	1,200	1,200	1,200	-		0.00%	0.00%
355	Travel <i>Mileage reimbursement.</i>	2,000	1,500	2,500	1,000		66.67%	25.00%
399	Other Contracted Services <i>Skyward, Subfinder(Frontline), Online app contract(My Smart Hire), etc.</i>	55,000	59,000	61,000	2,000		3.39%	10.91%
435	Office Supplies <i>Personnel supplies.</i>	1,750	1,750	1,750	-		0.00%	0.00%
524	In-Service/Staff Development <i>Workshops, meetings, recruitment, etc.</i>	15,000	15,000	15,000	-		0.00%	0.00%
599	Other Charges	5,000	7,500	7,500	-		0.00%	50.00%
701	Data Processing Equipment <i>Equipment used in personnel department.</i>	7,500	7,780	7,780	-		0.00%	3.73%
<b>TOTAL PERSONNEL</b>		<b>\$599,965</b>	<b>\$594,415</b>	<b>\$596,836</b>	<b>\$2,421</b>	<b>0.41%</b>	<b>-0.52%</b>	

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

72610--SUPPORT SERVICE - OPERATION OF PLANT							
Acct. No.	Description	2023-24 Est. Exp.	2023-24 Budget	2024-25 Budget	Net Increase Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Exp.
141	Foreman <i>Grounds crew leader including steps.</i>	\$47,000	\$47,315	\$47,315	\$	-	0.00% 0.67%
166	Custodial Personnel	-	-	-	-	-	NA NA
168	Temporary Personnel <i>Grass cutters. Seasonal employees.</i>	-	-	-	-	-	NA NA
189	Other Salaries and Wages <i>4 full-time yard positions including steps &amp; .5 Warehouse.</i>	160,000	161,000	170,000	9,000	5.59%	6.25%
198	Substitute Custodians <i>Provided through janitorial service.</i>	-	-	-	-	-	NA NA
201	Social Security <i>6.2% matching.</i>	12,835	11,800	13,475	1,674	14.19%	4.98%
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	25,195	23,165	26,110	2,945	12.71%	3.63%
206	Life Insurance <i>Annual cost.</i>	500	500	500	-	0.00%	0.00%
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	35,000	45,000	35,000	(10,000)	-22.22%	0.00%
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	1,500	3,000	1,500	(1,500)	-50.00%	0.00%
212	Medicare <i>1.45% matching.</i>	3,005	3,020	3,150	130	4.31%	4.84%
299	Other Fringe Benefits <i>Health Ins. Benefit @ \$1,500.</i>	3,000	4,500	4,500	-	0.00%	50.00%
307	Communication	-	-	-	-	-	NA NA
328	Janitorial Service	2,809,000	2,839,000	2,895,450	56,450	1.99%	3.08%
336	Maint. and Repair - Equipment	-	-	-	-	-	NA NA
355	Travel	-	-	-	-	-	NA NA
399	Other Contracted Services <i>Pest control, grass cutting, etc.</i>	370,000	370,000	200,000	(170,000)	-45.95%	-45.95%
410	Custodial Supplies <i>Cleaning supplies, light bulbs, trash bags, etc.</i>	-	-	-	-	-	NA NA
415	Electricity	2,000,000	2,000,000	2,010,000	10,000	0.50%	0.50%
434	Natural Gas	400,000	410,000	450,000	40,000	9.76%	12.50%
451	Uniforms	-	-	-	-	-	NA NA
454	Water and Sewer	350,000	375,000	375,000	-	0.00%	7.14%
501	Boiler Insurance <i>Insurance and certificates.</i>	8,500	8,500	8,500	-	0.00%	0.00%
502	Building and Content Insurance	-	-	-	-	-	NA NA
524	In-Service/Staff Development	-	-	-	-	-	NA NA
599	Other Charges <i>Miscellaneous supplies and contingency.</i>	-	-	-	-	-	NA NA
718	Motor Vehicles	65,500	70,000	50,000	(20,000)	-28.57%	-23.66%
720	Plant Operation Equipment	-	-	-	-	-	NA NA
790	Equipment	-	-	-	-	-	NA NA
<b>TOTAL PLANT OPER.</b>		<b>\$6,291,034</b>	<b>\$6,371,800</b>	<b>\$6,290,500</b>	<b>(\$81,300)</b>	<b>-1.28%</b>	<b>-0.01%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

		72620--SUPPORT SERVICE - MAINTENANCE OF PLANT				Net Increase Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Exp.
Acct. No.	Description	2023-24 Est. Exp.	2023-24 Budget	2024-25 Budget				
105	Supervisor/Director <i>1 position.</i>	\$84,495	\$94,875	\$98,400	\$ 3,525		3.72%	16.46%
161	Clerical Personnel <i>1 position.</i>	39,500	44,569	46,230	1,661		3.73%	17.04%
167	Maintenance Personnel <i>15 Technicians, 2 movers, 2 painters, 1 Safety and 1 assistant supervisor including steps.</i>	1,040,000	1,134,000	1,179,500	45,500		4.01%	13.41%
201	Social Security <i>6.2% matching.</i>	72,170	78,955	82,100	3,145		3.98%	13.76%
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	141,660	154,982	161,150	6,167		3.98%	13.76%
206	Life Insurance <i>Annual cost.</i>	3,000	3,300	3,500	200		6.06%	16.67%
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	170,000	170,600	196,000	25,400		14.89%	15.29%
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	6,000	7,000	7,000	-		0.00%	16.67%
212	Medicare <i>1.45% matching.</i>	16,880	18,465	19,200	734		3.98%	13.74%
299	Other Fringe Benefits <i>Health Ins. Benefit @ \$1,500.</i>	6,000	6,000	6,000	-		0.00%	0.00%
307	Communication <i>Shop phone bill and cell phone bill.</i>	10,000	13,000	13,000	-		0.00%	30.00%
335	Maint. and Repair - Buildings <i>Locks, door glass, floor tiles, plumbing supplies, paint, etc.</i>	822,000	822,493	550,000	(272,493)		-33.13%	-33.09%
336	Maint. and Repair - Equipment <i>Two-way radios, PA systems, mowers, compressors &amp; parts.</i>	440,000	443,887	450,000	6,113		1.38%	2.27%
355	Travel	1,500	1,500	2,000	500		33.33%	33.33%
399	Other Contracted Services <i>School Gate Guardian, FMX, Unifirst, etc. Fire Monitoring, Inspections, Etc.</i>	75,000	75,000	200,000	125,000		166.67%	166.67%
451	Uniforms	1,500	1,500	1,500	-		0.00%	0.00%
499	Other Supplies and Materials <i>Tools, parts, lumber, paint, mower supplies, etc.</i>	100,000	101,219	100,000	(1,219)		-1.20%	0.00%
524	In-Service/Staff Development <i>Educational courses and seminars.</i>	10,000	10,000	10,000	-		0.00%	0.00%
599	Other Charges <i>Office supplies, contingency.</i>	40,000	40,000	40,000	-		0.00%	0.00%
701	Equipment	157,052	157,052	5,000	(152,052)		-96.82%	-96.82%
717	Maintenance Equipment	60,000	62,280	70,000	7,720		12.40%	16.67%
790	Maintenance Equipment <i>Public Schools Safety Grant</i>	712,506	712,506	-	(712,506)		-100.00%	NA
<b>TOTAL PLANT MAINT.</b>		<b>\$4,009,263</b>	<b>\$4,153,183</b>	<b>\$3,240,580</b>	<b>(\$912,603)</b>		<b>-21.97%</b>	<b>-19.17%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

<b>72710--SUPPORT SERVICE - PUPIL TRANSPORTATION</b>							
<b>Acct. No.</b>	<b>Description</b>	<b>2023-24 Est. Exp.</b>	<b>2024-25 Budget</b>	<b>2024-25 Budget</b>	<b>Net Increase Budget Incr/(Decr)</b>	<b>Pct. Change 2023-24 Budget</b>	<b>Pct. Change 2023-24 Est. Exp.</b>
105	Supervisor/Director <i>2 positions.</i>	\$126,075	\$126,075	\$131,000	\$ 4,925	3.91%	3.91%
142	Mechanics <i>3 positions.</i>	174,000	174,000	180,030	6,030	3.47%	3.47%
146	Bus Drivers <i>44 full-time equivalent routes plus field trips including steps.</i>	1,250,000	1,341,300	1,826,500	485,200	36.17%	46.12%
162	Clerical Personnel <i>3 positions.</i>	135,000	125,000	134,000	9,000	7.20%	-0.74%
189	Other Salaries and Wages <i>32 Bus aides plus contingency including steps.</i>	650,000	665,000	705,000	40,000	6.02%	8.46%
201	Social Security <i>6.2% matching.</i>	144,775	150,745	184,545	33,799	22.42%	27.47%
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	284,180	295,900	350,000	54,100	18.28%	23.16%
206	Life Insurance <i>Annual cost.</i>	5,000	6,000	7,200	1,200	20.00%	44.00%
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	493,500	480,000	601,900	121,900	25.40%	21.97%
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	15,000	15,900	17,700	1,800	11.32%	18.00%
212	Medicare <i>1.45% matching.</i>	33,860	35,255	43,160	7,905	22.42%	27.47%
299	Other Fringe Benefits <i>Health Ins. Benefit @ \$1,500.</i>	31,500	36,000	36,000	-	0.00%	14.29%
307	Communication	1,000	1,000	1,000	-	0.00%	0.00%
314	Contracts w/Public Carriers	-	-	-	-	NA	NA
338	Maint. and Repair - Vehicles <i>Labor for repair. Contingency.</i>	35,000	46,640	35,000	(11,640)	-24.96%	0.00%
355	Travel <i>Mileage reimbursement.</i>	250	250	250	-	0.00%	0.00%
399	Other Contracted Services <i>Bus driver physicals and drug screening.</i>	67,000	67,000	71,500	4,500	6.72%	6.72%
425	Gasoline	265,000	275,000	275,000	-	0.00%	3.77%
433	Lubricants <i>Oil for vehicles.</i>	15,000	12,000	15,000	3,000	25.00%	0.00%
450	Tires and Tubes <i>Flat repair, new tires, etc.</i>	60,000	50,000	60,000	10,000	20.00%	0.00%
451	Uniforms	3,550	3,600	3,600	-	0.00%	1.41%
453	Vehicle Parts <i>Parts for repair.</i>	175,000	142,900	175,000	32,100	22.46%	0.00%
511	Vehicle and Equipment Insurance	-	-	-	-	NA	NA
524	In-Service/Staff Development	10,000	10,000	10,000	-	0.00%	0.00%
599	Other Charges <i>Bus &amp; office supplies.</i>	25,000	25,000	25,000	-	0.00%	0.00%
729	Transportation Equipment <i>Camera replacements, Radios, and contingency.</i>	137,000	137,000	137,000	-	0.00%	0.00%
<b>TOTAL TRANSPORTATION</b>		<b>\$4,136,689</b>	<b>\$4,221,565</b>	<b>\$5,025,384</b>	<b>\$ 803,819</b>	<b>19.04%</b>	<b>21.48%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

<b>73300--NON-INSTRUCTIONAL SERVICE - COMMUNITY SERVICE</b>										
<b>Acct. No.</b>	<b>Description</b>	<b>2023-24 Est. Exp.</b>	<b>2023-24 Budget</b>	<b>2024-25 Budget</b>	<b>Net Increase Budget Incr/(Decr)</b>	<b>Pct. Change 2023-24 Budget</b>	<b>Pct. Change 2023-24 Est. Exp.</b>			
105	Supervisor/Director <i>Director of Communications.</i>	\$ 95,480	\$ 95,480	\$ 99,100	\$ 3,620	3.79%	3.79%			
117	Career Ladder	-	-	-	-	NA	NA			
161	Secretary	-	-	-	-	NA	NA			
162	Clerical Personnel <i>Webmaster shared with 72250 &amp; Nutrition.</i>	60,800	59,100	62,995	3,895	6.59%	3.61%			
189	Other Salaries and Wages <i>2 positions-Corn Assistant &amp; Family Resource/Outreach Coordinator.</i>	140,000	140,690	95,500	(45,190)	-32.12%	-31.79%			
201	Social Security <i>6.2% matching.</i>	18,370	18,310	15,975	(2,335)	-12.75%	-13.04%			
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	36,060	35,935	31,350	(4,584)	-12.76%	-13.06%			
206	Life Insurance <i>Annual cost.</i>	525	625	650	25	4.00%	23.81%			
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	48,935	43,230	53,950	10,720	24.80%	10.25%			
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	850	900	950	50	5.56%	11.76%			
212	Medicare <i>1.45% matching.</i>	4,300	4,285	3,735	(550)	-12.83%	-13.14%			
217	Retirement-Hybrid Stabilization	175	-	200	200	NA	14.29%			
299	Other Fringe Benefits <i>Health Ins. Benefit @ \$1,500.</i>	-	-	-	-	NA	NA			
307	Communication <i>Monthly phone charges.</i>	3,600	3,600	3,600	-	0.00%	0.00%			
355	Travel <i>Mileage reimbursement.</i>	1,500	3,000	3,000	-	0.00%	100.00%			
399	Other Contracted Services <i>Constant Contact, School Web Sites, etc.</i>	40,000	40,000	54,600	14,600	36.50%	36.50%			
499	Other Supplies and Materials <i>Public relations supplies (brochures, ad specialties, etc.)</i>	10,500	12,500	7,500	(5,000)	-40.00%	-28.57%			
524	In-Service/Staff Development	6,500	6,500	7,000	500	7.69%	7.69%			
599	Other Charges <i>Miscellaneous supplies and contingency.</i>	50,000	54,500	49,500	(5,000)	-9.17%	-1.00%			
790	Other Equipment	4,000	4,000	3,000	(1,000)	-25.00%	-25.00%			
<b>TOTAL COMMUNITY SVC.</b>		<b>\$521,595</b>	<b>\$522,655</b>	<b>\$492,605</b>	<b>\$ (30,049)</b>	<b>-5.75%</b>	<b>-5.56%</b>			

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

<b>73400--NON-INSTRUCTIONAL SERVICE - EARLY CHILDHOOD EDUCATION</b>							<b>Pct. Change</b>	<b>Pct. Change</b>
<b>Acct. No.</b>	<b>Description</b>	<b>2023-24 Est. Exp.</b>	<b>2023-24 Budget</b>	<b>2024-25 Budget</b>	<b>Net Increase Budget Incr/(Decr)</b>	<b>2023-24 Budget</b>	<b>2023-24 Est. Exp.</b>	
103	Assistant Principal	\$ -	\$ -	\$ -	\$ -	NA	NA	
105	Supervisor/Director	-	-	-	-	NA	NA	
116	Teachers <i>12 Positions including steps.</i>	798,940	803,466	840,500	37,034	4.61%	5.20%	
117	Career Ladder Program <i>State flow-thru.</i>	-	-	-	-	NA	NA	
161	Secretary	-	-	-	-	NA	NA	
163	Educational Assistants	-	42,925	-	(42,925)	-100.00%	NA	
189	Other Salaries & Wages	-	-	-	-	NA	NA	
195	Substitute Teachers	3,000	3,000	3,000	-	0.00%	0.00%	
201	Social Security <i>6.2% matching.</i>	49,535	47,652	52,300	4,648	9.75%	5.58%	
204	State Retirement <i>6.36% (includes .45% annual decrease) for licensed and 12.17% non-licensed (no increase).</i>	52,410	53,153	58,000	4,847	9.12%	10.67%	
206	Life Insurance <i>Annual cost.</i>	2,000	1,881	2,200	319	16.96%	10.00%	
207	Health/Medical Insurance <i>Current with 5% increase effective Jan 2025.</i>	115,000	110,713	120,000	9,287	8.39%	4.35%	
208	Dental Insurance <i>Current with 5% increase effective Jan 2025.</i>	4,500	4,692	4,000	(692)	-14.75%	-11.11%	
212	Medicare <i>1.45% matching.</i>	11,585	11,138	12,235	1,097	9.85%	5.61%	
217	Retirement-Hybrid Stabilization	2,000	3,678	2,500	(1,178)	-32.03%	25.00%	
299	Other Fringe Benefits <i>Health Ins. Benefit @ \$1,500.</i>	2,875	4,250	3,000	(1,250)	-29.41%	4.35%	
307	Communication <i>Monthly phone charges.</i>	-	-	-	-	NA	NA	
399	Other Contracted Services <i>Early Childhood Consultant.</i>	-	-	-	-	NA	NA	
429	Inst. Supplies and Materials <i>Manipulatives, Handwriting, etc.</i>	9,000	9,500	17,540	8,040	84.63%	94.89%	
432	Library Books	-	-	-	-	NA	NA	
499	Other Supplies and Materials	1,000	1,000	1,000	-	0.00%	0.00%	
524	In-Service/Staff Development	5,000	5,120	5,500	380	7.42%	10.00%	
599	Other Charges	-	-	-	-	NA	NA	
790	Equipment	6,000	6,200	-	(6,200)	-100.00%	-100.00%	
<b>TOTAL EARLY CHILDHOOD EDUCATION</b>		<b>\$1,062,845</b>	<b>\$1,108,368</b>	<b>\$1,121,775</b>	<b>\$ 13,406</b>	<b>1.21%</b>	<b>5.54%</b>	

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

<b>76100--CAPITAL OUTLAY</b>									
<b>Acct. No.</b>	<b>Description</b>	<b>2023-24 Est. Exp.</b>	<b>2023-24 Budget</b>	<b>2024-25 Budget</b>	<b>Net Increase Budget Incr/(Decr)</b>	<b>Pct. Change 2023-24 Budget</b>	<b>Pct. Change 2023-24 Est. Exp.</b>		
304	Architects	\$ -	\$ -	\$ -	\$ -	NA	NA		
308	Consultants	-	-	-	-	NA	NA		
321	Engineering Services	-	-	-	-	NA	NA		
706	Building Construction	-	-	-	-	NA	NA		
707	Building Improvements	17,500	17,500	17,500	-	0.00%	0.00%		
711	Furniture & Fixtures	28,953	28,953	80,000	51,047	176.31%	176.31%		
715	Land	-	-	-	-	NA	NA		
724	Site Development	125,419	125,419	125,419	-	0.00%	0.00%		
799	Other Capital Outlay	-	-	-	-	NA	NA		
<b>TOTAL CAPITAL OUTLAY</b>		<b>\$171,872</b>	<b>\$171,872</b>	<b>\$222,919</b>	<b>\$ 51,047</b>	<b>29.70%</b>	<b>29.70%</b>		

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

Acct. No.	Description	82130--EDUCATION DEBT SERVICE			Net Increase Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Exp.
		2022-23 Est. Exp.	2022-23 Budget	2023-24 Budget			
601	Capital Outlay-Bonds	\$ -	\$ -	\$ -	\$ -	NA	NA
606	Issuance Costs	-	-	-	-	NA	NA
<b>TOTAL OTHER USES/TRANSFERS</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$ -</b>	<b>NA</b>	<b>NA</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

		99100--OTHER USES/TRANSFERS				Net Increase Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Exp.
Acct. No.	Description	2023-24 Est. Exp.	2023-24 Budget	2024-25 Budget				
590	Transfers to Other Funds-Energy Loan	\$217,610	\$217,610	\$217,601	\$ (9)		0.00%	0.00%
600	Transfers to Other Funds-Technology	-	-	-	-		NA	NA
<b>TOTAL OTHER USES/TRANSFERS</b>		<b>\$217,610</b>	<b>\$217,610</b>	<b>\$217,601</b>	<b>\$ (9)</b>		<b>0.00%</b>	<b>0.00%</b>

**MURFREESBORO CITY SCHOOLS 2024-2025 BUDGET**

Acct. No.	Description	2023-24	2023-24	2024-25	Net Increase Budget Incr/(Decr)	Pct. Change 2023-24 Budget	Pct. Change 2023-24 Est. Exp.
		Est. Exp.	Budget	Budget			
<b>GRAND TOTAL</b>		<b>\$ 103,989,802</b>	<b>\$ 106,435,889</b>	<b>\$ 112,419,127</b>	<b>\$ 5,983,237</b>	<b>5.62%</b>	<b>8.11%</b>

**TEACHER SALARY CHART**  
**MURFREESBORO CITY SCHOOLS**  
**2024-2025 SCHOOL YEAR**  
**Effective July 1, 2024**  
**3% Increase w/ adjustments to BS, MA, MA+30, EDS & PHD years 17-25**

4/10/2024

<b>EXP</b>	<b>BS</b>	<b>MA</b>	<b>MA+30</b>	<b>EDS</b>	<b>PHD</b>
EXP 0	50,000	53,560	57,644	59,783	64,615
EXP 1	50,300	54,539	59,429	61,157	66,392
EXP 2	50,600	55,726	61,400	63,237	68,795
EXP 3	51,445	57,302	62,988	64,855	70,483
EXP 4	53,117	58,794	64,549	66,430	72,111
EXP 5	54,619	60,339	66,159	68,073	73,813
EXP 6	56,002	62,315	67,677	69,607	75,667
EXP 7	57,384	63,263	69,312	71,377	77,589
EXP 8	58,925	65,088	71,413	73,449	79,719
EXP 9	60,621	66,802	73,120	75,167	81,413
EXP 10	61,938	68,107	74,414	76,492	82,866
EXP 11	63,202	69,364	75,694	77,480	83,961
EXP 12	64,504	70,654	76,981	79,022	85,268
EXP 13	65,387	71,583	77,863	79,906	86,130
EXP 14	66,298	72,469	78,769	80,812	87,069
EXP 15	67,171	73,331	79,630	81,667	87,919
EXP 16	67,171	73,431	79,630	81,787	88,019
EXP 17	67,685	73,691	79,630	82,470	88,119
EXP 18	67,685	73,791	79,630	83,519	88,269
EXP 19	68,084	74,052	80,384	84,367	88,657
EXP. 20	68,781	75,002	81,101	85,218	89,557
EXP 21	69,306	75,308	81,719	85,918	90,239
EXP 22	69,836	75,882	82,339	86,529	90,926
EXP 23	70,369	76,461	82,971	87,189	91,619
EXP 24	70,728	76,851	83,389	87,632	92,184
EXP. 25	71,040	77,235	83,820	88,077	92,552

Director of Schools

Date:

Board of Education Chair

Date:

MURFREESBORO CITY SCHOOLS CLASSIFIED SALARY SCHEDULE FOR 2024-2025												
4/2/2024												
POSITION / ASSIGNMENT	SCHEDULE	HOW PAID	ENTRY PAY	LEVEL OF EXPERIENCE								
				ONE YEAR	TWO YEARS	THREE YEARS	FOUR YEARS	FIVE YEARS	SIX YEARS	SEVEN YEARS	EIGHT YEARS	NINE YEARS
<b>TRANSPORTATION DEPARTMENT</b>	Days											
Bus Driver (Full Time)	190	Hourly	21.50	22.18	22.85	23.52	24.19	24.86	25.54	26.21	26.88	27.55
Bus Driver (Part Time)	As Needed	Hourly	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Bus Assistant (current team only)	190	Hourly	14.06	14.09	14.35	14.63	14.87	15.15	15.39	15.66	15.93	16.17
Bus Assistant (New)	190	Hourly	14.06	14.06	14.06	14.06	14.06	14.06	14.06	14.06	14.06	14.06
<b>SCHOOL BASED</b>	Hours											
Educational Assistant (Full Time) Degree	1400	Hourly	16.42	16.87	17.27	17.72	18.15	18.58	18.79	18.97	19.43	20.00
	1400	Salary	22,986	23,622	24,182	24,803	25,409	26,015	26,302	26,560	27,196	27,998
Educational Assistant (Full Time) Non-Degree	1400	Hourly	15.58	16.02	16.36	16.76	17.16	17.57	17.76	17.97	18.35	18.91
	1400	Salary	21,805	22,426	22,910	23,471	24,031	24,591	24,864	25,152	25,697	26,469
Mid Day Assistant (Part Time) 4 hrs/day	720	Hourly	14.06	14.06	14.06	14.06	14.06	14.06	14.06	14.06	14.06	14.06
Office Assistant (Full Time) Degree	1400	Hourly	16.42	16.87	17.27	17.72	18.15	18.58	18.79	18.97	19.43	20.00
	1400	Salary	22,986	23,622	24,182	24,803	25,409	26,015	26,302	26,560	27,196	27,998
Office Assistant (Full Time) Non-Degree	1400	Hourly	15.58	16.02	16.36	16.76	17.16	17.57	17.76	17.97	18.35	18.91
	1400	Salary	21,805	22,426	22,910	23,471	24,031	24,591	24,864	25,152	25,697	26,469
Attendance Secretary (Full Time) Degree	1449	Hourly	17.32	17.77	18.19	18.64	19.08	19.52	19.73	19.92	20.38	20.97
	1449	Salary	25,099	25,755	26,355	27,014	27,650	28,288	28,589	28,867	29,525	30,387
Attendance Secretary (Full Time) Non-Degree	1449	Hourly	16.45	16.91	17.27	17.67	18.08	18.49	18.68	18.89	19.32	19.86
	1449	Salary	23,840	24,500	25,020	25,597	26,195	26,791	27,072	27,370	27,991	28,772
Secretary/Bookkeeper (Full Time) Degree	1540	Hourly	18.76	19.19	20.21	21.21	22.23	23.22	24.24	25.26	26.18	27.14
	1540	Salary	28,891	29,557	31,127	32,671	34,238	35,758	37,327	38,894	40,318	41,796
Secretary/Bookkeeper (Full Time) Non-Degree	1540	Hourly	17.87	18.30	19.32	20.32	21.34	22.33	23.34	24.36	25.29	26.25
	1540	Salary	27,514	28,181	29,751	31,294	32,861	34,381	35,951	37,518	38,941	40,420
<b>TECHNOLOGY DEPARTMENT</b>	Hours											
Technician	2080	Salary	53,716	54,790	55,886	57,003	58,142	59,305	60,490	61,701	62,935	64,193
<b>SUB TEACHERS/EA SPED SUBS</b>												
Certified Teacher (T/W/TH)	As Needed	Per Day	120	120	120	120	120	120	120	120	120	120
Certified Teacher (M/F)	As Needed	Per Day	130	130	130	130	130	130	130	130	130	130
Substitute Teacher Non-Certified (T/W/TH)	As Needed	Per Day	110	110	110	110	110	110	110	110	110	110
Substitute Teacher Non-Certified (M/F)	As Needed	Per Day	120	120	120	120	120	120	120	120	120	120
Certified/Non-Certified Teacher 15 or more monthly bonus	As Needed	Per Day	200	200	200	200	200	200	200	200	200	200

MURFREESBORO CITY SCHOOLS CLASSIFIED SALARY SCHEDULE FOR 2024-2025												
LEVEL OF EXPERIENCE												
POSITION / ASSIGNMENT	SCHEDULE	HOW PAID	ENTRY PAY	ONE YEAR	TWO YEARS	THREE YEARS	FOUR YEARS	FIVE YEARS	SIX YEARS	SEVEN YEARS	EIGHT YEARS	NINE YEARS
<b>SCHOOL NUTRITION</b>	Days											
Cafeteria Manager	190	Salary	35,510	35,858	36,206	36,553	36,901	37,248	37,596	37,943	38,291	38,638
Cafeteria Assistant Managers	180	Hourly	16.27	16.38	16.49	16.60	16.71	16.82	16.93	17.47	17.58	17.97
Cafeteria Staff	180	Hourly	15.23	15.34	15.45	15.56	15.67	15.78	15.89	16.43	16.54	16.93
<b>Farm to School</b>												
Full Time Farmer Educator	2080	Salary	34,507	35,214	35,942	36,691	37,440	38,210	39,000	39,811	40,643	41,496
Part Time Farmer Educator	As Needed	Hourly	16.59	16.93	17.28	17.64	18.00	18.37	18.75	19.14	19.54	19.95
Part Time Farmer Assistant	As Needed	Hourly	15.59	15.93	16.28	16.64	17.00	17.37	17.75	18.14	18.54	18.95
<b>MAINTENANCE DEPARTMENT</b>	Hours											
General Maintenance	2080	Hourly	14.03	14.41	14.83	15.33	15.79	16.26	16.72	17.19	17.66	18.15
Maintenance Foreman	2080	Hourly	17.16	17.67	18.21	18.77	19.33	19.91	20.52	21.11	21.75	22.40
Maintenance Technician	2080	Hourly	18.17	19.22	20.25	21.30	22.38	23.41	24.47	25.84	26.88	27.88
<b>EXTENDED SCHOOL PROGRAM</b>												
Assistant Site Director	As Needed	Hourly	16.38	16.93	17.47	18.02	18.29	18.56	18.84	19.11	19.38	19.38
Caller (current team only)	As Needed	Hourly	15.83	16.38	16.93	17.20	17.47	17.75	17.75	17.75	17.75	17.75
Care Giver/ESP Staff	As Needed	Hourly	15.29	15.83	16.38	16.65	16.93	17.20	17.20	17.20	17.20	17.20
ESP Student Worker	As Needed	Hourly	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Little Sprouts Lead Teacher Degree	200 Days	1600	27,114	27,980	28,919	29,321	29,893	30,363	30,818	31,280	31,749	32,225
Little Sprouts Lead Teacher Non-Degree	200 Days	1600	25,958	26,824	27,689	28,122	28,554	28,987	29,420	29,852	30,285	30,717
Little Sprouts Hourly	As Needed	Hourly	15.29	15.83	16.38	16.65	16.93	17.20	17.20	17.20	17.20	17.20
Certified Teacher when Teaching in ESP	As Needed	Hourly	30.00									
Certified Teacher when Care Giver in ESP	As Needed	Hourly	30.00									
EA when Teaching in ESP	As Needed	Hourly	25.00									
EA when Care Giver in ESP	As Needed	Hourly	25.00									
<b>SCHOOL NURSES</b>	Hours											
Registered Nurse (RN)	1400	Hourly	28.60	30.20	31.78	33.38	34.96	36.55	38.14	39.73	40.48	41.46
	1400	Salary	40,045	42,280	44,495	46,730	48,944	51,176	53,392	55,628	56,667	58,045
Licensed Practical Nurse (LPN)	1400	Hourly	21.46	22.25	23.04	23.84	24.63	25.42	26.22	27.03	27.76	28.48
	1400	Salary	30,041	31,146	32,253	33,381	34,487	35,593	36,702	37,836	38,860	39,865
Sub Nurse - RN	As Needed	Hourly	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00
Sub Nurse - LPN	As Needed	Hourly	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00



**Murfreesboro City Schools'**  
**Proposed Differentiated Pay Plan 2024-2025**  
(All Bonuses will be prorated based on start dates)

\*Items in red indicate new components for 2024-2025

**Special Education Positions:**

- New CDC/IPK Teacher Hiring/Retention Bonus = \$1,000 per semester (payable Aug. and Jan.)
- Existing CDC/IPK Teacher Retention Bonus= \$500 per semester (payable Jan. and July)
- BEST Teacher Retention Bonus = \$2,500 per semester (payable in Jan. and July)
- BEST EA Retention Bonus = \$500 per semester (payable in Jan. and July)

**Certified Positions:**

- 6<sup>th</sup> Grade Retention Bonus = \$500 per semester (payable in Jan. and July)
- **Student Teachers that complete residency II placements in 23-24 who sign a contract with MCS = \$500 per semester (payable in Aug. and Jan.)**

**Classified Positions:**

- New Bus Driver Sign-On Bonus = \$750 payable after 3 months of active employment or last day of school, whichever comes first.
- Bus Driver Retention Bonus = \$300 per semester (payable in Jan. and July)

Differentiated Pay Plans will apply to retired teachers returning to the classroom.

**Agenda Item Title:** Consolidated Funding Application FY 25

**Board Meeting Date:** April 30, 2024

**Department:** Finance & Federal programs

**Presented by:** Trey Duke

**Board Agenda Category:**

Consent Agenda	<input type="checkbox"/>
Action Item	<input checked="" type="checkbox"/>
Reports and Information	<input type="checkbox"/>

**Requires City Council Approval:** Yes  No

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### Summary

The 2024-2025 Federal Consolidated Budget is being presented to the Board for approval. The Federal Consolidated budget includes revenues and expenditures associated with the Title 1, Title II, Title III, Consolidated Admin, IDEA Part B, and IDEA Pre-K federal programs. The revenues and expenditures with these funds are preliminary allocations and will be adjusted and finalized by the Tennessee Department of Education.

### Total Consolidated Budget and Expenditures: \$

### Staff Recommendation

Recommend approval of the FY 25 Consolidated Funding Budget.

### Fiscal Impact

Title I and Consolidated Administration– Preliminary allocations and expenditures for Title I of 1,859,910. In addition \$41,665 transferred from Title II, III, and IV totaling \$1,901,575.00 for Title I and Consolidated Administration.

Title II – Preliminary allocations and expenditures of \$ 405,392, which includes \$ 65,000 transferred from Title IV totaling \$470,392.

Title III – Preliminary allocations and expenditures of \$140,667, which includes \$ 94,293, transferred from Title IV totaling \$234,960.

IDEA part B - Preliminary allocations and expenditures of \$ 1,889,035.

IDEA Pre-K – Preliminary allocations and expenditures of \$ 49,945.

Total Consolidated Funding Budget and Expenditures in the amount of \$4,545,907.

### **Connection to MCS's Five-Year Strategic Plan**

- Known:** Every student will be *known* through whole-child programs and support.
- Safe:** Every student will be *safe* through equitable access to buildings, facilities, and infrastructure that meets their needs.
- Challenged:** Every student will be *challenged* by learning from highly effective educators and employees.
- Empowered:** Every student will be *empowered* through academic success

## FY25 Federal Projects

4/30/2024	Title IA and Con Admin		Notes
<b>Final</b>			
	<b>Title IA</b>		
71100-116	Teachers	607,963	8 FTE
71100-163	Educational Assistants	173,244	7 FTE
71100-195	Substitute Teachers	16,000	
71100-201	Social Security	50,106	
71100-204	Retirement	62,485	
71100-206	Life Insurance	2,625	
71100-207	Medical Insurance	63,127	
71100-208	Dental Insurance	2,320	
71100-212	Medicare	8,237	
71100-299	Other Fringe Benefits	12,000	
71100-429	Inst Supplies & Materials	81,757	
72130-499	Other Supplies (Family Eng)	15,852	
72130-599	Other Charges (Homeless)	20,000	
72210-189	Reg Instruction-Other	300,795	3 FTE
72210-201	Social Security	18,649	1 FTE
72210-204	Retirement	22,375	
72210-206	Life Insurance	857	
72210-207	Medical Insurance	37,691	
72210-208	Dental Insurance	1,160	
72210-212	Medicare	4,381	
72210-299	Fringe	0	
72210-307	Communication	600	
72210-355	Travel	1,000	
72210-524	Inservice/Staff Development	32,000	
99100-504	Indirect Cost	50,000	
	<b>Total Title IA</b>	<b>1,585,224</b>	
	<b>Con Admin</b>		
72210-105	Reg Instruction-Super/Direc	180,689	1.5 FTE
72210-189	Other Salaries & Wages	61,702	1
72210-201	Social Security	15,121	
72210-204	Retirement	20,086	
72210-206	Life Insurance	794	
72210-207	Medical Insurance	23,124	
72210-208	Dental Insurance	849	
72210-212	Medicare	3,536	
72210-299	Other Fringe Benefits	1,500	
72210-307	Communication	950	
72210-355	Travel	2,000	
72210-524	Inservice/Staff Development	6,000	
	<b>Total Con Admin</b>	<b>316,351</b>	
	<b>Total Title IA &amp; Con Admin</b>	<b>1,901,575</b>	
	<b>Prelim FY25 Allocation</b>	<b>1,901,575</b>	
	<b>Total</b>	<b>1,901,575</b>	
	<b>Difference</b>	<b>0</b>	

## FY 25 Federal Projects

4/30/2024	Title IIA		
<b>Final</b>			
72210-189	Other Salaries & Wages	291,530	3 FTE
72210-189	Substitute Teachers	10,000	
72210-201	Social Security	18,168	
72210-204	Retirement	18,541	
72210-206	Life Insurance	980	
72210-207	Medical Insurance	16,138	
72210-208	Dental Insurance	579	
72210-212	Medicare	4,249	
72210-299	Fringe	1,500	
72210-355	Travel	2,000	
72210-524	Inservice/Staff Dev-MCS	100,861	
99100-504	Indirect Cost	5,646	
99100-509	Transfers to other funds	200	
	<b>Total</b>	<b>470,392</b>	
	<b>Prelim FY25 Allocation</b>	<b>405,392</b>	
	<b>Transfer from Title IV</b>	<b>65,000</b>	
	<b>Total</b>	<b>470,392</b>	

2 Technology Instructors  
1 Math Coordinator  
.25 Instructional Support

## FY25 Federal Projects

4/30/2024	Title III		Notes
<b>Final</b>			
72210-189	Other Salaries & Wages	150,000	5 FTE
72210-201	Social Security	10,853	
72210-204	Retirement	13,337	
72210-206	Life Insurance	477	
72210-207	Medical Insurance	45,095	
72210-208	Dental Insurance	1,160	
72210-212	Medicare	2,538	
72210-299	Other Fringe Benefits	1,500	
72210-307	Communication	2,300	
72210-355	Travel	2,000	
72210-399	Other Contracted Services	0	
72210-499	Other Supplies/Materials	1,000	
72210-524	Inservice/Staff Dev	1,000	
99100-504	Indirect Cost	3,500	
99100-590	Transfers to other funds	200	
	<b>Total</b>	<b>234,960</b>	
	<b>Prelim FY25 Allocation</b>	<b>140,667</b>	
	<b>Transfer from Title IV</b>	<b>94,293</b>	
	<b>Total</b>	<b>234,960</b>	

1.5 Arabic Outreach  
3.5 Hispanic Outreach

## FY25 Federal Projects

4/30/2024	IDEA Part B		Notes
<b>Final</b>			
71200-116	Teachers	150,127	2 FTE
71200-163	Educational Assistants	402,882	16.5 FTE
71200-171	Speech Pathologist	197,943	3 FTE
			1 Teacher/1 Deaf Ed Teacher
			13.5 EA/2 PreK EA
			3 Speech
			1 Deaf Ed (163)
71200-195	Substitutes	10,000	
71200-201	Social Security	46,404	
71200-204	Retirement	74,729	
71200-206	Life Insurance	2,490	
71200-207	Medical Insurance	134,474	
71200-208	Dental Insurance	4,635	
71200-212	Medicare	10,853	
71200-299	Other Fringe Benefits	10,500	
71200-399	Other Contracted Services	10,000	
71200-429	Instructional Supplies/Materials	2,000	
71200-499	Other Supplies/Materials	2,000	
72220-124	Psychologist Intern	10,000	1 FTE
72220-131	Medical Personnel	111,112	2 FTE
72220-135	Assessment Personnel	1,000	.2 FTE
72220-161	Secretary	36,625	1 FTE
72220-189	Other Salaries & Wages	397,529	5 FTE
72220-201	Social Security	37,528	
72220-204	Retirement	56,927	
72220-206	Life Insurance	2,034	
72220-207	Medical Insurance	69,128	
72220-208	Dental Insurance	2,320	
72220-212	Medicare	8,777	
72220-299	Other Fringe Benefits	3,000	
72220-312	Contracts w/Private Agencies	30,000	
72220-355	Travel	2,000	
72220-499	Other Supplies/Materials	2,000	
72220-524	Inservice/Staff Development	10,000	
72710-311	Contracts w/other School Sys	1,000	
99100-504	Transfer Out-Indirect Cost	49,018	
	<b>TOTAL</b>	<b>1,889,035</b>	
	<b>Prelim FY25 Allocation</b>	<b>1,889,035</b>	
	Carryover		
	Total	<b>1,889,035</b>	

## FY25 Federal Projects

4/30/2024	IDEA PreK		Notes
<b>Final</b>			
71200-163	Other Salaries & Wages	27,998	1 FTE
71200-171	Speech Pathologist	1,000	
71200-201	Social Security	1,914	
71200-204	Retirement	3,620	
71200-206	Life Insurance	90	
71200-207	Medical Insurance	6,490	
71200-208	Dental Insurance	280	
71200-212	Medicare	448	
71200-399	Other Contracted Services	1,000	
71200-429	Instructional Supplies/Materials	1,261	
71200-499	Other Supplies/Materials	1,000	
71200-725	Special Education Equipment	1,644	
72220-499	Other Supplies/Materials	2,000	
99100-504	Transfer Out-Indirect Cost	1,200	
	<b>Total</b>	<b>49,945.00</b>	
	<b>Prelim FY25 Allocation</b>	<b>49,945.00</b>	
	<b>Carryover</b>		
	<b>Total</b>	<b>49,945.00</b>	
	<b>Difference</b>	<b>0.00</b>	

**Agenda Item Title:** Approval of the 2024-2025 Extended School Program (ESP) Budget

**Board Meeting Date:** April 30, 2024

**Department:** Finance

**Presented by:** Trey Duke

**Board Agenda Category:**

Consent Agenda	<input type="checkbox"/>
Action Item	<input checked="" type="checkbox"/>
Reports and Information	<input type="checkbox"/>

**Requires City Council Approval:** Yes  No

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### Summary

The 2024-2025 ESP budget is being presented to the Board for approval.

The budget includes revenue projections and expenditures associated with the Extended School Program operations.

### Staff Recommendation

To approve the FY 2024-2025 ESP budget as presented.

### Fiscal Impact

Total Budgeted Revenues:	\$5,662,810
Total Budgeted Expenditures:	\$6,074,730
Total from Fund Balance:	\$411,920

### Connection to MCS's Five-Year Strategic Plan

- Known:** Every student will be *known* through whole-child programs and support.
- Safe:** Every student will be *safe* through equitable access to buildings, facilities, and infrastructure that meets their needs.
- Challenged:** Every student will be *challenged* by learning from highly effective educators and employees.
- Empowered:** Every student will be *empowered* through academic success

**Murfreesboro City Schools**  
**Extended School Program (ESP) Fund 146 Budget FY2024-2025**

**ESP Revenues**

Account Number		FY2023-24 Estimate	FY2023-24 Budget Original	FY2023-24 Budget Revised	FY2024-25 Budget	FY2024-25 Revised Budget	% Change from FY24 Budget	% Change from FY24 Estimate
43517	Tuition/Registration	4,022,200	5,517,740	5,517,740	5,119,630	5,119,630	-7.22%	27.28%
43570	Resale Items	1,000	1,000	1,000	1,000	1,000	0.00%	0.00%
44110	Interest Investments	5,000	5,000	5,000	5,000	5,000	0.00%	0.00%
44111	Interest Checking	130,000	20,000	20,000	80,000	80,000	300.00%	-38.46%
44170	Misc. Refunds	157,500	6,400	6,400	142,635	142,635	2128.67%	-9.44%
44171	Field Trips	30,000	27,144	27,144	59,700	59,700	119.94%	99.00%
44172	DHS Childcare payments	241,845	301,651	301,651	254,845	254,845	-15.52%	5.38%
44530	Sale of Equipment	1,080	-	-	-	-	NA	-100.00%
<b>Grand Total Revenues</b>		<b>4,588,625</b>	<b>5,878,935</b>	<b>5,878,935</b>	<b>5,662,810</b>	<b>5,662,810</b>	<b>-3.68%</b>	<b>23.41%</b>

**ESP Expenditures**

Account Number		FY2023-24 Estimate	FY2023-24 Budget Original	FY2023-24 Budget Revised	FY2024-25 Budget	FY2024-25 Revised Budget	% Change from FY24	% Change from FY24 Estimate
73300 105	Supervisor/Director	67,570	63,715	63,715	96,670	96,670	51.72%	43.07%
73300 189	Other Salaries/Wages	4,100,000	4,284,657	4,284,657	4,565,730	4,565,730	6.56%	11.36%
73300 201	Social Security	258,392	268,646	268,646	289,070	289,070	7.60%	11.87%
73300 204	Retirement	171,000	130,909	130,909	111,705	111,705	-14.67%	-34.68%
73300 206	Life Insurance	2,700	2,289	2,289	2,810	2,810	22.76%	4.07%
73300 207	Medical Insurance	159,200	146,726	146,726	172,730	172,730	17.72%	8.50%
73300 208	Dental Insurance	5,410	4,232	4,232	6,600	6,600	55.95%	22.00%
73300 210	Unemployment	1,000	13,500	13,500	4,000	4,000	-70.37%	300.00%
73300 212	Medicare	60,434	63,354	63,354	67,600	67,600	6.70%	11.86%
73300 217	Hybrid Retirement	500	1,000	1,000	1,000	1,000	0.00%	100.00%
73300 299	Fringe Benefits	20,000	21,000	21,000	19,500	19,500	-7.14%	-2.50%
73300 307	Communications	18,115	17,800	17,800	20,960	20,960	17.75%	15.71%
73300 336	Repair of Equipment	10,000	15,900	15,900	27,000	27,000	69.81%	170.00%
73300 355	Travel	4,000	1,500	1,500	6,900	6,900	360.00%	72.50%
73300 399	Other Contracted Services	610,000	93,472	610,328	44,140	44,140	-92.77%	-92.76%
73300 415	Electricity	2,800	3,000	3,000	4,000	4,000	33.33%	42.86%
73300 454	Water & Sewer	1,000	600	600	1,500	1,500	150.00%	50.00%
73300 499	Other Supplies & Materials	400,000	485,700	485,700	324,450	324,450	-33.20%	-18.89%
73300 524	Professional Development	20,000	25,000	25,000	15,000	15,000	-40.00%	-25.00%
73300 599	Other Charges	140,000	149,780	149,780	207,740	207,740	38.70%	48.39%
73300 799	Other Capital Outlay	718,000	518,868	718,252	85,625	85,625	-88.08%	-88.07%
<b>Grand Total Expenditures</b>		<b>6,770,121</b>	<b>6,311,648</b>	<b>7,027,888</b>	<b>6,074,730</b>	<b>6,074,730</b>	<b>-13.56%</b>	<b>-10.27%</b>

\$ (1,148,953) \$ (411,920) \$ (411,920)

Increase/(Decrease) to Fund Balance

**Agenda Item Title:** Approval of the 2024-2025 School Nutrition Budget

**Board Meeting Date:** April 30, 2024

**Department:** Finance

**Presented by:** Trey Duke

**Board Agenda Category:**

Consent Agenda	<input type="checkbox"/>
Action Item	<input checked="" type="checkbox"/>
Reports and Information	<input type="checkbox"/>

**Requires City Council Approval:** Yes  No

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### Summary

The 2024-2025 School Nutrition budget is being presented to the Board for approval. The budget includes revenue projections and expenditures associated with the School Nutrition operations.

### Staff Recommendation

To approve the FY 2024-2025 School Nutrition budget as presented.

### Fiscal Impact

Total Budgeted Revenues:	\$5,955,988
Total Budgeted Expenditures:	\$6,478,197
Total from Fund Balance:	\$2,261,591

### Connection to MCS's Five-Year Strategic Plan

- Known:** Every student will be *known* through whole-child programs and support.
- Safe:** Every student will be *safe* through equitable access to buildings, facilities, and infrastructure that meets their needs.
- Challenged:** Every student will be *challenged* by learning from highly effective educators and employees.
- Empowered:** Every student will be *empowered* through academic success

**MURFREESBORO CITY SCHOOLS**  
**Nutrition Fund 143 Budget**  
**2024-2025**

9648

**NUTRITION FUND 143**

REVENUES SUMMARY		2023-24 Est. Rev.	2023-24 Budget	2024-25 Budget	2024-25 Revised	Net Budget Incr/(Decr)	% Change	% Change
Description							2023-24 Budget	2023-24 Est. Rev.
43000	Education Charges	\$ 646,977	\$ 607,318	\$ 266,667	\$ 266,667	\$ (340,651)	-56.09%	-58.78%
44000	Local Charges	215,542	44,000	215,542	215,542	171,542	389.87%	0.00%
46000	State of Tennessee	40,000	40,000	40,000	40,000	-	0.00%	0.00%
47000	Federal Government	4,737,770	4,641,123	5,955,988	5,955,988	1,314,865	28.33%	25.71%
<b>TOTAL REVENUES</b>		<b>\$ 5,640,289</b>	<b>\$ 5,332,441</b>	<b>\$ 6,478,197</b>	<b>\$ 6,478,197</b>	<b>\$ 1,145,756</b>	<b>21.49%</b>	<b>14.86%</b>

**REVENUES**

Acct. No.	Description	2023-24 Est. Rev.	2023-24 Budget	2024-25 Budget	2024-25 Revised	Net Budget Incr/(Decr)	% Change	% Change
							2023-24 Budget	2023-24 Est. Rev.
43521	Lunch Payment-Child	\$255,000	\$ 255,000	\$ 0	\$ 0	\$ (255,000)	-100.00%	-100.00%
43522	Lunch Payment-Adult	27,000	19,500	27,000	27,000	7,500	38.46%	0.00%
43523	Income from Breakfast	125,310	125,318	-	-	(125,318)	-100.00%	-100.00%
43525	A la Carte Sales	239,667	207,500	239,667	239,667	32,167	15.50%	0.00%
<b>TOTAL EDUCATION CHARGES</b>		<b>\$ 646,977</b>	<b>\$ 607,318</b>	<b>\$ 266,667</b>	<b>\$ 266,667</b>	<b>\$ (340,651)</b>	<b>-56.09%</b>	<b>-58.78%</b>

Acct. No.	Description	2023-24 Est. Rev.	2023-24 Budget	2024-25 Budget	2024-25 Revised	Net Budget Incr/(Decr)	% Change	% Change
							2023-24 Budget	2023-24 Est. Rev.
44110	Interest Investments	\$ 138,000	\$ 35,000	\$ 138,000	\$ 138,000	\$ 103,000	294.29%	0.00%
44170	Miscellaneous Refund	77,542	9,000	77,542	77,542	68,542	761.58%	0.00%
44570	Contributions & Gifts	-	-	-	-	-	NA	NA
<b>TOTAL OTHER LOCAL REVENUE</b>		<b>\$ 215,542</b>	<b>\$ 44,000</b>	<b>\$ 215,542</b>	<b>\$ 215,542</b>	<b>\$ 171,542</b>	<b>389.87%</b>	<b>0.00%</b>

Acct. No.	Description	2023-24 Est. Rev.	2023-24 Budget	2024-25 Budget	2024-25 Revised	Net Budget Incr/(Decr)	% Change	% Change
							2023-24 Budget	2023-24 Est. Rev.
46520	Food Service - State Matching	\$40,000	\$40,000	\$40,000	\$40,000	-	0.00%	0.00%
<b>TOTAL STATE OF TENNESSEE</b>		<b>\$40,000</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$0</b>	<b>0.00%</b>	<b>0.00%</b>

**MURFREESBORO CITY SCHOOLS**  
**Nutrition Fund 143 Budget**  
**2024-2025**

Acct. No.	Description	2023-24	2023-24	2024-25	2024-25	Net Budget	% Change	% Change
		Est. Rev.	Budget	Budget	Revised	Incr/(Decr)	2023-24	2023-24
47111	USDA - Lunch	\$ 2,300,000	\$ 1,903,353	2,996,120	2,996,120	\$ 1,092,767	57.41%	-100.00%
47112	USDA - Commodities	397,673	397,673	422,099	422,099	24,426	6.14%	6.14%
47113	USDA - Breakfast	1,154,954	1,454,954	1,642,908	1,642,908	187,954	12.92%	42.25%
47114	USDA - Other	\$412,887	412,887	78,645	78,645	(334,242)	-80.95%	-80.95%
47590	Federal through State	469,000	469,000	816,216	816,216	347,216	74.03%	74.03%
47804	COVID-19 P-EBT Grant	\$ 3,256	3,256	-	-	(3,256)	-100.00%	-100.00%
<b>TOTAL FEDERAL REVENUE</b>		<b>\$ 4,737,770</b>	<b>\$ 4,641,123</b>	<b>\$ 5,955,988</b>	<b>\$ 5,955,988</b>	<b>\$ 1,314,865</b>	<b>28.33%</b>	<b>25.71%</b>
<hr/>								
<b>TOTAL REVENUE</b>		<b>\$ 5,640,289</b>	<b>\$ 5,332,441</b>	<b>\$ 6,478,197</b>	<b>\$ 6,478,197</b>	<b>\$ 1,145,756</b>	<b>21.49%</b>	<b>14.86%</b>
<hr/>								
<b>FUND BALANCE - (INCR.)/DECR.</b>		<b>\$ 2,171,625</b>	<b>\$ 3,511,035</b>	<b>\$ 2,261,591</b>	<b>\$ 2,261,591</b>	<b>\$ (1,249,444)</b>	<b>-35.59%</b>	<b>4.14%</b>
<hr/>								
<b>GRAND TOTAL REV. &amp; FUND BAI</b>		<b>\$ 7,811,914</b>	<b>\$ 8,843,476</b>	<b>\$ 8,739,788</b>	<b>\$ 8,739,788</b>	<b>\$ (103,688)</b>	<b>-1.17%</b>	<b>11.88%</b>

**MURFREESBORO CITY SCHOOLS**  
**Nutrition Fund 143 Budget**  
**2024-2025**

**143 73100 SCHOOL NUTRITION**

<b>EXPENDITURES</b>		<b>2023-24</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2024-25</b>	<b>Net Budget</b>	<b>% Change</b>	<b>% Change</b>
<b>Description</b>		<b>Est. Exp.</b>	<b>Budget</b>	<b>Budget</b>	<b>Revised</b>	<b>Incr/(Decr)</b>	<b>2023-24</b>	<b>2023-24</b>
105	Nutrition Director	\$ 81,960	81,960	\$ 85,237	\$ 85,237	\$ 3,277	4.00%	4.00%
119	Accountant/Bookkeep	46,133	46,133	47,978	47,978	1,845	4.00%	4.00%
165	Cafeteria Personnel	1,500,000	2,124,336	1,528,011	1,528,011	(596,325)	-28.07%	1.87%
189	Other Salaries	343,678	343,678	387,186	387,186	43,508	12.66%	12.66%
201	Social Security	188,878	188,878	130,000	130,000	(58,878)	-31.17%	-31.17%
204	State Retirement	146,977	146,977	132,977	132,977	(14,000)	-9.53%	-9.53%
206	Life Insurance	2,500	3,200	2,500	2,500	(700)	-21.88%	0.00%
207	Medical Insurance	262,500	262,500	258,190	258,190	(4,310)	-1.64%	-1.64%
208	Dental Insurance	9,000	9,000	8,500	8,500	(500)	-5.56%	-5.56%
210	Unemployment	500	2,500	1,500	1,500	(1,000)	-40.00%	0.00%
212	Medicare	37,600	37,644	33,950	33,950	(3,694)	-9.81%	-9.71%
299	Other Fringe Benefits	13,500	13,500	10,500	10,500	(3,000)	-22.22%	-22.22%
307	Communications	4,500	4,500	4,200	4,200	(300)	-6.67%	-6.67%
320	Dues & Memberships	3,500	3,500	2,500	2,500	(1,000)	-28.57%	-28.57%
336	Maint & Repair Equip	45,000	45,000	52,000	52,000	7,000	15.56%	15.56%
348	Postal Charges	100	100	100	100	-	0.00%	0.00%
355	Travel	7,500	7,600	7,500	7,500	(100)	-1.32%	0.00%
399	Other Contract Servic	250,000	250,000	350,000	350,000	100,000	40.00%	40.00%
421	Food Prep Supplies (I	225,000	275,000	295,000	295,000	20,000	7.27%	31.11%
422	Food Supplies (Food)	3,300,000	3,635,192	3,900,950	3,900,950	265,758	7.31%	18.21%
425	Gasoline	2,500	5,000	5,000	5,000	-	0.00%	100.00%
435	Office Supplies	6,000	7,200	7,500	7,500	300	4.17%	25.00%
451	Uniforms	25,000	25,000	15,000	15,000	(10,000)	-40.00%	-40.00%
469	USDA Commodities	397,673	397,673	422,009	422,009	24,336	6.12%	6.12%
499	Other Supplies & Mat	35,800	35,800	45,000	45,000	9,200	25.70%	25.70%
524	In-Service/Staff Devel	33,000	33,000	42,000	42,000	9,000	27.27%	27.27%
599	Other Charges	4,000	4,500	4,500	4,500	-	0.00%	12.50%
710	Food Service Equipm	729,960	729,960	950,000	950,000	220,040	30.14%	30.14%
718	Motor Vehicles	65,000	79,989	-	-	(79,989)	-100.00%	-100.00%
719	Office Equipment	44,155	44,156	10,000	10,000	(34,156)	-77.35%	-77.35%
<b>TOTAL EXPENDITURES</b>		<b>\$ 7,811,914</b>	<b>\$ 8,843,476</b>	<b>\$ 8,739,788</b>	<b>\$ 8,739,788</b>	<b>\$ (103,688)</b>	<b>-1.17%</b>	<b>11.88%</b>
		<b>302,799.00</b>						

**143 99100**

<b>OTHER USES - Transfers Out</b>		<b>2023-24</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2024-25</b>	<b>Net Budget</b>	<b>% Change</b>	<b>% Change</b>
<b>Description</b>		<b>Est. Exp.</b>	<b>Budget</b>	<b>Budget</b>	<b>Revised</b>	<b>Incr/(Decr)</b>	<b>2023-24</b>	<b>2023-24</b>
599	Other Charges	-	35,000	-	-	\$ (35,000)	-100.00%	-100.00%
<b>TOTAL TRANSFERS</b>		<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (35,000)</b>	<b>-100.00%</b>	<b>-100.00%</b>
<b>GRAND TOTAL EXPEND &amp; TRANSFE</b>		<b>\$ 7,811,914</b>	<b>\$ 8,878,476</b>	<b>\$ 9,042,587</b>	<b>\$ 8,739,788</b>	<b>\$ (138,688)</b>	<b>-1.56%</b>	<b>15.75%</b>

**Agenda Item Title:** Approval of the 2024-2025 Debt Service Budget

**Board Meeting Date:** April 30, 2024

**Department:** Finance

**Presented by:** Trey Duke

**Board Agenda Category:**

Consent Agenda	<input type="checkbox"/>
Action Item	<input checked="" type="checkbox"/>
Reports and Information	<input type="checkbox"/>

**Requires City Council Approval:** Yes  No

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### Summary

The 2024-2025 Debt Service budget is being presented to the Board for approval.

The Debt Service Fund is used to account for funds reserved for the retirement of the district's debt.

Debt is held by the City of Murfreesboro on behalf of the City School System. The expenses of the Debt Service Fund include principal and interest payments for bond and loan indebtedness for City School's property.

Principal and interest is backed by the full faith, credit, and taxing power of the City of Murfreesboro.

### Staff Recommendation

To approve the FY 2024-2025 Debt Service budget as presented.

### Fiscal Impact

This will recognize the budgeted revenues and expenditures for FY 24-2025.

### Connection to MCS's Five-Year Strategic Plan

- Known:** Every student will be *known* through whole-child programs and support.
- Safe:** Every student will be *safe* through equitable access to buildings, facilities, and infrastructure that meets their needs.
- Challenged:** Every student will be *challenged* by learning from highly effective educators and employees.
- Empowered:** Every student will be *empowered* through academic success

		2024 - 2025 BUDGET					
		DEBT SERVICE FUND					
ITEM		2023 - 2024	2023 - 2024	2024 - 2025	INCREASE		
#	DESCRIPTIONS	BUDGET	ESTIMATE	BUDGET	(DECREASE)		
1	<b>REVENUES</b>						
2	FROM CITY DEBT SERVICE FUND	4,670,460	4,670,460	4,713,421	42,961		
3	FROM CITY SCHOOLS	217,609	217,609	217,601	(8)		
4	<b>TOTAL REVENUE</b>	4,888,069	4,888,069	4,931,023	42,953		
		BALANCE					
ITEM		OUTSTANDING	2023 - 2024	2023 - 2024	2024 - 2025	INCREASE	
#	DESCRIPTIONS	6/30/2024	BUDGET	ESTIMATE	BUDGET	(DECREASE)	
5	<b>EXPENDITURES</b>						
6	<b>BONDS TO BE RETIRED</b>						
7	2014 BOND 5/14/14	7,202,156	1,287,432	1,287,432	1,337,188	49,756	
8	2016 BOND 4/25/16	2,728,616	346,287	346,287	360,716	14,429	
9	2018 BOND 4/10/18	244,491	21,336	21,336	22,395	1,059	
10	2020C REFUNDING BOND 9/30/20	1,742,862	405,136	405,136	416,822	11,687	
11	<b>TOTAL BONDS TO BE RETIRED</b>	11,918,125	2,060,190	2,060,190	2,137,120	76,930	
12	<b>LOANS / NOTES TO BE RETIRED</b>						
13	2019 LOAN 3/1/19	19,422,792	1,575,871	1,575,871	1,667,497	91,626	
14	STATE OF TN-SCHOOLS (FY17)	885,461	179,244	179,244	180,588	1,344	
15	<b>TOTAL LOANS/NOTES TO BE RETIRED</b>	20,308,253	1,755,115	1,755,115	1,848,085	92,970	
16	<b>TOTAL PRINCIPAL</b>	32,226,378	3,815,306	3,815,306	3,985,206	169,900	
17	<b>INTEREST ON BONDS</b>						
18	2014 BOND (FIXED) 5/14/14		296,786	296,786	245,288	(51,497)	
19	2016A BOND (FIXED) 4/25/16		88,207	88,207	74,356	(13,852)	
20	2018 BOND (FIXED) 4/10/18		9,662	9,662	8,595	(1,067)	
21	2020C REFUNDING BOND (FIXED) 9/30/20		64,440	64,440	52,286	(12,154)	
22	<b>TOTAL INTEREST ON BONDS</b>		459,094	459,094	380,525	(78,570)	
23	<b>INTEREST ON LOANS/NOTES</b>						
24	2019 LOAN (FIXED) 4/1/19		606,301	606,301	559,269	(47,033)	
25	STATE OF TN (FIXED) (FY17)		7,368	7,368	6,024	(1,344)	
26	<b>TOTAL INTEREST ON LOANS / NOTES</b>		613,669	613,669	565,293	(48,377)	
27	<b>TOTAL INTEREST</b>		1,072,764	1,072,764	945,817	(126,947)	
28	<b>TOTAL EXPENDITURES</b>		4,888,069	4,888,069	4,931,023	42,953	

**COMPARISON OF BUDGET TOTALS**  
**July 1, 2023 Through March 31, 2024**

<b>TOTAL INCOME</b>	<b>7/1/23 - 3/31/24</b>	<b>\$</b>	<b>80,081,374</b>
<b>TOTAL EXPENSES</b>	<b>7/1/23 - 3/31/24</b>		<b><u>69,171,324</u></b>
 <b>NET INCOME</b>		<b>3/31/24</b>	<b><u>\$ 10,910,050</u></b>

MARCH 2024

## YEAR-TO-DATE REVENUE COMPARISON

	BUDGET CLASS.	2022-23 BUDGET	2022-23 YTD REV.	2022-23 OVR/(UNDR) BUDGET	2022-23 % Received	2023-24 BUDGET	2023-24 YTD REV.	2023-24 OVR/(UNDR) BUDGET	2023-24 % Received
1	40110-Current Prop. Tax	15,000,000	13,764,516	(1,235,484)	91.8%	15,000,000	12,399,734	(2,600,266)	82.7%
2	40210-Local Option Sales Tax	14,300,000	10,227,720	(4,072,280)	71.5%	14,300,000	10,312,936	(3,987,064)	72.1%
3	40000-41110-Other County Rev	1,761,800	1,213,980	(547,820)	68.9%	1,761,800	1,014,933	(746,867)	57.6%
4	43300-44000-Other Local Revenue (Interest, Tuition)	950,926	573,377	(377,549)	60.3%	998,638	870,780	(127,858)	87.2%
	<b>SUBTOTAL LOCAL REVENUE</b>	<b>\$ 32,012,726</b>	<b>\$ 25,779,593</b>	<b>\$ (6,233,133)</b>		<b>\$ 32,060,438</b>	<b>\$ 24,598,384</b>	<b>\$ (7,462,054)</b>	
5	46310-Project Diabetes Grant	142,600	-	(142,600)	0.0%	93,900	120	(93,780)	0.1%
6	46510-TISA	52,851,000	42,404,800	(10,446,200)	80.2%	59,713,965	48,316,215	(11,397,750)	80.9%
7	46515-Early Childhood Ed. (VPK Grant)	1,063,812	605,052	(458,760)	56.9%	1,326,895	600,711	(726,184)	45.3%
8	46590-Other State Education (Summer Learning Grant)	1,521,737	-	(1,521,737)	0.0%	-	-	-	N/A
9	46610-Career Ladder Program	82,000	40,308	(41,692)	49.2%	56,000	36,640	(19,360)	65.4%
10	46591-Coordinated School Health (ended FY23)	100,000	68,390	(31,610)	68.4%	-	-	-	N/A
11	46595-Family Resource (ended FY23)	29,600	19,741	(9,859)	66.7%	-	-	-	N/A
12	46800-46990-Safe Schools Grant (ends 12/31/23)	302,513	54,873	(247,640)	18.1%	523,542	424,818	(98,724)	81.1%
	<b>SUBTOTAL STATE REVENUES</b>	<b>\$ 56,093,262</b>	<b>\$ 43,193,164</b>	<b>\$ (12,900,098)</b>		<b>\$ 61,714,302</b>	<b>\$ 49,378,504</b>	<b>\$ (12,335,798)</b>	
13	47000- Federal Funds	516,921	18,336	(498,585)	3.5%	24,000	-	(24,000)	0.0%
	<b>SUBTOTAL FEDERAL REVENUES</b>	<b>\$ 516,921</b>	<b>\$ 18,336</b>	<b>\$ (498,585)</b>		<b>\$ 24,000</b>	<b>\$ -</b>	<b>\$ (24,000)</b>	
14	49100-49800 Insurance Recovery/Indirect Costs	455,000	-	(455,000)	0.0%	460,000	25,224	(434,776)	5.5%
15	49810-City of Murfreesboro Allocation	7,885,103	5,913,827	(1,971,276)	75.0%	7,885,103	5,913,827	(1,971,276)	75.0%
16	49820-City TN All Corp Grant	500,000	148,233	(351,767)	29.6%	165,435	165,435	(0)	100.0%
	<b>SUBTOTAL OPERATING TRANSFERS</b>	<b>\$ 8,840,103</b>	<b>\$ 6,062,060</b>	<b>\$ (2,778,043)</b>		<b>\$ 8,510,538</b>	<b>\$ 6,104,486</b>	<b>\$ (2,406,052)</b>	
	<b>TOTAL REVENUES</b>	<b>\$ 97,463,012</b>	<b>\$ 75,053,153</b>	<b>\$ (22,409,859)</b>	<b>77.0%</b>	<b>\$ 102,309,278</b>	<b>\$ 80,081,374</b>	<b>\$ (22,227,904)</b>	<b>78.3%</b>

**YEAR-TO-DATE EXPENDITURE COMPARISON**

*MARCH 2024*

*PAGE 1*

	BUDGET CLASS.	2022-23 BUDGET	2022-23 YTD EXP.	2022-23 OVR/(UNDR) BUDGET	2022-23 %	2023-24 BUDGET	2023-24 YTD EXP.	2023-24 OVR/(UNDR) BUDGET	2023-24 %
1	71100-Reg. Instruction	54,131,308	34,616,989	(19,514,319)	64.0%	55,654,848	\$ 36,467,275	(19,187,573)	65.5%
2	71200-Sp. Ed. Instruction	11,069,380	7,123,757	(3,945,623)	64.4%	12,427,983	8,087,855	(4,340,128)	65.1%
3	71400-Student Body Ed.	-	-	-	N/A	-	-	-	N/A
4	72110-Attendance	182,175	121,097	(61,078)	66.5%	160,965	115,313	(45,652)	71.6%
5	72120-Health Services	618,920	281,075	(337,845)	45.4%	1,072,249	590,734	(481,515)	55.1%
6	72130-Guidance	3,310,196	2,018,991	(1,291,205)	61.0%	3,623,785	2,366,261	(1,257,524)	65.3%
7	72210-Reg. Instr. Support	2,391,127	1,549,962	(841,165)	64.8%	2,493,762	1,659,900	(833,862)	66.6%
8	72220-Sp. Ed. Support	1,826,392	1,157,549	(668,843)	63.4%	2,001,350	1,205,831	(795,519)	60.3%
9	72250-Technology	2,464,180	1,724,856	(739,324)	70.0%	2,674,265	1,798,381	(875,884)	67.2%
10	72310-Bd. Of Education	1,751,350	1,493,574	(257,776)	85.3%	1,966,681	1,488,446	(478,235)	75.7%
11	72320-Office of Supt.	423,750	281,293	(142,457)	66.4%	438,963	288,002	(150,961)	65.6%
12	72410-Office of Principal	5,217,780	3,550,888	(1,666,892)	68.1%	5,628,525	3,915,151	(1,713,374)	69.6%
13	72510-Fiscal Services	754,345	546,827	(207,518)	72.5%	886,045	637,440	(248,605)	71.9%
14	72520-Personnel Servlces	505,320	331,830	(173,490)	65.7%	594,415	426,012	(168,403)	71.7%
15	72610-Oper. Of Plant	6,691,130	4,320,267	(2,370,863)	64.6%	6,371,800	3,950,048	(2,421,752)	62.0%
16	72620-Maint. Of Plant	3,092,033	1,619,520	(1,472,513)	52.4%	4,153,183	2,174,666	(1,978,517)	52.4%
17	72710-Pupll Transp.	4,092,271	2,444,998	(1,647,273)	59.7%	4,221,565	2,659,165	(1,562,400)	63.0%
18	73300-Community Service	444,655	292,763	(151,892)	65.8%	522,655	359,441	(163,214)	68.8%
19	73400-Early Childhood Educ.	1,166,640	671,810	(494,830)	57.6%	1,108,368	703,330	(405,038)	63.5%
20	76100-Reg. Cap. Outlay	130,000	55,223	(74,777)	42.5%	171,872	138,114	(33,758)	80.4%
21	82130-Education Debt Serv.	-	-	-	N/A	-	-	-	N/A
22	99100-Operating Transfers	776,800	196,629	(580,171)	25.3%	217,610	139,959	(77,651)	64.3%
	<b>TOTALS</b>	<b>101,039,752</b>	<b>64,399,899</b>	<b>\$ (36,639,853)</b>	<b>63.7%</b>	<b>106,390,889</b>	<b>69,171,324</b>	<b>\$ (37,219,565)</b>	<b>65.0%</b>

## **MCS Construction and Upgrade Projects**

Central Office HVAC Compressor – installed April 22nd

Security projects are progressing appropriately.

MNE Playground - current, completion June 1<sup>st</sup>

Reeves Rogers HVAC - current, completion June 30th

Hobgood HVAC - current, completion June 30th

Central Office Flooring - May 13, completion June 2nd

Discovery School Exterior Paint – May 1st, completion July 26<sup>th</sup>

Discovery School Kindergarten Pod Flooring - May 6th/13th, completion July 26

Discovery School Sport Courts – Late May-June 30th

MNE Interior Paint - May 24th, completion July 26<sup>th</sup>

Hobgood Ceiling - May 24th, completion July 26<sup>th</sup>

Cason Lane Prek New Parking Lot – June 3rd

Reeves-Rogers's Annex – Notice to Proceed July 15<sup>th</sup> 2024, completion July 3rd 2025

# Period 7 Enrollment and Attendance Summary

3/11/24 - 4/12/24

## Average Attendance Percentage

**93.6%**

.08% from previous period

## Enrollment

**9,496 students**

+28 students from previous period

## Truancy

*10+ Days Unexcused Absences*

**333 Students**

+127 students from previous period

-39 students from previous year at this same time

## Chronic Absenteeism

*10+ Days Excused and Unexcused Absences*

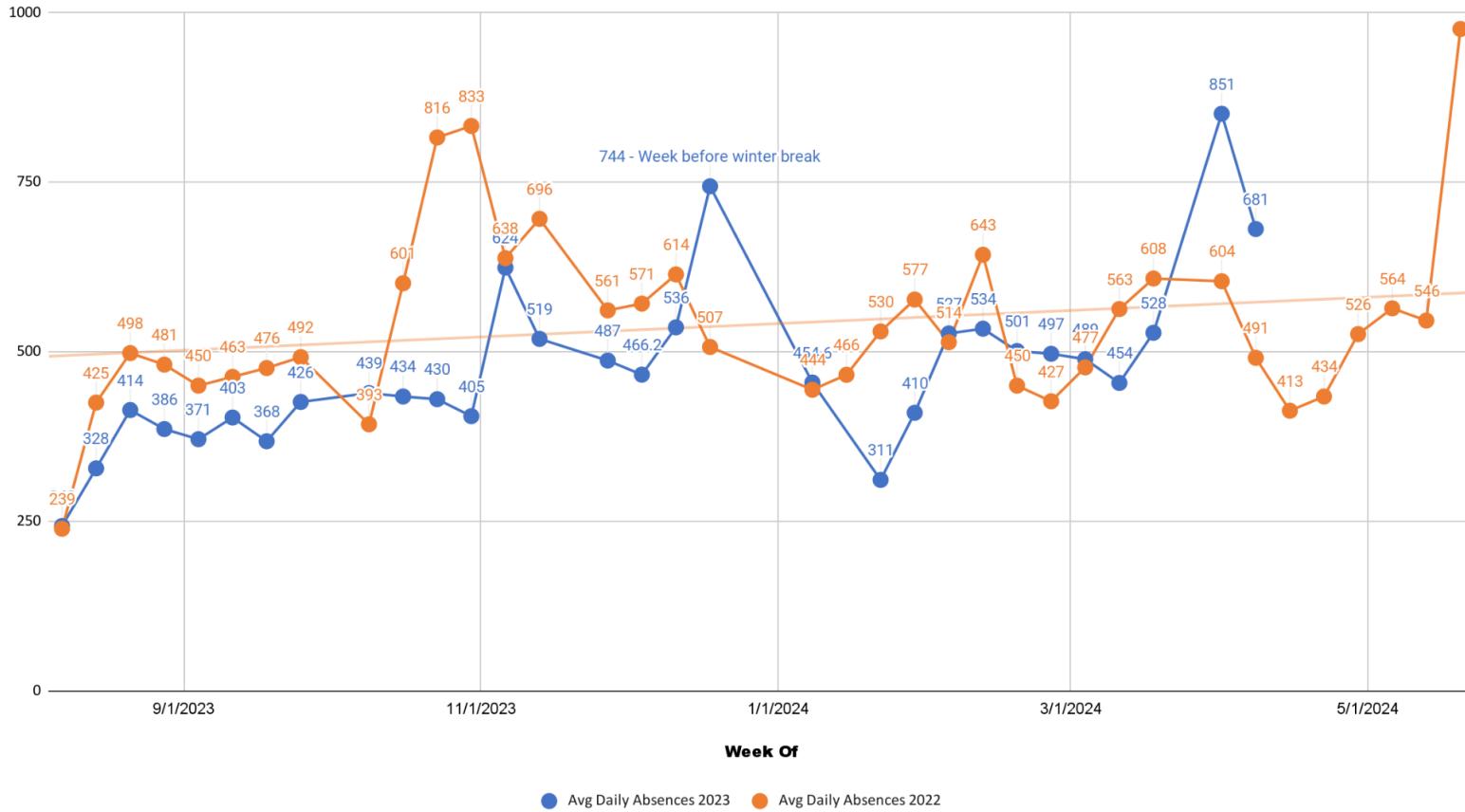
**11% (1,028 students with 10+ Days)**

No change from previous period

-4% from previous year at this same time

Regular Education Pupil-Teacher Ratio (PTR)	Pupils	Teachers	PTR	PTR % Change from Previous Period
Kindergarten through 3rd Grade	5,634	301	18.72	+ 0.03
4th Grade through 6th Grade	3,188	157	20.31	+0.09
District Totals	8,822	458	19.26	- 0.04

## Average Daily Absences 2023 vs Average Daily Absences 2022



## Enrollment Period 7 - 03/11/24 to 04/12/24\*

	K-6 Gen Ed Totals	PS VPK	PS SpEd	PS Peers	CDC	BEST	Deaf Ed	TOTALS
Black Fox*	795	40			32			867
Bradley	351							351
Cason Lane	706	100	33	20	33			892
Discovery	389							389
Erma Siegel	794		19	12	25		3	853
Hobgood	621				9			630
John Pittard	767	40	23	8	23			861
Mitchell-Neilson	553	40	22	14		21		650
Northfield	599	20	23	12	42			696
Overall Creek	985				13			998
Reeves-Rogers	344							344
Salem	946				19			965
Scales	972				28			1000
								9496

Totals	8822	240	120	66	224	21	3	9496
	K-6 Gen Ed Total	PS VPK	PS SpEd	PS Peers	CDC	BEST	Deaf Ed	
TISA Funded	8822				224	21	3	9070
Non-TISA Funded		240	120	66				426

Total Growth Over Period 9 22-23	
Period 9 2022-2023 -----	9301
Growth from 22-23 to 23-24 ---	195

TISA Funded Growth Over Period 9 22-23	
Period 9 2022-2023 -----	8881
Growth from 22-23 to 23-24 ---	189

TISA Funded Growth by Reporting Period	
Period 7 2022-2023 -----	8948
Growth from 22-23 to 23-24 ---	122

Average Attendance Percentage	
	93.6%

	8822	240	120	66	224	21	3	9496
	K-6 Gen Ed Total	PS VPK	PS SpEd	PS Peers	CDC	BEST	Deaf Ed	

TISA Funded	8822				224	21	3	9070
Non-TISA Funded		240	120	66				426

\* BF Reporting Period 3/11/24-4/15/24 due to 3/22/24 Closure

## PTR Period 7 - 03/11/24 to 04/12/24\*

	Kindergarten			1st Grade			2nd Grade			3rd Grade			Total	Total	K-3 PTR	4th Grade			5th Grade			6th Grade			Total	Total	4-6 PTR	Total K-6
	P	#	PTR	P	#	PTR	P	#	PTR	P	#	PTR	Pupils	Teachers	Ratio	P	#	PTR	P	#	PTR	P	#	PTR	Pupils	Teachers	Ratio	
Black Fox*	121	6	20.17	109	6	18.17	159	8	19.88	112	6	18.67	501	26	19.27	103	5	20.60	121	5	24.20	70	3	23.33	294	13	22.62	795
Bradley	47	3	15.67	58	3	19.33	50	3	16.67	48	3	16.00	203	12	16.92	52	3	17.33	53	3	17.67	43	2	21.50	148	8	18.50	351
Cason Lane	117	7	16.71	126	7	18.00	114	6	19.00	105	6	17.50	462	26	17.77	108	5	21.60	101	5	20.20	35	2	17.50	244	12	20.33	706
Discovery	60	3	20.00	60	3	20.00	59	3	19.67	60	3	20.00	239	12	19.92	66	3	22.00	66	3	22.00	18	1	18.00	150	7	21.43	389
Erma Siegel	124	7	17.71	127	7	18.14	153	8	19.13	125	7	17.86	529	29	18.24	134	6	22.33	131	6	21.83				265	12	22.08	794
Hobgood	117	6	19.50	97	5	19.40	92	5	18.40	95	5	19.00	401	21	19.10	90	4	22.50	78	4	19.50	52	3	17.33	220	11	20.00	621
John Pittard	125	6	20.83	109	6	18.17	120	6	20.00	115	6	19.17	469	24	19.54	113	6	18.83	137	6	22.83	48	3	16.00	298	15	19.87	767
Mitchell-Neilson	77	4	19.25	101	6	16.83	76	4	19.00	89	5	17.80	343	19	18.05	75	4	18.75	83	4	20.75	52	3	17.33	210	11	19.09	553
Northfield	93	5	18.60	88	5	17.60	99	6	16.50	86	5	17.20	366	21	17.43	101	5	20.20	110	5	22.00	22	1	22.00	233	11	21.18	599
Overall Creek	155	8	19.38	145	7	20.71	167	8	20.88	158	8	19.75	625	31	20.16	155	8	19.38	172	8	21.50	33	2	16.50	360	18	20.00	985
Reeves-Rogers	64	4	16.00	51	3	17.00	51	3	17.00	66	4	16.50	232	14	16.57	59	3	19.67	53	3	17.67				112	6	18.67	344
Salem	129	8	16.13	158	8	19.75	151	8	18.88	164	8	20.50	602	32	18.81	162	8	20.25	127	7	18.14	55	3	18.33	344	18	19.11	946
Scales	155	8	19.38	178	9	19.78	180	9	20.00	149	8	18.63	662	34	19.47	167	8	20.88	143	7	20.43				310	15	20.67	972
Totals by Grade	Kindergarten			1st Grade			2nd Grade			3rd Grade						4th Grade			5th Grade			6th Grade						
	1384	75	18.45	1407	75	18.76	1471	77	19.10	1372	74	18.54				1385	68	20.31	1375	66	20.83	428	23	18.61			8822	Total K-6

Regular Education PTR			Pupils	Teachers	PTR
Kindergarten thru Third Grade	-----		5634	301	18.72
Fourth Grade thru Sixth Grade	-----		3188	157	20.31
District Totals			8822	458	19.26

\* BF Reporting Period 3/11/24-4/15/24

## TRUANCY 10+ Days (Unexcused Absences)

	Period 1		Period 2		Period 3		Period 4		Period 5		Period 6		Period 7		Period 8		Period 9	
	23-24	22-23	23-24	22-23	23-24	22-23	23-24	22-23	23-24	22-23	23-24	22-23	23-24	22-23	23-24	22-23	23-24	22-23
Black Fox	-	2	-	1	1	4	5	7	6	18	9	24	16	30	48	48	62	
Bradley	-	2	1	2	1	4	1	7	1	3	5	11	7	5	15	15	24	
Cason Lane	-	7	1	12	4	14	6	31	18	41	29	60	55	57	83	83	104	
Discovery	-	-	-	-	-	-	-	-	1	1	-	2	1	-	1	1	3	
Erma Siegel	-	-	-	-	-	3	1	3	5	7	7	11	15	13	21	21	29	
Hobgood	-	-	1	2	-	9	7	9	15	25	20	23	33	38	61	61	87	
John Pittard	1	2	2	9	6	22	14	29	28	28	40	63	58	65	95	95	110	
Mitchell-Neilson	-	5	-	3	3	11	12	19	21	28	25	42	42	38	68	68	90	
Northfield	-	2	2	4	3	7	3	12	4	14	5	18	11	19	27	27	38	
Overall Creek	-	-	4	1	2	1	2	1	4	2	4	3	4	2	7	7	9	
Reeves-Rogers	1	-	2	-	6	4	10	6	18	9	20	24	24	28	44	44	70	
Salem	-	6	1	6	4	9	10	18	21	18	35	34	54	33	60	60	73	
Scales	-	-	-	-	2	3	4	9	7	15	7	34	13	44	65	65	94	
Total Students	2	26	14	40	32	91	75	151	149	209	206	349	333	372	-	595	-	793

### Chronic Absenteeism = missing 10% or more (Excused and Unexcused)

	Period 1 (2+ days)		Period 2 (4+ days)		Period 3 (6+ days)		Period 4 (8+ days)		Period 5 (10+ days)		Period 6 (12+ days)		Period 7 (14+ days)		Period 8 (16+ days)		Period 9 (18+ days)	
	23-24	22-23	23-24	22-23	23-24	22-23	23-24	22-23	23-24	22-23	23-24	22-23	23-24	22-23	23-24	22-23	23-24	22-23
Black Fox	170	165	129	119	97	123	100	133	98	117	91	112	91	121		104		88
Bradley	75	94	49	84	38	87	29	76	32	69	34	69	33	50		45		45
Cason Lane	161	210	113	207	100	199	103	180	109	160	93	157	100	131		138		124
Discovery	30	47	16	35	10	65	14	46	16	35	12	33	10	28		21		18
Erma Siegel	109	151	71	120	55	112	47	119	49	95	58	92	49	81		71		61
Hobgood	151	182	119	156	130	176	123	155	133	137	121	139	123	156		126		115
John Pittard	142	153	112	153	101	139	100	139	95	116	91	131	97	132		113		110
Mitchell-Neilson	136	156	120	121	117	169	116	144	114	131	107	136	109	143		108		101
Northfield	126	178	113	137	89	156	73	112	78	100	72	103	71	107		91		80
Overall Creek	163	179	111	126	92	132	95	122	93	100	74	92	69	77		65		57
Reeves-Rogers	78	110	67	84	66	80	67	74	68	66	66	73	60	62		70		68
Salem	141	180	114	159	107	155	97	140	95	121	94	131	99	114		107		106
Scales	153	227	141	230	138	231	133	225	129	206	115	196	117	163		155		141
District Total	1635	2032	1275	1731	1140	1824	1097	1665	1109	1453	1028	1464	1028	1365	-	1214	-	1114
Internal %	18%	23%	14%	20%	13%	21%	12%	19%	12%	16%	11%	17%	11%	15%	-	14%	-	13%

## Human Resources Personnel Report 02/20/2024 - 04/22/2024

### Certified Hires

Last Name	First Name	Start Date	Location	Position
Allen	Charlee	3/18/2024	SC	ESL Teacher
Hancock	Jayla	4/1/2024	MNS	1st Grade Teacher

### Certified Interims

Last Name	First Name	Interim Dates	Location	Position	Replacing/For
Clay	Morgan	3/1 - EOY	NF	2nd Grade	Deming Wehby
McKnight	Starla	3/4-EOY	DS	5th Grade	Rachel Cairo
Couey	Emily	3/4 - 4/30	SA	3rd Grade	Ali Hernandez
Burleson	Kaylee	3/5 - 4/22	SA	2nd Grade	Aubree Vitro
Martin	Amanda	3/18 - EOY	CLAPK	SPED PreK Teacher	Anna Beth Phillips
Halliburton	Brittney	4/1-EOY	BR	1st Grade	Elizabeth Evans
Dupes	Marina	4/1 - EOY	BR	4th Grade	Allison Nivison
Kilgore	Sabrina	4/1 - EOY	OCE	4th Grade	Anna McDonald
Johnson	Diane	4/8- EOY	MNS	6th Grade	Olivia Amos-Wordlaw
Allen	Lettie	4/1 - EOY	OCE	1st Grade	Taylor Ball

### Classified New Hires

Last Name	First Name	Start Date	Location	Position	Notes
Carpenter	Krystal	2/26/2024	MNS	EA	Sub to EA
Clagg	Chasity	2/26/2024	OCE	EA	
Jones	Debra	2/27/2024	HG	Intervention EA	
Elliott	Cassidy	3/5/2024	ESE	SPED 1-on-1 EA	
Wenisch	Steffania	3/7/2024	CO	Multilingual Liaison	
Rooks	Whitney	3/11/2024	ESE	SPED 1-on-1 EA	
Davis	Jacquese	3/11/2024	SHOP	Bus Asst	
Sinclair	Amy	3/12/2024	SC	EA	Sub to EA
May	Emerson	3/13/2024	SHOP	Bus Driver	
Reyes	Jenna	3/18/2024	MNS	EA	
Grisz	Adam	4/1/2024	CO	Purchasing Agent	
Menth	Amanda	4/1/2024	OCE	EA	Sub to EA
Foster	Sarah	4/1/2024	SC	EA	MDA to EA
May	Marion	4/1/2024	SHOP	Bus Asst	ESP to Bus Asst
King	Charles	4/2/2024	SHOP	Bus Asst	
Reyes	Michael	4/2/2024	MNS	EA	
Spivey	Tatonna	4/8/2024	DS	Asst Caf Mngr	PT to FT
Spry	Nicholas	4/15/2024	MNS	SPED EA	Sub to EA
Taylor	Taetumn	4/15/2024	NF	SPED EA	Sub to EA

### Certified Resignations/Retirements/Terminations

Last Name	First Name	Last Day	Location	Position	Tenure Y/N
Lewis	Diane	2/22/2024	MNS	5th Grade Teacher	Y
Hoyt	Audreanna	2/29/2024	OCE	6th Grade Teacher	N
Garrette	Lauren	3/5/2024	SA	3rd Grade Teacher	N
Clark	Mallory	4/4/2024	CLA	SLP	Y
Turner	Renessa	4/5/2024	MNS	1st Grade Teacher	N

**Classified Resignations/Retirements/Terminations**

<u>Last Name</u>	<u>First Name</u>	<u>Last Day</u>	<u>Location</u>	<u>Position</u>
Young	Lacie	2/22/2024	CO	Purchasing Agent
Marrero	Kim	3/1/2024	JP	SPED EA
Clarke	Nicole	3/13/2024	SC	EA
Alcorn	Kayla	3/13/2024	NF	SPED EA
Forde	Emma	3/15/2024	MNS	SPED EA
Smith	Caitilin	3/15/2024	MNS	EA
Degraw	Sydney	3/22/2024	SC	EA
Borden	Tyler	4/4/2024	SHOP	Groundskeeper
McDaniel	Charise	4/12/2024	CO	Family Engagement Coord.