

Lone Star National Bank

Treasury Management Services Agreement

Procedures, Terms and Conditions

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GENERAL PROVISIONS

Definitions

"Additional Authentication Information" ("AAI") means such additional authentication information that Bank may require Customers to provide at Bank's sole discretion.

"Authorized Signer" means such person as is identified on Schedule B as a person authorized to sign on behalf of Customer.

"Affiliate" means a person who controls, is controlled by, or is under common control with another person.

"Banking day" means any business day on which the Bank is open to the public for carrying on substantially all of its banking functions.

"Book Transfer" means an alternate entry system for transferring funds between Customer's demand deposit accounts at the Bank, including any linked accounts.

"Business day" means a calendar day other than Saturday or Sunday or a federal legal holiday.

"Consumer Account" means an account used primarily for personal, family, or household purposes.

"Funds Transfer" includes Book Transfers, Automated Clearinghouse Transactions, and Wire Transfers

"NACHA" means the National Automated Clearing House Association.

"Organization" includes, but is not limited to, a corporation, limited or general partnership, limited liability partnership or limited liability limited partnership, limited liability Customer, business trust, real estate investment trust, cooperative, association, or other organization, regardless of whether the organization is for-profit, nonprofit, domestic or foreign.

"Parent" means an organization that, directly or indirectly through or with one or more of its subsidiaries: (a) owns at least 50 percent of the outstanding ownership or membership interests of another organization; or (b) possesses at least 50 percent of the voting power of the owners or members of another organization.

"Person" includes a sole proprietor, corporation, organization, government or governmental subdivision or agency, business trust, estate, trust partnership, association and any other legal entity.

"Related Entity" means either (a) a Parent, (b) a Subsidiary, or (c) an Affiliate of Customer.

"Subsidiary" means an organization for which another organization, either directly or indirectly through or with one or more of its other subsidiaries: (a) owns at least 50 percent of the outstanding ownership or membership interests of the organization; or (b) possesses at least 50 percent of the voting power of the owners or members of the organization.

"Transactional User" means a person who may perform transactions related to a Service or Services.

"Wire Transfer" means a transfer of funds by means of FEDWIRE, through a correspondent bank, SWIFT, TELEX, or other means but shall not include a transfer through NACHA.

"Writing" includes printing, typewriting, or any other intentional reduction to tangible form, including electronic records.

1. **Treasury Management Services**

(a) **Overview.** Lone Star National Bank (the "Bank") offers various Treasury Management Services (individually, each a "Service", collectively the "Services") to its commercial customers (each a "Customer"). These Services include, but are not limited to the following:

Automated Clearing House ("ACH") Services

Wire Transfer

Positive Pay

Bill Pay

Remote Deposit Complete (RDC)- Office Banker

Mobile RDC

The execution of the Treasury Management Services Agreement (the "Agreement") obligates the parties with regard to the general terms and conditions related to use by the Customer of any Service or Services offered by the Bank, regardless of whether such Service is performed traditionally, online or through some combination thereof. **Nonetheless, before the Customer begins using any of the Services, the Customer must mail or deliver a duly authorized and executed copy of the Agreement to the Bank for review and approval.**

(b) **Enrollment in a Service or Services.** Enrollment in any individual Service requires the completion of the Treasury Management Services Request (the "Request"), attached hereto as Schedule A. Enrollment in a Service or Services is accomplished by obtaining, completing, signing, and submitting the Request to the Bank.

2. **Accounts.**

(a) **General.** The Customer agrees to maintain a minimum of at least one (1) checking account ("Demand Deposit Account") with the Bank with funds sufficient to cover the transactions initiated pursuant to the Agreement, and to cover fees required to pay for Services provided thereunder.

(b) **Authorization for Transfers to and from Accounts.** The Customer expressly authorizes the Bank to debit the appropriate Deposit Account in the amount of any transfer initiated by the Customer pursuant to the Agreement, or initiated by any other person the Customer authorizes to access Deposit Account(s). The Customer agrees that the Bank: (i) may treat any transfer, whether initiated online or otherwise, from a Deposit Account the same as a duly executed written withdrawal, transfer, or check; (ii) may treat any transfer to a Deposit Account the same as a deposit by cash or check; (iii) may treat any transfer to a loan account the same as a loan payment to the Bank; and (iv) may treat any transfer from a loan account the same as a loan advance from the loan account, all in accordance with the terms of the Agreement and the Customer's agreement with the Bank governing the Deposit Account (the "Deposit Account Agreement") or the Customer's agreement with the Bank governing any such loan account (the "Loan Agreement"), as applicable.

(c) **Customer Printed Checks.** The Bank reserves the right, with respect to any and all of the Services, to require Customer to submit any non-Bank printed checks (i.e. checks that are printed by the Customer, or printed by an independent printer at the request of the Customer) for Bank's review and approval regarding format, size, and other requirements. If Bank exercises such review and approval right for any of the Services, Customer shall be required to submit such non-Bank printed checks for Bank's review and approval prior to Customer using such non-Bank printed checks or upon request by the Bank should the Bank identify possible processing issues regarding the checks.

3. The Agreement.

(a) **General.** The terms and conditions of the Agreement, including the Request, any service setup forms, the Treasury Management Services Agreement, and all attachments, authorizations, schedules and exhibits, together with all amendments or modifications thereto, are cumulative with and in addition to any terms of the Deposit Account Agreements and related Deposit Account signature cards and authorizations, Loan Agreements, the applicable Deposit and Loan Agreement disclosures, the Bank's service schedule, the Bank's Schedule of Funds Availability, any credit account agreements relating to any credit accounts the Customer may have with the Bank (together, the "Bank Agreements, Schedules and Disclosures"), the rules and regulations of any federal or state agency that supervises the Bank's activities or insures accounts at the Bank, and any applicable clearinghouse operating rules and guidelines, including, but not limited to those of the National Automated Clearing House Association ("NACHA"), and any other applicable local clearing house association, all as may be amended from time to time.

(b) **Inconsistencies.** Should any inconsistency exist or arise between the terms of the Agreement, as relates to any Service or Services, and the terms of any other Bank Agreements, Schedules and Disclosures, the terms of this Agreement shall control, but only to the extent of the inconsistency. Furthermore, should any inconsistency exist or arise between the General Provisions of the Agreement and the applicable Service specific provisions, the terms of the Service specific provisions shall control, but only to the extent of the inconsistency.

(c) **Amendment.** The Bank may amend the Agreement from time to time. If no federal or state law specifically governs an amendment, then at least ten (10) calendar days prior to the effective date of the amendment, the Bank will deliver notice to the Customer of the amendment as provided for in Section 4 of these General Provisions. Notwithstanding the foregoing and to the extent permitted by applicable law, the Bank may amend any term of the Agreement without prior notice or obligation to the Customer: (i) if a service provider changes any term without providing the Bank sufficient prior notice to enable the Bank to timely notify the Customer; (ii) for security reasons; (iii) to comply with applicable law; or (iv) as otherwise expressly provided in the Agreement. Use by the Customer of the Service(s) following the effective date of any amendment shall constitute the Customer's acceptance of and agreement to the amendment. If the Customer does not agree to the changes as set forth in an amendment, the Customer may choose to terminate the Service(s) affected by the amendment prior to the effective date of the amendment by discontinuing further use of the Service and following the procedures set forth in Section 24 of these General Provisions. Unless otherwise provided for herein, the Agreement may not be amended or modified unless agreed to in writing by the Bank.

4. Notices and Instructions.

(a) **General.** Unless otherwise stated in the Agreement, all notices required pursuant to the Agreement and the Services shall be in writing. The Bank shall be entitled to rely on any written notice or other written, electronic or telephone communication believed by it in good faith to be genuine and to have been initiated by an authorized representative of the Customer to the Bank. Any such communication will be deemed to have been authorized by the Customer. The parties agree that the Bank's records of telephonic or electronic instructions shall be conclusive evidence of the actual notice or instructions given by the Customer and recorded by the Bank.

(b) **Data Recording.** Customer and Bank agree that all telephone conversations or data transmissions between them or their agents made in connection with this Agreement may be recorded and retained by either party by use of electronic or any reasonable means. The Bank, however, has no duty to record or monitor such telephone conversations or online transmissions and communications, and the election to record and/or monitor is within the Bank's sole discretion.

(c) **Delivery of Notices, Disclosures, Amendments or Other Communications by the Bank.** The Customer acknowledges and agrees that, to the extent permitted by applicable law, the Bank may deliver all notices, disclosures, amendments or other communications required hereunder to the Customer by email at the Customer's email address as provided to the Bank or through Business Online Banking. To the extent

permitted by applicable law, the Customer agrees that each such communication will be binding and enforceable to the same extent as if it were delivered to the Customer in writing by regular mail, branch posting, or in person.

(d) **Electronic Mail Communication.** The Customer may send email to the Bank and receive email from the Bank. Communications sent to the Bank over the Internet are considered unsecured unless the information is encrypted with the equivalent of 128-bit encryption technology, or transmitted via a secure session using a commercial reasonable security technology that provides a level of security that is equivalent to 128-bit RC4 encryption technology. The Customer agrees that unsecured email will not be used to deliver sensitive personal or private information that includes, but is not limited to bank routing numbers, account numbers, Social Security numbers, ATM & Checkcard numbers, personal identification numbers ("PIN"s), home addresses, User IDs, Passwords, ACH entries, or to provide required notices to the Bank pursuant to any agreement the Customer has with the Bank, unless such agreement expressly provides for email notification. **THE CUSTOMER ACKNOWLEDGES AND AGREES THAT ANY REQUEST(S) SENT TO THE BANK THROUGH AN UNSECURED ELECTRONIC NETWORK ARE IN VIOLATION OF BANK AND NACHA POLICY AND PROCEDURES. THE CUSTOMER UNDERSTANDS AND AGREES THAT THE BANK IS NOT LIABLE FOR ANY LOSS OR DAMAGE INCURRED BY THE CUSTOMER WHEN AN UNAUTHORIZED PERSON GAINS ACCESS TO ANY SUCH EMAIL. THE CUSTOMER AGREES TO INDEMNIFY AND HOLD THE BANK HARMLESS IF THE BANK ACTS WITH ORDINARY CARE IN GOOD FAITH BY RESPONDING TO ANY EMAIL PURPORTED TO BE SENT BY THE CUSTOMER. THE BANK'S IMPLEMENTATION OF ITS NORMAL PROCEDURES REGARDING RECEIPT AND MAINTENANCE OF CONFIDENTIAL INFORMATION CONSTITUTES ITS EXERCISE OF DUE CARE.** Email transmitted by the Customer to the Bank may not be delivered to the Bank immediately. If the Customer needs to contact the Bank immediately to stop a payment, to report an unauthorized use of the Customer's User ID, to report unauthorized access to an account, or for any other reason, the Customer shall contact the Bank by telephone at the telephone number provided herein, or in person. The Bank will not be responsible for acting on or responding to any email request made until the Bank actually receives the Customer's email message and the Bank has a reasonable opportunity to act. Customer should check its email regularly as the Bank may attempt to notify the Customer by email in the event of any technical difficulties or other occurrence that may affect the Bank's online Services.

(e) **Address for Notification.** All notices to be delivered by the Customer to the Bank pursuant to the Agreement can be made to the physical address, postal address, or telephone number indicated below, as applicable pursuant to the terms of the Agreement and the requirements of the notice:

Lone Star National Bank
Attn: Treasury Management Dept.
206 W. Ferguson, Pharr, TX 78577
1-800-580-0322

All notices to be delivered by the Bank to the Customer pursuant to the Agreement can be made to the postal address, email address, or telephone number indicated in the attached Resolution or Authorization to Obtain Treasury Management Services (the "Authorization"), such notification information as may be amended in writing by the Customer from time to time.

5. Submission of Information and Documents.

(a) **Delivery of Documents.** The Customer agrees to deliver, in a form and content satisfactory to the Bank, such additional executed, or as the case may be, certified, documents required by the Bank from time to time to obtain and to continue to receive the specific Service(s) requested by the Customer, including Deposit Account signature cards, declarations, authorizations, resolutions, implementation documents and updated statements. In addition, Customer shall execute Bank's "Treasury Management Services Guaranty" immediately upon Bank's request in the event that Bank, in its sole discretion, requires Customer to execute such guaranty to either: (i) receive initial Bank approval for Bank's provision of specific Service(s) to Customer; or (ii) continue receiving specific Service(s) from Bank if there is an occurrence of a material change in Customer's credit and/or

risk analysis criteria and Bank determines, in its sole and absolute discretion, that such guaranty is necessary to satisfy Bank's credit and risk management criteria. If Bank requires Customer to execute a "Treasury Management Services Guaranty" and Customer refuses, Bank may, in its sole and absolute discretion, either refuse to enter into this Agreement and refuse to provide specific Service(s) to Customer, or discontinue providing specific Service(s) and/or immediately terminate any existing Agreement with Customer in accordance with Section 24 of this Agreement.

(b) **Provision of Information.** Prior to initiating a new Service, the Customer agrees to provide all information which the Bank may request including specifications, test results, check samples, transmissions, and documents. In the event that the Bank determines, in its sole discretion, that any specification, test result, sampling, transmission, or document does not meet its requirements, the Bank may advise the Customer that the Customer will not be eligible to obtain the Service(s) until requested information that is satisfactory to the Bank is provided by the Customer.

(c) **Authorizations.** By providing the Authorization to Obtain Treasury Management Services (Schedule B), the Customer authorizes the individual(s) named therein to be Authorized Signers and Authorized Administrators (collectively, the "Authorized Parties").

(i) "Authorized Signers" have the authority to sign the Agreement and any addenda thereof; to accept on behalf of the Customer the terms and conditions governing the use of Services, including acceptance of Security Procedures (as defined herein); to enroll in Services; to appoint and remove Authorized Administrators (as defined below); to authorize and remove the authorization of individual Transactional Users (as defined below) who perform transactions related to a Service or Services; and to perform transactions related to any Service hereunder.

(ii) "Authorized Administrators" have the authority to enroll in Services; to sign addenda to the Agreement as they relate to Services; to authorize and remove the authorization of individual Transactional Users who perform transactions related to a Service or Services; and to perform transactions related to any Service hereunder.

(iii) Customer may also designate an administrator or administrators for setting up transaction limits for users, transaction controls, user accounts, user authority levels, and other administrative functions within Online Banking ("Online Administrator"). Designations and changes of authority made within the Online Banking platform are independent of and do not affect designations of Authorized Signers or Authorized Administrators made via a physical form or writing, telephone, or other means besides Online Banking. If Customer wishes to revoke the authority of an individual to manage or initiate transactions under this Agreement, Customer must assure that the individual's authority is revoked both through Online Banking and by contacting Bank in writing by other means.

(iv) Prior to utilizing any specific Service, the Customer shall furnish the Bank with documentation in form and content satisfactory to the Bank, naming the Customer's employees, agents and third-party vendors hired by the Customer to perform any of the transactions required by the Customer under the Agreement and naming those individuals who are authorized to act on behalf of the Customer with respect to the Service (the "Transactional Users").

(v) **THE CUSTOMER AGREES THAT IN THE EVENT THE CUSTOMER DESIRES TO NAME ADDITIONAL AUTHORIZED ADMINISTRATORS OR REMOVE THE AUTHORITY OF AN EXISTING AUTHORIZED ADMINISTRATOR, THE CUSTOMER MUST PROVIDE THE BANK WITH WRITTEN INSTRUCTIONS ADVISING THE BANK OF THE CHANGE IN AUTHORITY SIGNED BY A PERSON NAMED AS AN AUTHORIZED SIGNER ON THE MOST CURRENT AUTHORIZATION. THE CUSTOMER AGREES THAT THE BANK WILL RELY ON THE MOST CURRENT AUTHORIZATION AND THE MOST CURRENT SERVICE-RELATED TRANSACTIONAL USER AUTHORIZATIONS SUPPLIED BY THE CUSTOMER AND, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE BANK SHALL HAVE NO LIABILITY FOR UNAUTHORIZED ACTIONS TAKEN OR TRANSACTIONS PERFORMED BY**

THOSE INDIVIDUALS NAMED AS AUTHORIZED PARTIES ON THE CURRENT AUTHORIZATION OR AS TRANSACTIONAL USERS ON SERVICE-RELATED AUTHORIZATIONS.

(vi) The Customer understands and acknowledges its responsibility for performing and maintaining appropriate background checks on employees or applicants for employment with Customer who are or may become Authorized Parties or Transactional Users, or may otherwise have any responsibility for handling Customer's affairs, and it maintains a system of reasonable controls in place, including a program that encourages Customer's employees to report fraudulent or dishonest activities to Customer's management. Customer acknowledges that such background checks and controls are a critical component of an effective security program.

(d) **Credit Check and Audit.** Customer authorizes Bank to check its credit background and history. Bank has the right to audit Customer's compliance with this Agreement and the NACHA Rules. If it is determined that Customer has breached this Agreement or the NACHA Rules, Bank has the right to terminate or suspend this Agreement.

6. Security Procedures; Customer's Data Security Obligations; Limitation on Liability; Responsibility for Loss.

(a) **Security Procedures under the Agreement.** Where required for any Service, the Bank and the Customer will agree in writing to one or more security procedures ("Security Procedures") that must be used by the Bank and the Customer in connection with the Service(s). Security Procedures offered by the Bank are described herein and in documentation related to the applicable Service. As part of the Security Procedures, Bank may employ various authentication technologies. As part of the Bank's "Online Banking Services" for commercial Customers, Bank employs various security and authentication technologies to ensure that Authorized Parties and Transactional Users are communicating directly with Bank, and also to ensure that the Customer's computer is communicating with a legitimate Bank computer. Such Bank authentication procedures and technologies include, but are not limited to, use of Customer Online Banking Services User IDs, passwords and other "Additional Authentication Information" ("AAI") that Bank may require Customers to provide at Bank's sole discretion. Such AAI is required as a component of various Online Banking Services authentication procedures that Bank may employ, including, but not limited to, security questions and responses and/or use of other hardware-based and software-based security and authentication tools, programs and procedures. The Customer is responsible for the establishment and maintenance of its internal procedures reasonably adapted to insure the confidentiality and security of Security Procedures. **CUSTOMER UNDERSTANDS AND AGREES THAT CUSTOMER WILL BE RESPONSIBLE FOR MAINTAINING SECURITY AND CONTROL OVER ALL USER IDS AND PASSWORDS OF THE CUSTOMER'S AUTHORIZED PARTIES AND TRANSACTIONAL USERS, AND SHALL USE SECURITY FOR SUCH ITEMS COMPARABLE TO THE SECURITY AND CONTROL CUSTOMER WOULD USE FOR CASH, OR A MECHANICAL CHECK-SIGNING MACHINE, BUT IN NO EVENT LESS THAN REASONABLE SECURITY AND CONTROL IN THE CIRCUMSTANCES.** If the Customer or its employees or agents have reason to believe that any Security Procedure has or may have become known by unauthorized persons (whether or not employed by the Customer), the Customer shall immediately notify the Bank by telephone and confirm such oral notification in writing to the Bank within twenty-four (24) hours of the oral notification. The Bank will replace the Security Procedures in accordance with the Bank's standard security requirements related to the applicable Service(s). To the maximum extent permitted by applicable law, the Customer will be solely liable for all transactions, including funds transfer instructions and other communications, initiated before the Bank has received such notification and has had a reasonable opportunity to act on such notification. The Bank reserves the right to change any or all of the Security Procedures offered and/or used at any time by giving oral or written notice to the Customer. The Customer agrees that its use of the related Service or Services after the Bank provides notice of such changes constitutes Customer's acceptance of the new Security Procedures. The Customer acknowledges that the purpose of Security Procedures is to authenticate the identity of the person initiating the action, not to detect errors in any transmission or content. The Bank is not agreeing to any security or other procedure for the detection of errors. Bank and Customer agree the Security Procedures set forth in this Agreement are commercially reasonable,

considering Customer's wishes expressed to Bank, Customer's circumstances known to Bank, including the size, type, and frequency of payment orders Customer normally issues to Bank, any alternative Security Procedures offered to Customer, and security procedures in general used by customers and banks similarly situated. Customer agrees the Security Procedures provide an appropriate level of security for the payment orders Customer contemplates issuing. Customer expressly represents it has not withheld any information or circumstances from Bank, which would indicate different Security Procedures are appropriate for this Agreement. Customer agrees to be bound by any wire transfer or payment order Bank receives, even if the order is not authorized by Customer, if it is processed by Bank in accordance with Bank's Security Procedures.

(b) **Customer's Data Security Obligations.** With regard to obtaining any Services under this Agreement, Customer must comply with the computer hardware, software, and Security Procedures requirements as set forth in these General Provisions and/or as set forth in any Service specific provisions or any supplemental information and/or instructions provided by the Bank. The Bank reserves the right as encryption technology develops to impose further reasonable requirements to maintain the appropriate level of security for the Services and transactions contemplated hereunder and the Customer agrees to abide by such requirements. Furthermore, the Customer understands and acknowledges that if Customer does not follow commercially reasonable hardware, software, physical access and physical storage security procedures regarding any Customer-owned Data, including such data containing the sensitive personally identifiable information ("PII") of any individual, the security of Customer's transactions and/or Customer-owned Data (including sensitive PII) may be compromised. Customer understands, acknowledges, and agrees that installation, maintenance and operation of Customer's Computer (hardware and software) and related security procedures, including, but not limited to, data security protection, firewalls and anti-virus software, is the Customer's sole responsibility, and that Customer is solely responsible for securing, encrypting, protecting, and otherwise safeguarding the Customer-owned Data.

(c) **Out-of-Band Authentication and Dual Authentication.**

(i) In order for Customer to use certain Services contained herein, Bank may, in its sole discretion, require Customer to successfully authenticate itself through various Dual Authentication procedures and Out of Band Authentication ("OOBA") procedures, including but not limited to requiring approval of transactions from a Transactional User other than the Transactional User who initiated the transaction.

(ii) Customer represents that it or an employee who is authorized to be a Transactional User is the legal owner or authorized user of the phone or mobile device Customer uses to receive OOBA messages and that Customer or the Transactional User is authorized to approve the applicable charges. Customer also represents that all the information Customer provides to Bank in connection with the Services, including Customer's email address and phone number, are accurate, current, and complete.

(iii) Customer agrees not to misrepresent its identity or its account information. Customer hereby grants Bank its express consent permitting Bank to contact Customer as necessary to provide the Services. Such activities may include, but are not limited to undertaking fraud prevention by communicating via text message, email message, and/or phone call, regardless of the registration of Customer's phone number on any state or federal do not call list. Bank is not obligated to use OOBA and will not be liable for failure to do so. Bank will not be liable for any delays or failures in Customer's receipt of any text messages as delivery is subject to effective transmission from Customer's network operator and processing by Customer's mobile device. Text message services are provided on an "as is" basis. Data obtained from Customer in connection with text message OOBA may include Customer's phone number, mobile phone number, Customer's wireless carrier's name, and the date, time, and content of Customer's messages and other information that Customer may provide. Bank may use this information to contact Customer and to provide Services under the Agreement, and to otherwise operate, develop, and improve the Services. Customer's wireless carrier and other service providers may also collect data from Customer's text message usage, and their practices are governed by their own policies.

Bank will only use the information Customer provides to the Service to transmit Customer's text message or as otherwise described in the Agreement. Nonetheless, Bank reserves the right at all times to disclose any information as necessary to satisfy any law, regulation, or governmental request, to avoid liability, or to protect Bank's rights or property. When Customer completes forms online or otherwise provide Bank information in connection with the Service, Customer agrees to provide accurate, complete, and true information.

(iv) Customer understands and agrees it is still subject to the terms and conditions of any agreement Customer has with any unaffiliated third-party service providers, including, but not limited to Customer's mobile service provider (e.g., AT&T, Verizon, Sprint, T-Mobile, etc.) and the Agreement does not amend or supersede any of those separate third-party service provider agreements. Customer understands that such Services may provide for fees, charges, limitations and restrictions which might impact Customer's use of the Services (e.g., data use charges, etc.), and Customer agrees to be solely responsible for all such fees, charges, limitations and restrictions. Customer should contact its wireless carrier for information about Customer's messaging plan. Customer's wireless carrier may impose message or charge limitations on Customer's wireless account that are outside of Bank's control. All charges are billed by and payable to Customer's wireless carrier. Customer agrees that only Customer's phone service provider or mobile service provider is responsible for the performance and operation of its products and services, including Customer's phone service, mobile device and the mobile service provider's own network. Customer agrees to resolve any problems with its phone service provider or mobile service provider without involving Bank.

(d) **Anti-Virus and Malware Protection; Notification to Bank; Responsibility for Loss.** Customer acknowledges and agrees that the threat of fraud resulting from theft of electronic data is a serious potential threat to Customer's business and, accordingly, Customer will take all reasonable steps to make certain that its computers and data security systems are protected from unauthorized access or use, and in an event of any unauthorized access or use, Customer will take all reasonable steps to immediately inform Bank of such data security breach. **CUSTOMER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT BANK IS NOT RESPONSIBLE FOR ANY LOSS OR DAMAGES RESULTING FROM ANY ERRORS OR FAILURES OF CUSTOMER'S COMPUTER OR DATA PROCESSING SYSTEMS, INCLUDING, BUT NOT LIMITED TO ANY COMPUTER VIRUS OR MALWARE ATTACK (SUCH AS A KEYSTROKE LOGGING PROGRAM OR SIMILAR MALWARE), ANY ATTACK BY A PERSON ATTEMPTING OR ACTUALLY GAINING UNAUTHORIZED ACCESS TO CUSTOMER-OWNED DATA, OR ANY INTERNET-RELATED PROBLEMS THAT MAY BE ASSOCIATED WITH CUSTOMER'S ACCESS AND USE OF THE SERVICES.** If, despite Customer efforts, Customer suffers any damage or loss as a result of Customer's failure to comply with its data security obligations, and regardless of whether such damage or loss results from the activities of Customer's employees, agents, subcontractors or any unaffiliated third party, any such loss or damage shall be the sole responsibility of Customer.

(e) **Serious Potential Threat to Customer's Business; Notification to Bank.** Customer acknowledges and agrees that the threat of fraud resulting from theft of electronic data is a serious potential threat to Customer's business and, accordingly, Customer will take all reasonable steps to make certain that its Computers and data security systems are protected from unauthorized access or use, and in an event of any unauthorized access or use, Customer will take all reasonable steps to immediately inform Bank of the security breach.

(f) **Responsibility for Loss.** If, despite Customer efforts, Customer suffers any damage or loss as a result of Customer's failure to comply with its data security obligations, and regardless of whether such damage or loss results from the activities of Customer's employees, agents, subcontractors or any unaffiliated third party, any such loss or damage shall be the sole responsibility of Customer.

7. Posting; Funds Availability.

(a) **Posting.** Transactions (such as deposits, funds transfers, instructions, and entries) related to

any Service will be posted to the applicable Deposit Account or Loan Account as provided for in the Bank's then current Schedule of Funds Availability. The Bank may change any cutoff deadline at any time by giving notice, as required by law, of the change to the Customer.

(b) **Funds Availability.** Any funds transferred pursuant to a transaction hereunder will be available for withdrawal or advance as provided for in the Bank's then current Schedule of Funds Availability, as amended from time to time, and in accordance with applicable law.

8. Honoring Transactions and Instructions; Furnishing Information.

(a) **General.** The Bank will honor the Customer's transactions and instructions (including adjustments and cancellations) only when the Customer has complied with the Agreement. The Bank will be under no obligation to complete any transaction or instruction that: (i) exceeds the Customer's collected or available funds on deposit with the Bank, even if the Bank has done so in the past; (ii) is not in accordance with any condition requested by the Customer and agreed to by the Bank; (iii) the Bank has reason to believe may not be authorized by the Customer; (iv) involves funds subject to a hold, dispute or legal process preventing their withdrawal; (v) violates, in the opinion of the Bank, any provision of any present or future risk control program of the Federal Reserve or any other applicable federal or state law; (vi) does not comply with any other requirement stated in the Agreement or any Bank policy, procedure or practice; and/or (vii) for the protection of the Bank or the Customer, the Bank has reasonable cause not to honor.

(b) **Insufficient Account Balances for Service(s).** When a Service requires the Customer's Deposit Account(s) to contain sufficient, good, collected, and available funds to cover the Customer's obligations for the required Service, the Customer agrees to maintain sufficient, good, collected, and available funds in those accounts from which the funds are to be withdrawn or transferred. If there are insufficient funds in the designated Deposit Account to cover the required withdrawal(s), transfer(s), or related fees, except as specifically modified in an applicable implementation document, the Bank may: (i) withhold the Service; (ii) in its sole discretion, elect to dishonor any item or transaction that creates a negative balance and has no duty to notify the Customer prior to dishonoring any overdraft, even if the Bank has paid overdrafts on behalf of the Customer in the past; (iii) in its sole discretion, provide the Service, and the Customer agrees to pay the Bank promptly or on demand the amount of overdraft and any fees or other costs including those set forth in the Deposit Account Agreement; and/or (iv) require the Customer to pre-fund transactions prior to settlement date or effective date. The Bank may, in its sole discretion, on occasion provide a Service against insufficient, good, collected, and available funds in Deposit Account(s), but the Bank is not obligated to do so, and any action by the Bank of this nature will not constitute an obligation by the Bank to provide the Service in the future.

9. Oral Instructions. At the Bank's option, the Bank may honor the Customer's oral instructions regarding Service(s). The Customer agrees that the Bank may in good faith rely on any such oral instructions, which purport to come from the Customer (including any Authorized Party, Contact or Transactional User) or the Customer's agent without independent verification by the Bank unless Security Procedures require otherwise.

10. Erroneous Instructions. CUSTOMER AGREES THAT TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE BANK WILL NOT BE LIABLE FOR ANY INSTRUCTION, FUNDS TRANSFER ORDER, AMENDMENT OR CANCELLATION, OR ANY LOSS ARISING THEREFROM, ERRONEOUSLY TRANSMITTED BY THE CUSTOMER OR ANYONE AUTHORIZED BY THE CUSTOMER HEREUNDER OR CONTAINING AN ERROR IN CONTENT AS PROVIDED BY THE CUSTOMER OR ANYONE AUTHORIZED BY THE CUSTOMER HEREUNDER, REGARDLESS OF WHETHER THE BANK FOLLOWED THE SECURITY PROCEDURES AGREED UPON HEREIN OR ANY APPLICATION HERETO.

11. Account Reconciliation and Reporting of Discrepancies.

(a) **Foreign Currency Exchange Conversions.** The Bank assumes neither risk of loss nor any liability, which any person (including the Customer) may suffer by reason of foreign currency exchange conversions.

(b) **Settlement of Obligations.** To the fullest extent permitted by applicable law, the Customer

authorizes the Bank to obtain payment of the Customer's obligations to the Bank under the Agreement from time to time by (i) initiating debit or credit transfers to any of the Deposit Accounts; or (ii) deducting the payment from the amount of any bank transfer. Such obligations include, without limitation, fees owed to the Bank, in conjunction with any of the Services or otherwise, and settlement for funds transfers initiated pursuant to the Agreement. At the time any Deposit Account is closed (whether by the Customer, by the Bank, or otherwise) or any Service is terminated (whether by the Customer, by the Bank, or otherwise), the Customer agrees that all such fees and other obligations will be immediately due and payable to the Bank, and the Customer authorizes the Bank to withhold the amount of any such fees and other obligations from any Deposit Account. Debiting a Deposit Account or deducting payment from the amount of any bank transfer is not the Bank's exclusive remedy under this or any other Section of the Agreement, and the Bank will not be deemed to have made an election of remedies by making any such debit or deduction on any one or more occasions.

12. Cooperation in Loss Recovery Efforts. Except as otherwise stated in the Agreement, in the event of any damages for which the Bank or the Customer may be liable to the other or to a third party with respect to the Service(s), the Bank and the Customer will undertake commercially reasonable efforts to cooperate with each other (as permitted by applicable law) in performing loss recovery efforts and in connection with any action(s) that the relevant party may be obligated to defend or elect to pursue against a third party.

13. Fees.

(a) **General.** Customer agrees to pay fees for the Services as assessed by the Bank. Such fees may be assessed on a per service basis or based on the Bank's account analysis system, as determined by the Bank. The Bank reserves the right to change Fees at any time and from time to time upon not less than ten (10) days' prior written notice to the Customer, but no change shall be effective for any period prior to the effective date of such notice. Applicable fees do not include, and the Customer will be solely responsible for payment of any sales, use, excise, value added, utility tax, or tariffs relating to the Service(s) provided hereunder, and for all telephone charges, Internet access service charges, tolls, tariffs, and other costs for Services initiated by the Customer or the Customer's authorized users.

(b) **Payment of Fees.** Any amount(s) due the Bank for the Service(s) will be charged as a direct fee debited to the Customer specified Deposit Account. If the Customer specified Deposit Account has insufficient funds to pay any amount due; the Bank may debit any Deposit Account maintained by the Customer at the Bank, whether or not such debit creates an overdraft. If there are no Deposit Accounts at the Bank with sufficient funds to cover the amount due the Bank, the Customer agrees to pay such amounts directly to the Bank upon demand. The Customer also agrees to reimburse the Bank for any actual expenses the Bank may incur to effect, administer or revoke any Service(s). In the event any fees or taxes are owed to the Bank and are not paid, the Bank shall have no obligation to execute any Service for the Customer, or to continue any Service(s) previously provided to Customer. Any fees or charges for Services not settled as provided for herein within thirty (30) days of the date they were first charged to the Customer specified account will bear interest until paid at a rate equal to the lesser of one and one-half percent (1.5%) per month (18% per annum) or the maximum interest rate allowed by applicable law.

14. Use of Third Parties.

(a) **The Bank's Use of Third Parties.** The Bank's ability to provide certain Services depends on its ability to provide access to third-party networks and other third-party services. In the event the Bank determines, in its sole discretion, that it is unable to provide third-party network or services access, the Bank may discontinue the related Service or may provide the Service through an alternate third-party network or service, and shall have no liability for the unavailability of such Service.

(b) **The Customer's Use of Third Parties.** The Customer shall notify the Bank in writing as specified in Section 4(e) of the name of any third party whom it hires, employs, or to whom it delegates its duties or responsibilities under the Agreement, before that third party initiates any transaction or performs an obligation authorized or required under the Agreement. The Customer agrees that it shall be solely responsible

for all acts of any such third party. The Customer shall provide information including financial information which the Bank may, in its sole discretion, require from time to time regarding any third-party vendor which the Customer hires, employs, or retains in any manner, to initiate transactions or assume any of the Customer's duties under the Agreement. The Customer understands and agrees that because of the risks involved in certain of the Services that the Customer may utilize, the Bank may refuse, in its sole discretion, to provide such Services to the Customer if the third party retained by the Customer does not meet the Bank's qualification criteria. The Bank's acceptance of any third party retained by the Customer based on the Bank's qualification criteria is not a representation or warranty by Bank regarding the fitness of the third party's capabilities or financial condition, nor is such acceptance by Bank an endorsement of any third party's ability to perform the third-party services for Customer. The Customer agrees that it shall not allow any third party to use any Service hereunder or to process any third-party's transactions pursuant to the Services hereunder through the Customer or its accounts without the Bank's prior written consent.

15. Courier Agreements. The Customer may utilize a courier to conduct transactions pursuant to the Agreement. In so doing, the Customer agrees at all times and in all respects, regardless of the source of payment for the courier services, that (i) the courier is the agent of the Customer and not the Bank; (ii) the Bank makes no representations or warranties regarding any courier, and assumes no responsibility with respect to any services performed or promised by any courier; and (iii) the Customer assumes all risk of loss (including loss or theft by third parties or employees of the Customer or the courier) prior to the Bank's acceptance of such transactions from the courier and subsequent to the courier's acceptance of transactions from the Bank. The Customer agrees that the Customer and the courier will be responsible for all loss recovery procedures and processes, although the Bank may undertake commercially reasonable efforts to facilitate loss recovery.

16. Proprietary Property. The Customer acknowledges and agrees that all trademarks, trade names, service marks, copyrights, programs, specifications, software, systems designs, applications, routines, techniques, enhancements, software codes, test keys, security devices, Security Procedures, documentation, manuals, ideas and formulas (collectively, referred to herein as the "Bank Proprietary Property") utilized or developed and provided by the Bank in connection with the Agreement and the Services provided hereunder, whether online via the Bank's web site or otherwise, are proprietary property of the Bank having great commercial value to the Bank. The Customer shall have no ownership interest in the Bank Proprietary Property or other rights related thereto, and the Customer agrees to keep the Bank Proprietary Property confidential at all times. The Customer may use the Bank Proprietary Property only for the purposes for which it was provided by the Bank and shall notify the Bank immediately of any breach of this Section of which it becomes aware. The Bank may require the Customer to license specific software in order to receive a particular Service. Unless agreed to the contrary between the parties with regard to certain Services, with such agreement approved by Bank in Bank's sole discretion, upon termination of the Agreement or any applicable Service, such license in Bank's Proprietary Property and any licensed software shall automatically expire and the Customer agrees to immediately cease using any Bank Proprietary Property and any licensed software relating to the Service or Services effected by such termination. Additionally, and unless contrary to prior agreement regarding the software, the Customer agrees to erase any software comprising the Bank Proprietary Property and relating to the Service or Services terminated to the extent such software is stored in the Customer's computers, and, at the request of the Bank, to return all copies of all items relating to the Bank Proprietary Property which are in the possession of the Customer. Alternatively, and at the Bank's option, the Customer will destroy all copies of all items relating to the Bank Proprietary Property that are in the possession of the Customer and, upon request from the Bank, provide written certification to the Bank that such destruction has occurred.

17. Confidentiality. The Customer and the Bank each agree that all information concerning the other party or parties which comes into its possession in connection with any Service and/or the performance of the Agreement including, but not limited to, software licensed to the Customer by the Bank, user guides, and Security Procedures including security access codes, keys, PINs, template numbers, or any other AAI, will be maintained as confidential and shall not be used or divulged to any other party except as may be appropriate to enable the Bank to provide the Service or as required by applicable law. The Customer agrees that the Bank

may share any information concerning the Customer's accounts and account transactions with any of the Bank's affiliates, subsidiaries, parent Customer, or service providers and to the extent the Bank determines necessary, with the Customer's third-party processor(s), and state or federal regulators. For Consumer Accounts, see the Bank's consumer Privacy Policy for additional information on sharing of consumer information.

18. Customer Records; Ownership of Data; Response to Data Security Breach Incidents; Responsibility for Loss.

(a) **Customer Records.** The Agreement will not relieve the Customer of any obligation imposed by law, contract, or otherwise regarding the maintenance of records or from employing adequate audit, accounting, and review practices. The Customer shall retain and provide to the Bank upon request all information necessary to remake or reconstruct any deposit, transmission file, or entry for at least ten (10) Business Days, or such longer time as may be required by a specific Service, following receipt by the Bank of the deposit, transmission file, entry, or other order affecting any of the Customer's account(s); provided, however, that the Bank's records, kept in the ordinary course of business, will be presumed to accurately reflect the contents of the Customer's instructions to the Bank and, in the absence of manifest error, will be binding and conclusive.

(b) **Ownership of Data.** The parties understand, acknowledge and agree that, in the state it is provided, data provided by Customer to Bank is the sole and exclusive property of Customer and copies thereof shall be provided to Customer at Customer's request from time to time and at any time ("Customer-owned Data"). Once Customer-owned Data is delivered by Bank to Customer, retrieved by Customer from Bank, or otherwise created as a by-product of a transaction between Customer and Bank and retained by Customer, such Customer-owned Data is solely within Customer's possession and control. Except as limited by Bank's consumer Privacy Policy, Bank may compile, manipulate, and retain indefinitely data provided by Customer to Bank and may share Customer data and derivative work with its affiliates. Bank solely and exclusively owns compilations of, manipulations of, and derivative work based on Customer-provided data.

(c) **Response to Data Security Breach Incidents.** As stated in Section 6 above, Customer has the sole responsibility for security and protection of Customer-owned Data. In the event of any security breach incident involving any potential or actual unauthorized access or acquisition of Customer-owned Data (*e.g.* computer hacking, virus attack, or theft or loss of any equipment containing Customer-owned Data), it is Customer's sole responsibility to determine whether Customer has the obligation, under applicable law, to notify potentially affected individuals whose sensitive PII may have been compromised by the security breach incident. Customer must conduct, at its sole cost and expense, any audit and forensic investigation of such security breach incident. Customer bears the sole responsibility for any and all costs of complying with required data breach notifications to individuals, credit bureaus and/or governmental entities as required by applicable law, and any and all costs for credit report monitoring or fraud monitoring associated with such security breach incident.

(d) **Responsibility for Loss.** If, despite Customer efforts, Customer suffers any damage or loss as a result of any unauthorized access or data security breach (*e.g.* computer hacking, virus attack, or theft or loss of equipment or other information containing Customer-owned Data), and regardless of whether such unauthorized access or breach results from the activities of Customer's employees, agents, subcontractors, or any unaffiliated third party, any such loss or damage shall be the sole responsibility of the Customer.

19. Representations and Warranties by Customer.

(a) **Customer Authority.** The Customer represents, warrants and agrees that (i) the execution, delivery and performance by the Customer under the Agreement are within the Customer's powers, have been duly authorized by all necessary action and do not contravene the Customer's governing documents (if any) or any law or contractual restrictions; (ii) no authorization, approval, or other act, and no notice to or filing with any governmental authority or regulatory body is required for the execution, delivery, and performance by the Customer of the Agreement; (iii) the Agreement constitutes the legal, valid, and binding obligation of the Customer and that the Agreement is enforceable against the Customer in accordance with the terms of the

Agreement; (iv) no information furnished by the Customer to the Bank in connection with the Agreement is inaccurate in any material respect, contains any material misstatement of fact, or omits any fact necessary to make such statements not misleading, as of the date it is dated, or if not dated, the date it is given to the Bank; and (v) the Customer has not been induced to enter into the Agreement by any representations or statements, oral or written that have not been expressly incorporated herein by reference. The Customer agrees to deliver to the Bank, upon execution of the Agreement and at any time upon the Bank's request, a certified copy of a duly adopted resolution, unanimous consent, or other similar corporate document or official record authorizing the execution of the Authorization to Obtain Treasury Management Services and Agreement and the granting of authority to the person(s) identified therein.

20. Compliance with Laws. Bank and Customer each agree to comply with provisions of all applicable federal, state, county or municipal laws, regulations or ordinances, and shall be responsible for obtaining any and all authorizations from any applicable governmental authority that may be required for the party to perform hereunder. Furthermore, both parties agree to comply with applicable federal and state privacy laws and anti-money laundering laws. Customer agrees that it shall not use any Services in any manner that is designed or has the effect of violating or evading any laws with regards to currency controls, money laundering, or banking secrecy. Customer agrees that it shall not use the Service in any manner that is designed or has the effect of violating or evading any laws with regards to currency controls, money laundering, banking secrecy, or unlawful Internet gambling (including, but not limited to, any "restricted transactions" as defined under the Unlawful Internet Gambling Enforcement Act). Customer specifically agrees and acknowledges that, in accordance with the requirements of the Unlawful Internet Gambling Enforcement Act and Regulation GG, restricted transactions are prohibited from being processed through Customer's account or relationship with Bank. Restricted transactions include transactions in which a person accepts credit, funds, instruments or other proceeds from another person in connection with unlawful Internet gambling.

21. Limitations of Liability.

(a) **General.** To the extent permitted by law, and except for the remedies provided expressly herein for breach of the Agreement, the Customer agrees that the Bank will have no liability whatsoever for any loss, damage, or claim (collectively, a "Claim") arising out of the performance of or non-performance of any Service in accordance with the terms of the Agreement, **EVEN IF SUCH CLAIM ARISES, IN WHOLE OR IN PART, FROM THE BANK'S NEGLIGENCE**, but excluding any claim arising from the Bank's gross negligence or willful misconduct. The Bank's duties and responsibilities to the Customer are strictly limited to those described in the Agreement, except with respect to any provisions of the law which cannot be varied or waived by agreement. **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE BANK WILL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES (INCLUDING WITHOUT LIMITATION, LOSS OF REVENUE OR ANTICIPATED PROFITS) OR FOR ANY INDIRECT LOSS THAT THE CUSTOMER MAY INCUR OR SUFFER IN CONNECTION WITH THE SERVICES PROVIDED HEREUNDER (EVEN IF THE BANK HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES), INCLUDING WITHOUT LIMITATION, ATTORNEYS' FEES.** Any third-party service provider used by Bank is an independent contractor and not the Bank's agent. No clearing house, financial institution, or other instrumentality used in connection with the Services or used to effectuate Customer's requests or orders shall be deemed Bank's agent. **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BANK AND ITS AFFILIATES AND SUPPLIERS MAKE NO WARRANTIES OF ANY KIND, EXPRESS, IMPLIED, OR STATUTORY, ABOUT ANY OF THE SERVICES, ANY PROCESSING EQUIPMENT, OR ANY PROCESSING SOFTWARE DESCRIBED IN THIS AGREEMENT, AND HEREBY DISCLAIM ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, OR NON-INFRINGEMENT.** To the fullest extent permitted by applicable law, and without limiting the generality of the foregoing, the Bank shall not be liable at any time to the Customer or any other person or entity for loss, charge, fee, penalty, expense or other damage resulting from any failure or delay of the performance of the Bank's responsibilities under the Agreement which is caused or occasioned by any act or thing beyond the Bank's reasonable control,

including, without limitation, legal or regulatory restraint, interruption of transmission or communication facilities, equipment failure, electrical or computer failure, war, civil unrest, emergency conditions, acts of God, fire, storm, or other catastrophe or natural disaster, or inability to obtain or delay in obtaining wire services, Internet access, electronic transfers, or electronic file exchange, or refusal or delay by a service provider or another bank or Bank. In addition, the Bank shall be excused from any failure or delay in executing a transaction hereunder, if such execution would result in the violation of any applicable state or federal law, rule, regulation, guideline, or risk control program or if such execution would result in Bank exceeding any limitation upon its intra-day net funds position established pursuant to present or future Federal Reserve guidelines. To the fullest extent permitted by applicable law, the Customer agrees that the Bank shall not have any liability whatsoever for any loss caused by the act, error, or omission of the Customer or any other person, including, without limitation, any service provider, any Internet access service provider, any federal reserve bank or transmission or communications facility or any intermediary or receiving financial institution, and no such person shall be deemed the Bank's agent. The Customer understands and agrees that the fees charged for the performance of the Service(s) have been established in contemplation of these limitations on liability.

(b) **Force majeure.** Bank will not be responsible for any loss, damage, liability or claim arising, directly or indirectly, from any error, delay, or failure in performance of any of its obligations hereunder which is caused by fire or other natural disaster, strike, civil unrest, any inoperability of communications facilities or any other circumstances beyond the reasonable control of Bank.

(c) **Statute of Limitations.** The Customer agrees that any Claim, action, suit or proceeding against the Bank for damages resulting in any respect from its acts or omissions in its performance of the Service(s) hereunder must be brought within two (2) years from the date of the Bank's alleged act or omission.

(d) **Notification in the Event of Claim.** The Customer agrees to immediately notify the Bank of any Claim by the Customer, or any Claim that is made to the Customer by a third party, where an act or omission by the Bank in connection with any Service is alleged to have caused the Customer or such third party to sustain any damages.

(e) **Other Limitations.** The Customer agrees that any Deposit Account(s) it may have at the Bank may be subject to additional liability limitations that are described in the Deposit Account Agreement for any such account(s).

(f) **General Limitation of Liability.** Subject to the foregoing limitations, Bank's liability for loss shall be limited to general monetary damages not to exceed the total amount paid by Customer for the affected Services, as performed by Bank under this Agreement for the preceding 30 calendar days.

(g) **Reporting of Errors.** The Customer acknowledges that it is not possible for Services provided by the Bank hereunder to be free of operator, program or equipment error, and that errors in processing and compiling account data may occasionally occur, requiring adjustments. As such, the Customer agrees to review and verify all results and to maintain adequate controls for insuring both the accuracy of data transmissions and the detection of errors. Unless otherwise required by law, the Bank's sole responsibility for reporting errors caused by it will be to reprocess information and reports for the applicable period in question and to submit corrected reports at its own expense to the Customer.

22. Indemnification. TO THE EXTENT PERMITTED BY LAW, THE CUSTOMER AGREES TO INDEMNIFY, DEFEND, RELEASE AND HOLD HARMLESS THE BANK AND ITS AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS, INDIVIDUALLY AND COLLECTIVELY, FROM AND AGAINST ANY DAMAGE, LOSS, OR LIABILITY, INCLUDING WITHOUT LIMITATION FINES, PENALTIES, REASONABLE ATTORNEYS' FEES, INVESTIGATION FEES AND COSTS, AND COURT COSTS, WHETHER AT TRIAL OR ON APPEAL (COLLECTIVELY, A "LOSS") WHICH RESULT, DIRECTLY OR INDIRECTLY, FROM THE BANK'S PROVIDING SERVICES TO THE CUSTOMER HEREUNDER, EVEN IF SUCH LOSS ARISES, IN WHOLE OR IN PART, FROM THE BANK'S NEGLIGENCE, BUT EXCLUDING ANY LOSS ARISING FROM THE BANK'S GROSS NEGLIGENCE OR

WILLFUL MISCONDUCT, UNLESS OTHERWISE EXPRESSLY PROVIDED IN THE AGREEMENT OR THE APPLICABLE DEPOSIT ACCOUNT AGREEMENT.

23. Specific Performance. The Customer agrees that money damages may not be sufficient remedy for any breach of the Agreement and that the Bank shall be entitled to specific performance in addition to any other remedies, at law or in equity, as a remedy for any breach.

24. Termination.

(a) **By the Bank with Cause.** The Bank may, in its sole discretion, terminate the Agreement in its entirety or with respect to one or more specified Service(s) effective immediately if: (i) the Customer fails to maintain adequate collected and available balances to cover all transactions, costs and expenses relating to one or more Service(s); (ii) there is an occurrence of a material change in the Customer's credit and/or risk analysis criteria as determined by the Bank in its sole and absolute discretion; (iii) the Bank at any time determines that the Customer or the Customer's third-party vendor does not meet the Bank's risk or other qualification requirements; (iv) there is an occurrence of a material change in Customer's credit and/or risk analysis criteria as determined by Bank in its sole and absolute discretion, and Customer refuses to execute the Bank's "Treasury Management Services Guaranty" upon request of Bank; (v) Bank discovers any willful misconduct (including but not limited to writing or knowingly passing bad checks) or any type of fraudulent activity on the part of Customer; (vi) the Customer is in default of any terms of a Service specific provisions of this Agreement where such default gives Bank the right to terminate, immediately or otherwise, the Agreement or a specific Service; (vii) the Customer has selected a particular Service, but Customer has not used such Service for a period of time deemed to constitute an inactive Service by Bank (in Bank's sole discretion); (viii) the Customer has engaged in illegal activity or violated any law or regulation respecting the services covered by this Agreement, or (ix) the Customer is in default of any terms of the Agreement or any other agreement with the Bank. In any of these events, the Bank's sole obligation shall be to provide notice of its termination of the Agreement to the Customer as soon as is commercially reasonable.

(b) **By Either Party for Any Reason.** Either party may terminate the Agreement, with or without cause, in its entirety or with respect to one or more specified Service(s) at any time, upon ten (10) days' written notice to the other of its intent to do so.

(c) **Rights and Responsibilities Upon Termination.** In the event of termination of the Agreement or any Service hereunder, the rights and responsibilities of the parties shall continue through any applicable settlement period including the Customer's responsibility to pay the Bank for Service(s), and to maintain a Reserve Account as otherwise stated in this Agreement, with respect to transactions processed prior to the effective date of termination. If this Agreement, or any Service, is terminated by Bank, Bank may accelerate all amounts due and to become due under this Agreement, and Customer shall promptly make full payment to Bank of all amounts due and amounts incurred under this Agreement. Bank shall not be liable to Customer for any losses or damages Customer may incur as a result of termination of this Agreement or any Service.

25. Governing Law; Dispute Resolution; Jury Trial Waiver. The Customer and the Bank agree that any controversy or Claim between the Customer and the Bank, or between the Customer and any of the officers, employees, agents, or affiliated companies of the Bank, arising out of or relating to the Agreement, or any of the transactions contemplated under the Agreement, or any of the Services provided pursuant to the Agreement, or any of the discussions or negotiations leading up to the making of the Agreement, or any relationship that results from any of the foregoing, whether based in contract, or an alleged tort, or on any other legal theory, and whether asserted as an original or amended claim, counterclaim, cross claim, or otherwise, shall be governed by federal law and all applicable substantive laws of the State of Texas (without regard to its conflict of laws principles) and the NACHA Rules. The Bank is located in Texas and that is where the Customer opens the Customer account(s). In addition, Bank is subject to certain federal and state regulations, as well as national and local clearing house rules regarding some of the matters addressed in this Agreement, and Bank must comply with these laws, regulations and rules. The Customer agrees that if there

is any inconsistency between the terms of this Agreement and any applicable law, regulation or rule, the terms of this Agreement will prevail to the extent any such law, regulation or rule may be modified by agreement.

Any controversy or claim arising out of or relating to the Services described herein specifically or described in the Service Documentation generally shall be submitted to and settled by final and binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment rendered by the Arbitrator(s) may be entered in any Court having jurisdiction thereof. This agreement to arbitrate shall be specifically enforceable under applicable law in any court of competent jurisdiction. Unless specifically waived in writing, Bank shall not be deemed to have waived its right to compel arbitration hereunder by Bank legal action or taking any other action. Customer agrees that venue for any such arbitration shall be in Hidalgo County, Texas and the laws of the State of Texas shall apply without regard to its conflict of laws provisions.

THE CUSTOMER AND THE BANK, FOR THEMSELVES AND EACH OF THEIR RELATED ENTITIES, SUCCESSORS AND ASSIGNS, HEREBY IRREVOCABLY WAIVE THE RIGHT TO TRIAL BY JURY OF ALL DISPUTES, CONTROVERSIES AND CLAIMS BY, BETWEEN OR AGAINST EITHER THE CUSTOMER OR THE BANK WHEN THE DISPUTE, CONTROVERSY OR CLAIM IS TO BE DECIDED BY A COURT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, no action, regardless of form, arising out of this Agreement may be brought by either party more than two (2) years after the claiming party knew or should have known of the cause of action.

26. Assignment. The Customer may not assign all or any part of its rights or obligations under the Agreement without the Bank's prior express written consent, which may be withheld in the Bank's sole discretion. The Bank may assign or delegate all or any part of its rights or obligations under the Agreement, including, without limitation, the performance of the Services described herein. The Agreement will be binding on and inure to the benefit of the successors and permitted assigns of either party.

27. No Third-party Beneficiaries. The Agreement is for the benefit of the Customer and the Bank and is not intended to grant, and shall not be construed as granting, any rights to or otherwise benefiting any other person, except as expressly otherwise provided for in the Agreement.

28. Other Agreements; Severability; Construction. If any provision of the Agreement or of any writing used in connection with the Agreement is unlawful or unenforceable, each such provision or writing will be without force and effect without thereby affecting any other provision hereof. No waiver of the provisions herein shall be effective unless in writing and signed by the party to be charged with such waiver. No waiver shall be deemed a continuing waiver unless expressly so stated in writing. The headings in the Agreement 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 the Agreement should be construed so the singular includes the plural and the plural includes the singular. In addition, any dispute arising from or related to the Customer's accounts with the Bank or the Services provided hereunder shall be governed by applicable federal laws and regulations, Federal Reserve Bank Rules and Operating Circulars, and general commercial bank practices applicable to accounts such as those held by the Customer and Services such as those offered hereunder. Any provision that by its terms or operation is designed to survive termination, expiration or cancellation of this Service shall so survive. This Agreement (including the Schedules attached hereto), together with the other Bank Agreements, Schedules and Disclosures, is the complete and exclusive statement of the agreement Bank and Customer with respect to the subject matter hereof and supersedes any prior agreement(s) between Bank and Customer with respect to such subject matter. In the event of any inconsistency between the terms of this Agreement and the other Bank Agreements, Schedules and Disclosures, 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 a violation of any present or future statute, regulation, or government policy to which Bank is subject and which governs or affects the transactions contemplated by this Agreement, then this Agreement shall be deemed amended to the extent necessary to

comply with such statute, regulation, or policy, and Bank shall incur no liability to Customer as a result of such violation or amendment.

29. OFAC Compliance. It shall be the responsibility of Customer that the use of the Services and all related transactions complies with U.S. Law. This includes, but is not limited to sanctions enforced by the Office of Foreign Assets Control (OFAC). It shall further be the responsibility of Customer to obtain information regarding such OFAC enforced sanctions. (This information may be obtained directly from the OFAC Compliance Hotline at 800-540-OFAC.)

30. Severability. In the event performance of the services provided herein in accordance with the terms of this Agreement would result in a violation of any present or future Rules, statute, regulation, or government policy to which Bank is subject and which governs or affects the transactions contemplated by this Agreement, then this Agreement will be deemed amended to the extent necessary to comply with such statute regulation or policy, and Bank will incur no liability to Customer as a result of such violation or amendment.

31. Survival. The terms, provisions, representations and warranties contained in this Agreement which by their sense and context are intended to survive the performance hereunder will so survive the completion of performance and termination of this Agreement.

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

33. Venue. The venue for any controversy or claim arising out of or relating to this Agreement, or the breach hereof, shall be in Hidalgo County, Texas.

Schedule B

Authorization to Obtain Treasury Management Services

Company/Customer Name HIDALGO COUNTY (TREASURER & AUDITOR)
Address 2810 S BUSINESS HWY 281
City, State Zip EDINBURG, TEXAS 78539
Phone # 956-318-2506 Fax # 956-318-2507

Any capitalized terms not defined herein shall have the meaning ascribed to them in the Treasury Management Services – Procedures, Terms and Conditions.

Authorization to Act for Customer

Each of the undersigned is an officer, owner, principal, member, manager, general partner or other authorized individual of the Customer and warrants that the Customer and Related Entities (as defined in the General Provisions of the Treasury Management Services – Procedures, Terms and Conditions) as listed in the Treasury Management Services Agreement, or any duly executed amendment or attachment thereto, have taken all action required by their governing documents to authorize each of the undersigned to act as Authorized Signers to:

- A. Execute the Treasury Management Services Agreement;
- B. Accept on behalf of the Customer and Related Entities the terms and conditions governing the use of such Services, including acceptance of Security Procedures;
- C. Enroll the Customer and Related Entities in any Treasury Management Service through the execution of a Treasury Management Services Request;
- D. Appoint and remove authorized Contacts or Transactional Users (as those terms are defined in the Treasury Management Services Agreement - Procedures, Terms and Conditions) to perform authorized transactions under the Agreement and any applicable Treasury Management Services Request;
- E. Perform any transactions pursuant to the Agreement and Treasury Management Services Request;
- F. Appoint and remove Authorized Administrators (as that term is defined in the General Provisions of the Treasury Management Services Agreement - Procedures, Terms and Conditions).

This authorization shall be binding, and the authority shall remain in force until written notice of the revocation or modification authorization is delivered to the Bank. This authorization replaces any and all previous resolutions or authorizations.

Authorized Signers:

Name: LITA L. LEO
Title: COUNTY TREASURER
Telephone \ Fax Number: 956-318-2508
Email Address: LITA.LEO@CO.HIDALGO.TX.US

Signature: _____

Name: _____
Title: _____
Telephone \ Fax Number: _____
Email Address: _____
Signature: _____

Name: _____
Title: _____
Telephone \ Fax Number: _____
Email Address: _____

Signature: _____

Certification

The undersigned represents and warrants to the Bank on behalf of the Customer and the Related Entities that the signatures appearing above are the true and authentic signatures of the Authorized Signers (as that term is defined in the General Provisions of the Treasury Management Services Agreement - Procedures, Terms and Conditions) and further certifies that the Customer and Related Entities have taken all action required by their governing documents to appoint the Authorized Signers to act on behalf of the Customer and Related Entities and that the undersigned has full authority to execute this Agreement.

Note: For a corporation, this Schedule must be signed by the secretary or assistant secretary. For a partnership, limited partnership, limited liability partnership, limited liability Customer or association, one of the general partners or members must sign. For trusts, the trustee, agent or account signer must sign. For a government Bank, an authorized signer must sign. Sole proprietors are not required to complete this certification.

Date: _____

Signature: _____
Name: LITA L. LEO
Title: COUNTY TREASURER
Telephone: LITA.LEO@CO.HIDALGO.TX.US

Online Delegation of Authority

Bank will provide, or will permit the Authorized Signers to set up user ID, password, and token authentication credentials for purposes of accessing Business Online Banking. Customer, Customer's Authorized Signers may initiate ACH, wire, bill pay, and other transactions within Business Online Banking. Customer and Authorized Signers will have administrator privileges within Business Online Banking which will allow Customer or Authorized Signers to delegate various levels of authority to other users, including, but not limited to, the authority to initiate ACH, wire, bill pay, or other transactions, to approve any such transactions, to cancel any such transactions, to initiate transfers between accounts, or to incur charges. Any delegation of authority made with the Business Online Banking platform will be binding on Customer. Any delegation of authority made with the Business Online Banking platform will only be effective for transfers made or services ordered through Business Online Banking and any such delegation may only be revoked using the Business Online Banking platform. Revisions to this form alone will not impact any delegation of authority made using Business Online Banking. Likewise, delegations of authority within Business Online Banking will not be effective for transactions initiated without using Business Online Banking. Any person presenting Bank or Bank's Site with the valid authentication credentials of Customer or of an Authorized Signer will be deemed to be the Customer or Authorized Signer. Accordingly, Customer should take precautions against the unauthorized disclosure of user credentials. An Authorized Signer may also request changes to delegations of authority by providing a Schedule C Cash Management Enrollment Form to Bank and allowing Bank a reasonable time to give effect to Customer's request.

Delegation of Authority (optional)

By signing below, you authorize each person listed below to be an Authorized Administrator with the authority to:

- A. Enroll the Customer and Related Entities in any Treasury Management Service through the execution of a Treasury Management Services Request;
- B. Appoint and remove authorized Contacts or Transactional Users as those terms are defined in the Treasury Management Services Agreement - Procedures Terms and Conditions) to perform authorized transactions under the Agreement and any applicable Treasury Management Services Request; and
- C. To perform any transactions pursuant to the Agreement and Treasury Management Services Request.

The Authorized Administrators listed below do not have the authority to execute the Treasury Management Services Agreement or appoint or remove any Authorized Administrators.

Name: ALFREDO ZAMARRIPA
 Title: CHIEF DEPUTY
 Telephone \ Fax Number: 956-318-2506 EXT. 4810
 Email Address: alfredo.zamarripa@co.hidalgo.tx.us

Signature: _____

Name: _____
 Title: _____
 Telephone \ Fax Number: _____
 Email Address: _____

Signature: _____

This delegation shall be binding, and the authority shall remain in force until written notice of any revocation or modification is delivered to the Bank.

 Date Signature of Authorized Signer

LITA L. LEO
 Name (Print)

**SCHEDULE C
CASH MANAGEMENT ENROLLMENT FORM**

***To be completed by an Authorized Signer as resolved in Schedule B of the Treasury Management Services Agreement**

CASH MANAGEMENT COMPANY INFORMATION:					
Company/Company Name:	HIDALGO COUNTY (TREASURER & AUDITOR)				
Address:	2810 S BUSINESS HWY 281				
City:	EDINBURG	State:	TX	Zip:	78539
Phone:	956-381-2506	Primary Contact Name:		ALFREDO ZAMARRIPA	
Email:	Alfredo.zamarripa@co.hidalgo.tx.us				
CHARGES (Company Use Only)					
Charge to account for CM token(s) Fees:		NETTELLER#: 942600099129 CIF: HAA2340			

ACCOUNT NUMBERS

A	F	K	P
B	G	L	Q
C	H	M	R
D	I	N	S
E	J	O	T

Authorized Representative(s) & Email Address	Allow Account(s) from list above	Account Transfer	Account View Only	ACH Files - EFT Tax Payments	Wire Transfer	Positive Pay	Bill Pay	Stop Payment
Sample Name(s) abc12@aol.com	Example: A & S	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Name:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Email:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Name:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Email:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Name:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Email:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Name:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Email:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGNATURE of SYSTEM ADMINISTRATOR (as resolved in Schedule B of the Treasury Management Service Agreement):
By signing below, I hereby authorize LONE STAR NATIONAL BANK to issue a Cash Management Single Sign On registration for users listed above.

_____ / _____ / 2019
 *Authorize (Acct) Signer (SIGNATURE)

_____ / _____ / 2019
 DATE

Schedule D

Fees

Customer agrees to pay Bank for Services provided under the Agreement in accordance with Bank's Fee Schedule, as it may be adjusted and agreed upon. Bank may change its fees from time to time upon notice to Customer.

Cash Management

Setup Fee	\$ 25.00
Security Token (Per Token)	\$ 15.00 (Replacement/Additional)

ACH Origination Fees

ACH Monthly Service Fees	\$ 15.00
ACH Transmission (Per File)	\$ 3.00
Per Item Fee	\$.20
ACH Returns / Notice of Change	\$ 5.00

Wire Transfer Fees

NetTeller Online Wire Fee (Only Domestic)	\$ 19.99
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Positive Pay Fees

Positive Pay Monthly Service Fee	\$ 25.00
Positive Pay File Fee (Per File)	\$ 10.00
Positive Pay Item (Per Item)	\$.15

Remote Deposit Complete (RDC) Office Banker Fees

~~Company is responsible and liable for all charges as part of Lone Star's Office Banker Deposit Service as set forth in the Office Banker Remote Deposit Complete Agreement Section 17, PAYMENT FOR SERVICES. Deposits transmitted from Company to Lone Star National Bank through Office Banker shall be subject to the charges listed below.~~

FEES

Monthly Maintenance Fee (Per Commercial account)	\$35.00
Per Item	\$.10 cents (Includes):
• Deposit Adjustment	
• MICR Line Repair	
• Keyed in Transactions	

EQUIPMENT:

Single Feed	\$450.00 plus tax
Multi Feed	\$700.00 plus tax

~~May be paid in full at time of enrollment or paid in separate monthly payments. Inquire with Bank for details.~~

*** Fees are subject to change at bank's discretion**

*** Fees per depository bid.**

Automated Clearing House ("ACH") Services

- A.** Customer wishes to initiate electronic fund transfer credit and/or debit Entries by means of the Automated Clearing House ("ACH") Network pursuant to the terms of the Agreement and the Operating Rules and Operating Guidelines (collectively, the "Rules") that have been adopted by the National Automated Clearing House Association ("NACHA"), and the Bank 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 Entry or Entries shall have the meaning provided in the Rules and shall also mean the data received from Customer hereunder from which the Bank prepares Entries.

AGREEMENT

1. ACH SERVICES APPROVAL AND UNDERWRITING PROCESS

(a) **Bank Approval and Monitoring of Customer's ACH Operations Risk.** Customer agrees and acknowledges Bank shall provide ACH Services to Customer subject to Bank's prior approval. To obtain approval from Bank, Customer is required to undergo Bank's screening and risk analysis process regarding Customer's proposed ACH operations. In addition, after any initial approval for ACH Services by Bank, Bank may, in its sole discretion, from time-to-time and upon the occurrence of any event described in subsection (c) below, undertake additional ACH operations credit and risk analysis monitoring activities that are deemed necessary, in Bank's sole and absolute discretion, while Bank is providing ACH Services to an approved Customer. Customer agrees to cooperate with Bank regarding any ongoing risk analysis activities by Bank, including providing financial or other documents in a timely manner upon Bank's request, and taking any risk mitigation or other ACH Entry origination procedures as required by Bank.

(b) **ACH Operations Credit and Risk Criteria.** Bank's ACH operations credit and risk analysis shall be based on certain factors deemed relevant by Bank in its sole discretion, including, but not limited to, the following factors: (i) the credit worthiness, condition and performance of Customer, particularly Customer's capital adequacy relative to Customer's ACH activity volume; (ii) the nature, conduct and geographic location of Customer's business, including whether Customer engages in certain high-risk ACH activities or transaction environments, or whether certain "Standard Entry Class" ("SEC") codes that Bank either deems to be high-risk or does not allow are present in Customer's ACH transactions; (iii) the historic level and dollar amounts of Customer's ACH returns, including any return levels or dollar amounts in excess of generally acceptable ACH return parameters (as determined by Bank in its sole discretion), or a sudden increase in Customer's ACH return levels; and (iv) whether Customer adheres to all authorization requirements set forth herein.

(c) **Material Change in Credit and Risk Analysis Criteria.** In the event a Customer approved for ACH Services either fails to maintain the minimum risk analysis criteria as required by Bank, or if, in the opinion of Bank, Customer undergoes a material change in its operations that Bank believes increases the risk of Customer's ACH operations, then Bank may, in its sole discretion, take any and all of the following actions: require Customer to pre-fund its ACH activities; require Customer to establish a Reserve Account; or terminate ACH Services to Customer, generally upon prior written notice from Bank, or immediately if Bank deems immediate termination necessary, in Bank's sole discretion, to comply with the Rules. Events that constitute a material change in a Customer's business operations include, but are not limited to: (i) levels of ACH returns that exceed generally acceptable return levels (as determined by Bank); (ii) a significant or sudden increase in Customer's ACH return levels as compared to Customer's historic ACH return levels; (iii) significant changes in the nature of Customer's business, including its product and services lines or transaction environments; or (iv)

the occurrence of any other event that Bank believes represents a material change in Customer's performance or condition. Upon learning of any such material change, Bank will inform Customer of the issue, and Bank may exercise its right to temporarily suspend Customer's ACH Services in order to investigate the issue.

(d) **Reserve Account.** Upon written notification by Bank, Customer shall immediately establish a separate account funded with an amount required to protect Bank against the risks associated with Customer's ACH operations (the "Reserve Account"). Such Reserve Account must be established by the date requested by Bank, and the required Reserve Account amount expressly includes any existing or anticipated Customer-related ACH returns, including all fees, costs, fines and penalties assessed against either Customer or Bank associated with such Customer-related ACH returns. The Reserve Account will not bear interest, and Customer will not have any right or interest in the Reserve Account funds; provided that upon satisfaction of all of Customer's obligations under this Agreement, Bank will pay to Customer any funds remaining in the Reserve account no sooner than ninety (90) days after the effective date of termination of Customer's ACH Services pursuant to the Rules and Federal Reserve Board's Regulation E. Effective upon the establishment of any Reserve Account, Customer irrevocably grants Bank a security interest in the Reserve Account and any and all funds in the Account, together with the proceeds thereof. Customer also agrees to execute and deliver to Bank such instruments and documents that Bank may reasonably request to perfect and confirm the security interest and Bank's right of setoff in the Reserve Account. Customer understands and acknowledges that Customer's failure to establish and fund a Reserve Account immediately upon Bank's request shall be grounds for immediate termination of Customer's ACH Services provided by Bank, with such termination in Bank's sole discretion.

2. REQUIRED PREFUNDING OF ACH CREDIT ENTRIES.

Bank offers ACH Services on a pre-funded basis only ("Prefunding"). Customer is required to submit each ACH credit Entry file at least two (2) Business Days in advance of the desired settlement date. At the time Customer submits an Entry file, Customer's account must have collected and available funds that are at least equal to the amount of the ACH credit Entry file. If Customer has sufficient collected and available funds, then bank will place a hold on the account for the amount of the funds to be transferred per the Entry file, and the ACH credit Entry file will be processed as normal on the desired settlement date. However, if Customer does not have the necessary funds available in its account at the time of submission, the ACH file will be suspended in Bank's system. If the ACH credit Entry file is not funded or approved before the intended effective date, it will be deleted from Bank's system.

3. TRANSMITTAL OF ENTRIES BY CUSTOMER

Customer shall deliver or transmit Entries to Bank to be processed in accordance with the provisions of Schedules ACH-1 and ACH-2 attached hereto and incorporated herein by reference. The total dollar amount of Entries transmitted by Customer to Bank on any day, shall not exceed the amount specified in the limit section on Schedules ACH-1 and ACH-2.

4. SECURITY PROCEDURES

(a) Customer and Bank will comply with the security procedure requirements described in Schedules ACH-1 and ACH-2 with respect to Entries delivered/transmitted by Customer to Bank. Customer acknowledges that the purpose of such security procedures is for verification of authenticity and not to detect an error in the transmission or content of an Entry. No security procedures for the detection of any such error has been agreed upon between Bank and Customer.

(b) Customer is strictly responsible to establish and maintain the procedures to safeguard against unauthorized transmissions. Customer warrants that no individual will be allowed to initiate transfers in the absence of proper supervision and safeguards, and agrees to 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 security procedures described in Schedules ACH-1 and ACH-2. If Customer believes or suspects that any such information or instructions have been known or accessed by unauthorized persons, Customer agrees to notify Bank immediately followed by written confirmation. The occurrence of unauthorized access will not affect any transfers made in good faith by Bank prior to receipt of such notification and within a reasonable time period to prevent unauthorized transfers.

(c) Bank may change, add, or delete any procedures established pursuant to this Agreement, from time to time, upon notice to Customer.

5. COMPLIANCE WITH SECURITY PROCEDURES

(a) If an Entry (or a request for cancellation or amendment of an Entry) received by Bank purports to have been transmitted or authorized by Customer, it will be deemed effective as Customer's Entry (or request) and Customer shall be obligated to pay Bank the amount of such Entry even though the Entry (or request) was not authorized by Customer, provided Bank accepted the Entry in good faith and acted in compliance with the security procedures referred to in Schedules ACH-1 and ACH-2 with respect to such entry.

(b) If an Entry (or request for cancellation or amendment of an Entry) received by Bank was transmitted or authorized by Customer, Customer shall pay Bank the amount of the Entry, whether or not Bank complied with the security procedures referred to in Schedules ACH-1 and ACH-2 with respect to that Entry and whether or not that Entry was erroneous in any respect or that error would have been detected if Bank had complied with such procedures.

6. PROCESSING, TRANSMITTAL, AND SETTLEMENT BY THE BANK

(a) "Effective Date" means a date specified in an Entry on which Customer, as the originator of the transaction, instructs that the payment is to be made.

- (b) Except as provided in Section 7, On-Us Entries and Section 8, Rejection of Entries, Bank shall:
- Process Entries received from Customer to conform with the file specification set forth in the Rules;
 - Process and/or transmit such Entries as an ODFI to a receiving account ("Receiver") or an ACH Processor for further processing; and
 - Settle for such Entries as provided in the Rules

(c) The Bank shall transmit any Entries requiring further processing to the ACH Processor by the deadline (as outlined in Schedules ACH-1 and ACH-2) of the ACH Processor prior to the Effective Entry Date shown in such Entries, provided that each of the following are satisfied:

- Such Entries are received before the Bank's related cut-off time
- The Effective Date follows receipt by the Bank of such Entries by at least the number of days required in the Operating Instructions. Bank will provide Customer with cut-off deadlines and acceptable file delivery methods as indicated in Operating Instructions, which may be amended from time to time. Entries will be deemed received by Bank when Customer has complied with the Rules for delivery of Entries and all security procedures in Schedules ACH-1 and ACH-2.

7. ON-US ENTRIES

Except as provided in Section 8, Rejection of Entries, of this Agreement, in the case of any Entry received for

credit/debit to an account maintained with Bank ("On-Us Entry"), the Bank will credit/debit the Receiver's account in the amount of such Entry on the Effective Entry Date contained in such Entry, provided the requirement set forth in Section 6, Processing, Transmittal, and Settlement by the Bank of this Agreement is met. If that requirement is not met, Bank will use reasonable efforts to credit/debit the Receiver's account for the Entry on the next business day following such Effective Entry Date. For purposes of this Agreement, a "business day" is a day on which the Bank is open to the public for carrying on substantially all of its business other than a Saturday or Sunday and excluding Bank holidays.

8. REJECTION OF ENTRIES

The Bank will reject any Entry that does not comply with the requirements of Section 3, Transmittal of Entries by Customer, or Section 4, Security Procedures, of this Agreement. Bank will have the right to reject an On-Us Entry for any reason for which an Entry may be returned under the Rules. Bank may reject any Entry if Customer has failed to comply with its account balance obligations under Section 12, The Account. Bank will notify Customer by phone, email, or electronic transmission of such rejection no later than the business day such Entry would otherwise have been transmitted by Bank to the ACH Processor or, in the case of an On-Us Entry, its Effective Entry Date. Notices of rejection shall be effective when given. Bank shall have no liability to Customer due to the rejection of any such Entry or Entries; provided, however, Bank agrees to correct and therefore reprocess the Entry or Entries rejected due to errors of Bank, provided that Customer provides Bank with adequate data to correct and reprocess rejected Entry or Entries.

9. CANCELLATION OR AMENDMENT BY CUSTOMER

Customer will have no right to cancel or amend any Entry after its receipt by the Bank. However, Bank will use reasonable efforts to act on a request by Customer for cancellation of an Entry or Entries if such request is made before the Receiver has been credited/debited; provided, such request is received by Bank at a time and in a manner affording Bank a reasonable opportunity to act on the request, and provided the request complies with security procedures for cancellation set forth in Schedules ACH-1 and ACH-2. Notwithstanding the above, Bank shall not have any liability if such cancellation is not effected. Customer shall reimburse Bank for any expenses, losses, or damages Bank may incur in effecting or attempting to effect the cancellation or amendment of an Entry.

10. NOTICE OF RETURNED ENTRIES AND NOTIFICATIONS OF CHANGE

Bank shall notify an authorized individual of Customer by phone, email, or electronic transmission of the receipt of a returned Entry from the ACH Processor if the Bank complied with the terms of this Agreement with respect to the original Entry. Bank shall have no liability to Customer by reason or reasons of a returned Entry or Entries.

Bank shall provide Customer all information, as required by the Rules, with respect to each Notification of Change ("NOC") Entry or Corrected Notification of Change ("Corrected NOC") Entry received by Bank relating to Entries transmitted by Customer. Bank must provide such information to Customer within two banking days of the Settlement Date of each NOC or Corrected NOC Entry. Customer shall ensure that changes requested by the NOC or Corrected NOC are made within six (6) banking days of Customer's receipt of the NOC information from Bank or prior to initiating another Entry to the Receiver's account, whichever is later.

11. PAYMENT

(a) Customer shall pay Bank the amount of each originated credit Entry, and Bank will pay Customer the amount of each originated debit Entry transmitted by Bank pursuant to this Agreement at such time on or before the Effective Entry Date as Bank, in its discretion, may determine.

(b) Customer shall promptly pay Bank the amount of each debit entry returned by a Receiving Depository Financial Institution ("RDFI") that was transmitted by Bank pursuant to this Agreement, and Bank shall promptly pay Customer the amount of each credit Entry returned by an RDFI that was transmitted by Bank pursuant to this Agreement.

12. THE ACCOUNT

Bank may, without notice or demand, obtain payment of any amount due and payable to it under this Agreement by debiting the account(s) of Customer identified in this Agreement ("Account") and shall credit the Account for any amount received by Bank by reason of the return of an Entry transmitted by Bank for which Bank has previously received payment from Customer. Such credit shall be made as of the day of such receipt by Bank. Customer shall at all times maintain a balance of available funds in the Account sufficient to cover its payment obligation under this Agreement. In the event there are not sufficient available funds in the Account to cover Customer's obligations under this Agreement, Customer agrees that Bank may, in its discretion, refuse to process Entries, require Customer to deposit additional funds before the Entries are processed, and/or debit or place a hold on funds in any account maintained by Customer with Bank and that Bank may off-set against any amount it owes to Customer, in order to obtain payment of Customer's obligations under this Agreement. Upon request of Bank, Customer agrees to promptly provide to Bank such information pertaining to Customer's financial condition as Bank may reasonably request.

13. SETTLEMENT LIMITS

Bank may establish maximum dollar amounts for ACH file transmissions ("Settlement Limits") for Customer, by giving Customer either oral or written notification of the amount of said Settlement Limit, and Bank may refuse to transmit Entries on files which are in excess of Customer's Settlement Limit. Bank may change Customer's Settlement Limit from time to time by giving Customer either oral or written notice provided, however, that said Settlement Limit may be changed immediately upon giving telephone notice to Customer in the event Customer:

- Files or has filed against it a petition in bankruptcy or other laws relating to the relief of debtors;
- Suspends the transaction of its usual business, dissolves, or transfers to another party a significant portion of its assets; or
- Is declared to be in default under any other obligation to Bank

14. IAT-INTERNATIONAL ACH TRANSACTIONS

Customer is not permitted to originate IAT Entries, which are international ACH transactions, to either consumer or corporate accounts residing in financial institutions outside of the territorial jurisdiction of the United States. In the event that the Customer submits an IAT Entry to Bank, Bank shall reject the Entry. Third party reporting may also be obtained for extended due diligence with the Federal Reserve Bank supporting of correspondent bank ACH handling.

15. ACCOUNT RECONCILIATION: RESPONSIBILITY TO REPORT DISCREPANCIES

Entries debited or credited to Customer's Account maintained with Bank will be reflected on Customer's periodic statement issued by Bank with respect to the Account. Not more than fourteen (14) days after the mailing, emailing, or delivery of such periodic statement, Customer shall examine the periodic statement and shall immediately notify Bank of any discrepancy or error therein, and failure of Customer to notify Bank of any discrepancy within such time will relieve Bank of any interest liability with respect to any Entries reflected on such periodic statement for which no notice was given or received. Failure of Customer to notify Bank of any discrepancies within ninety (90) days of the mailing, emailing, or delivery of such periodic statement will relieve Bank of any liability for any Entries reflected on such periodic statement for which no notice was given or received.

16. CUSTOMER REPRESENTATIONS AND AGREEMENTS: NOTICE OF PROVISIONAL PAYMENT

With respect to each and every Entry transmitted by Customer, Customer represents and warrants to Bank and

agrees that (a) each person shown as the Receiver on an Entry received by Bank from Customer has authorized the initiation of such Entry and the crediting or debiting of its account in the amount and on the Effective Entry Date shown on such Entry, (b) such authorization is operative at the time of transmittal or crediting or debiting by Bank as provided herein, (c) Entries transmitted to Bank by Customer are limited to those types of credit and debit Entries set forth in Section 3, Transmittal of Entries By Customer, (d) Customer shall perform its obligations under this Agreement in accordance 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, and (e) Customer shall be bound by and comply with the provision of the *Rules* (among other provisions of the Rules) making payment of an entry by the RDFI to the Receiver provisional until receipt by the RDFI of final settlement for such entry. Customer specifically acknowledges that it has received notice of the rule regarding provisional payment and of the fact that, if such settlement is not received, the RDFI shall be entitled to a refund from the Receiver of the amount credited and Customer shall not be deemed to have paid the Receiver the amount of the entry.

17. LIABILITY: LIMITATION OF LIABILITY

a. Bank Responsibility

In the performance of the services required by this Agreement, Bank shall be entitled to rely solely on the information, representations, and warranties provided by Customer pursuant to this Agreement, and shall not be responsible for the accuracy or completeness thereof. Bank shall be responsible only for performing the services expressly provided for in this Agreement, and will not be liable, except as provided by applicable law, for any error or delay so long as Bank has acted in accordance with the terms and conditions hereof. Without limiting the foregoing, Bank will not be liable for any decision to reject Entries or not to process Entries for the reasons provided herein, or if Customer is in breach of any obligation hereunder, or if Bank reasonably believes or has actual notice of commencement of bankruptcy or similar proceedings against Customer; or if such processing involves funds, the ownership of which or the right to make withdrawals from which may be subject to dispute. To the extent provided for herein, Bank will not be liable if Customer fails to report any error or discrepancy reflected in a periodic statement or if Customer fails to report a breach of confidentiality of security procedures. Bank will not be liable to the extent Customer received the benefit of any Entry, even if such Entry is otherwise erroneous. Further, Bank shall be liable only for Customer's actual damages; in no event shall Bank be liable for any consequential, special, incidental, punitive or indirect loss or damage which Customer may incur or suffer in connection with this Agreement, whether or not the likelihood of such damages was known or contemplated by Bank and regardless of the legal or equitable theory of liability which Customer may assert, including, without limitation, loss or damage from subsequent wrongful dishonor resulting from Bank's acts or omissions pursuant to this Agreement. Without limiting the generality of the foregoing provisions, Bank shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission or communication facilities, equipment failure, war, emergency conditions, acts of terrorism or other circumstances beyond Bank's control. In addition, Bank shall be excused from failing to transmit or delay in transmitting an Entry if such transmittal would result in Bank exceeding any limitation upon its intra-day net funds position established pursuant to present or future Federal Reserve guidelines or in Bank's reasonable judgment would otherwise violate any provision of any present or future risk control program of the Federal Reserve or any rule or regulation or any other U.S. governmental regulatory authority.

b. No Agency

Bank shall not be responsible for acts or omissions of any third party, including without limitation, any Federal Reserve Bank, courier service, National Automated Clearing House Association ("NACHA"), any transmission or communications facility, or any other party involved with processing of the Entry, any Receiver or RDFI (including without limitation the return of an Entry by such Receiver or RDFI), and no such third party will be deemed Bank's agent.

c. Customer's Agents

In the event Customer authorized any third party, such as a payroll processing service, to perform obligations of or services to Customer hereunder, Bank will have no additional liability to Customer as a result of such agency so long as Bank acted in accordance with instructions hereunder. Customer agrees to assume responsibility for any errors or wrongdoing by such third party or any of its employees.

d. Compensation

Subject to the foregoing limitations, any damages or other compensation due Customer resulting from Bank's performance hereunder will be limited to interest on the funds at issue at the "federal funds rate" at the close of business on each day the error or delay remains uncorrected; provided, however, that if Bank is unable to recover funds at issue as a result of Bank's negligence, Bank will be liable for Customer's actual loss, not to exceed the amount of funds that Bank is unable to recover, plus interest. In no event will Bank be liable to Customer for indirect, consequential, special, punitive, or exemplary damages.

18. INDEMNIFICATION

In consideration for Bank's making available to Customer the services hereunder, Customer agrees to indemnify and hold Bank harmless from and against all damages, costs, and expenses (including reasonable attorneys' fees and costs of investigation) arising from or in any manner related to Entries processing or related actions taken back by Bank in accordance with certain instructions provided by Customer, including but not limited to:

- Actions taken by Bank to cancel Entries;
- Any decision by Bank not to effect a transfer for any specified reason herein;
- A breach of Customer's representations under Section 16, Customer Representations and Agreements;
- A circumstance that would relieve Bank of liability to Customer pursuant to Section 15, Account Reconciliation, or Section 17, Liability: Limitation of Liability; and
- Otherwise, so long as Bank acts in compliance with this Agreement.

19. VERIFICATION OF ENTRIES AND RIGHT TO AUDIT RECORDS

Bank shall be entitled, at its sole discretion, to seek verification or authentication of any file of Entries by contacting Customer by telephone or by any other means that is either set forth in any regulations or publications made available to Customer by Bank or otherwise deemed reasonable by Bank; provided however, that so long as Bank complies with the security procedures in Schedules ACH-1 and ACH-2. Bank will have no obligation to seek verification or authentication. If Bank is unable to obtain any verification or authentication sought by it,

Bank may, in its sole discretion, either effect or refuse to affect the Entries. Customer agrees the Bank reserves the right to perform on-site inspection and/or audit the Customer's ACH Origination records and/or operations as needed by the Bank.

20. INCONSISTENCY OF NAME AND ACCOUNT NUMBER

Customer acknowledges and agrees that, if any Entry describes the Receiver, RDFI, or any Intermediary Bank inconsistently by name and account number, payment of such Entry might be made by the Intermediary or RDFI on the basis of the number supplied by Customer even if the number identifies a person or Bank, as the case may be, different from the Receiver or Bank named in the Entry, and that Customer's obligation to pay the amount of the Entry is not excused in such circumstances.

21. PAYMENT FOR SERVICES

Customer will pay Bank the charges for the services provided for herein in accordance with Bank's price schedule for such service, as amended from time to time. Bank is hereby authorized to automatically deduct from the Account, on any payment due date, the amount necessary to pay the fees and charges due for the services provided to Customer pursuant to this Agreement. Such charges do not include, and Customer 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 Commercial Account Agreement or Online Banking Services Agreement.

22. AMENDMENTS

From time to time, Bank may amend any of the terms and conditions contained in this Agreement, including without limitation, any part of the Schedule(s) attached hereto. Such amendments will become effective upon receipt of notice by Customer or such later date as may be stated in Bank's notice to Customer. Any use of services provided hereunder after the date Customer receives notice of amendment will constitute acceptance of the terms of said amendment. Customer may add or delete instructions and authorizations by submitting a revised Origination Agreement and Schedule(s) properly signed by authorized Customer representatives. Such amendments will be effective after Bank has received and had a reasonable opportunity to act upon them.

23. DATA RETENTION

Customer will retain data on file adequate to permit remaking of Entries for three (5) business days after midnight of the Effective Entry Date and will provide such data to Bank upon request. Customer specifically agrees to be bound by and comply with all applicable provisions of the Rules regarding the retention of documents or any record, including, without limitation, Customer's responsibilities to retain all items, source documents, and records of authorization in accordance with the Rules. All magnetic tapes, Entries, security procedures and related records used by Bank for transactions contemplated by this Agreement shall be and remain Bank's property. Bank may, at its sole discretion, make available such information upon Customer's request. Any expenses incurred by Bank in making such information available to Customer shall be paid by Customer.

**Schedule ACH-1
ACH Services Agreement
(Account Information/Authorized Individuals/Third Party Processing)**

The following corporate information is required for ACH Origination account(s) and user setup in accordance with the ACH Services Agreement and Cash Management Services Agreement between Customer and Lone Star National Bank ("Bank") is effective as of: _____ **20**__. Capitalized terms not defined herein shall have the meanings ascribed to them in the ACH Services Agreement and Cash Management Services Agreement.

Company/Customer Name:	HIDALGO COUNTY (TREASURER & AUDITOR)
Company Address:	2810 S BUSINESS HWY 281, EDINBURG TX 78539
Customer Settlement Acct. #	71015639 (ACH SERVICE FEES)

1. Authorized Accounts. The Customer represents and warrants that the accounts listed below in this section, which are held with Lone Star National Bank ("Bank"), are owned entirely by the Customer, and Customer hereby authorizes Bank to make debit and credit entries to the authorized accounts listed below pursuant to ACH Entry requests submitted to Bank by Customer. Customer authorizes bank to charge fees related to ACH Services to any or all of the following accounts:

Account Number	Account Title	ACH Limit	SEC Code	Purpose
71015825	HIDALGO COUNTY AUDITOR/TREASURER-PAYROLL	\$4,200,000	PPD	PAYROLL
71015809	HIDALGO COUNTY AUDITOR/TREASURER-TRUST	\$75,000	CCD	CHILD SUPP
71015817	HIDALGO COUNTY AUDITOR/TREASURER-PROPRIE	\$1,500,000	PPD	PAYMENTS

The authorized accounts listed above are collectively known as the Account, further described in Section 13 of this ACH Services Agreement.

In no event shall Customer be allowed to initiate or approve ACH files which, if processed and settled, would exceed the following limitation for settlement on a single Business Day:

- 1) Limit(s) set forth above on Section 1. Authorized Accounts.

2. Authorized Individuals. The following person(s) is(are) hereby authorized to request ACH transfers on behalf of Customer. Customer understands and agrees that Bank shall dishonor any request for transfer not specifically authorized hereby. Authorized Individuals may also sign ACH transmittal registers for the deposit of ACH files. CUSTOMER AND BANK AGREE THAT THIS SCHEDULE ACH-1 REPLACES AND SUPERSEDES ANY PREVIOUS AUTHORIZATION(S) PROVIDED TO BANK.

Name of Authorized Individual & Email address	Signature of Authorized Individual	Phone Number	After Hours Phone Number
1 Name: LITA L. LEO Email: LITA.LEO@CO.HIDALGO.TX.US		956-318-2508	

2	Name: Email:			
3	Name: Email:			
4	Name: Email:			
5	Name: Email:			

3. Transfer Limitations.

Each Authorized Individual may initiate or approve an ACH file as indicated in the table below. An individual may have both initiation and approval authority if so indicated.

Authorized Individual Name		*Dual Control Required		If Yes on Dual Control (Can't select both)	
		YES	NO	Create/Upload File	Initiate
1	LITA L. LEO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2	ALFREDO ZAMARRIPA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3	JAMES HODGE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Where indicated in the immediately preceding table, Authorized Individuals will be subject to Dual Control. Dual Control requires two Authorized Individuals working together to successfully submit and ACH file to Bank. One Authorized Individual is required to create or upload the ACH file and the other Authorized Individual must submit and initiate the file. Shall Customer desire to change the dual control designations, Customer shall submit a new Schedule ACH-1 to Bank and give Bank a reasonable time to update Customer's dual control designations.

*** If Dual Control is not selected, Customer must sign the Optional section found on Schedule A of the Treasury Management Service Request.**

4. Online Administrators

Bank will provide, or will permit the Authorized Signers to set up user ID, password, and token authentication credentials for purposes of accessing Business Online Banking. Customer, Customer's Authorized Signers may initiate ACH transactions within Business Online Banking subject to the company limit or exposure limit described in this Schedule. Customer and Authorized Signers will have administrator privileges within Business Online Banking which will allow Customer or Authorized Signers to delegate various levels of authority to other users, including, but not limited to, the authority to initiate ACH transactions, to approve any such transactions, to cancel any such transactions, to incur charges. Any delegation of authority made with the Business Online Banking platform will be binding on Customer. Any delegation of authority made with the Business Online Banking platform will only be effective for transfers made or services ordered through Business Online Banking and any such delegation may only be revoked using the Business Online Banking platform. Revisions to this form alone will not impact any delegation of authority made using Business Online Banking. Likewise, delegations of authority within Business Online Banking will not be effective for transactions initiated without using Business Online Banking. An Authorized Signer may also request changes to delegations of authority by providing a Schedule C Cash Management Enrollment Form to Bank and allowing Bank a reasonable time to give effect to Customer's request.

5. If Customer Elects Third Party Processing, the Following Provision Applies:

Customer requests that Bank accept ACH Originating credit/debit Entries from Customer's third-party vendor indicated below ("Vendor"). Customer assumes all responsibility for Vendor's acts or omissions. This provision is not binding on Bank until Bank notifies Customer that Vendor is acceptable to Bank.

Vendor Name/Contact: _____

Vendor Address: _____

Vendor Telephone: _____

Company/Customer Name:

Lone Star National Bank

HIDALGO COUNTY (TREASURER & AUDITOR)

By: _____
*Customer's Authorized Signature
from Schedule B*

By: _____
Bank Officer's Authorized Signature

Name: LITA L. LEO

Name: DAVID M. PENOLI

Date: _____

Date: _____

Schedule ACH-2

ACH File Submission and Security Procedures

1. Delivery Instructions:

All ACH originating files containing Entries must be approved by Bank before being processed by Bank's ACH originating processing system. Bank will accept and process a file that passes Bank's validation process and will reject a file that does not pass Bank's validation process. Customer agrees that an initiated file that passes Bank's validation process and all Entries thereon will be deemed to be authorized by Customer. Customer may set up and submit ACH files on the Bank's Online Banking System. Customer may also submit complete ACH files in and Excel, comma separated value, tab delimited, or fixed position file format. Files may be submitted through Bank's Online Banking System. Customer is encouraged to submit a test record to Bank to verify that the file formatting is correct prior to submitting records to be processed. Different security procedures apply to files submitted through Online Banking than apply to file submissions via other permitted communication channels.

The Customer must complete the batch approval process, or deliver a properly formatted file in order to provide sufficient time for Lone Star National Bank to process the ACH Entry or Entries within the NACHA deadlines. All entries must be submitted prior to 4:00 p.m. CST of Bank's business day within the following timeframe:

- a) Credit Entries: 2 business days prior to the "Effective Date"
- b) Debit Entries: 2 business days prior to the "Effective Date"

Entries submitted after 4:00 p.m. CST on a business day will be deemed received on the Bank's following business day. Bank reserves the right to submit ACH files for processing prior to 4:00 p.m. If Bank submits ACH files for processing early, Customer's files received after the submission time will be processed on the next Business Day.

See the following website for federal holidays that are not Business Days:

<https://www.frb services.org/holidayschedules/>

2. Written Authorizations for Consumer Entries

Customer shall obtain written authorizations for consumer entries and shall retain the consumer authorizations (or a reasonable facsimile of the original items) for a period of no less than two (2) years after the revocation or cessation of the authorization. Customer shall, upon request within two (2) business days, provide Bank an original or copy of the Receiver's authorization for consumer debit entries.

3. Pre-notifications

- a. Customer must send pre-notification (zero-dollar) entries at least six (6) Business Days prior to initiating the first live (dollar) entry to a particular account.
- b. If a prenotification is returned by either the ACH Operator or the RDFI, the Customer should make any necessary corrections before transmitting another entry
- c. If a prenotification results in a Notification of Change, then the Customer should make the required change within six banking days of receipt of the NOC information or prior to initiating another entry, whichever is later.

4. Settlement Instructions:

Credit Entries: In order to process credit Entries submitted by Customer, Customer must have available and collected funds in the Account on the date the Entry file is deemed to be received by Bank. If customer fails to have sufficient funds in the Account on the required date, Bank may, in its sole discretion and without any liability, deny, reject, or process the Entries and charge the Account.

ACH Originator Authorized Transaction Types (SEC codes):

- a. PPD: Prearranged Payment and Deposit, credits or debits to a consumer.
- b. CCD: Corporate Credit or Debit, used for business-to-business transactions.
- c. CTX: Corporate Trade Exchange
- d. WEB: Certain consumer peer-to-peer transactions originated through the internet.

ACH Originator Restricted Transaction Types:

- a. Origination of IAT entries is prohibited (International ACH Transaction)
- b. All other SEC codes not specified above are not authorized for ACH Origination

If Customer uses IAT or any other unauthorized code, including, but not limited to WEB, TEL, or BOC, Bank may immediately terminate Customer's ACH origination privileges.

Debit Entries: Debits to the Account for the total entries will be made as of the "Effective Date".

5. SECURITY PROCEDURES FOR ONLINE BANKING SUBMISSIONS

This Section applies to ACH files submitted via Bank's Online Banking System. All transmissions through Bank's Online Banking System must be encrypted. No procedure herein is intended for the detection of errors entered by Customer in an ACH file or Entry.

a. Verification of File Authenticity

Bank will allow Customer to establish username and login credentials for each of its Authorized Individuals listed on Schedule ACH-1 for use with Online Banking. Bank will also provide Customer a token to be used as an additional authentication measure. A person accessing Online Banking using the valid username, login credentials, and token associated with an Authorized Individual will be deemed to be authorized to initiate or approve ACH transactions or submit ACH files on Customer's behalf.

Upon submission of an ACH file, Customer or an Authorized Individual must send a verification form to Bank to further authenticate and verify the submission. If Customer fails to provide the verification form, Bank will use its best efforts to contact Customer or an Authorized Individual per the prearranged phone number listed in Schedule ACH-1 to obtain the verification form. A file submission will not be processed unless an Authorized Individual verifies the transaction by providing to Bank the information required on the verification form.

6. ADDITIONAL SECURITY PROCEDURES

a. Additional Verification

In its sole discretion, Bank may seek verification or further authorization of any ACH credit or debit transactions order or related instruction in addition to any verification procedures described in other provisions of this Agreement. Bank may contact Customer by any reasonable means in order to obtain assurance of the authenticity or other correctness of a payment order. However, Bank shall be under no obligation to do so in any case. If, upon attempting to obtain such verification, Bank is unable to do so, Bank may, in its sole discretion, either make the transfer or decline to make the transfer or follow the instructions or decline to follow the instructions. In such an event, Bank shall not be liable to Customer for any actual loss of any kind or for any consequential, punitive, or exemplary damages in any amount, provided Bank has acted in good faith.

b. Dual Controls and Transaction Limits

The dual controls and transaction limits described in this ACH Services Agreement and its Schedules also constitute security procedures required to process ACH credit or debit transactions.

7. RECORDING OF PHONE INSTRUCTIONS

Customer and Bank agree that all telephone conversations, emails, or other forms of data transmissions between them or their agents, made in connection with this Supplemental Agreement, may be electronically recorded and retained by either party by use of reasonable means.

8. AUDITS - RIGHT TO AUDIT RECORDS

Customer agrees to allow the Bank the right to perform on-site inspection and/or audit the Customer's ACH Origination records and/or operations as needed by the Bank.

9. AMENDMENTS TO SECURITY PROCEDURES

Bank may, from time to time, amend the procedures in Schedule ACH - 2 by providing 30 (thirty) days' notice to Customer.

Company/Customer Name:

Lone Star National Bank

HIDALGO COUNTY (TREASURER & AUDITOR)

By: _____
*Customer's Authorized Signature
from Schedule B*

By: _____
Bank Officer's Authorized Signature

Name: LITA L. LEO

Name: DAVID M. PENOLI

Date: _____

Date: _____

WIRE TRANSFER AGREEMENT

1. The Service. Bank agrees to provide for origination of funds transfers by wire ("Wire Transfer"). Whenever Bank receives from Customer or an Authorized Agent of Customer a Wire Transfer request which on its face is in compliance with the security procedures established by this Agreement, Customer authorizes and directs Bank to transfer funds from any and all of Customer's accounts at the Bank, to any account maintained by Customer or any third party designated in the Wire Transfer request, whether the receiving account is at Bank or at any other institution in accordance with the terms hereof (the "Service"). As used in this Agreement, the term "Wire Transfer" shall be deemed to include a transfer of funds by means of the Federal Reserve FEDWIRE, through a correspondent bank, the Society for Worldwide Interbank Financial Telecommunications ("SWIFT"), TELEX, computer terminal, or other means. The term does not include transfers made through the Automated Clearing House ("ACH") system within the United States, as defined by the National Automated Clearing House Association ("NACHA") operating rules. The terms of Customer's Deposit Account Agreement are incorporated herein by reference.

2. Definitions

(a) "Business Day" means any day on which a majority of the Bank's offices are open to the public for conducting substantially all business functions; provided, however, that Saturdays, Sundays and federal holidays are not Business Days even if a majority of the Bank's offices are open.

(b) "Repetitive Transfers" means Wire Transfer requests made routinely with instructions remaining constant except for the date and dollar amount.

(c) "Non-Repetitive Transfers" means Wire Transfer requests made routinely with only the debit account remaining constant.

(d) "Domestic Wire" means a Wire Transfer that will not go outside of the United States and will be in U.S. dollars.

(e) "Foreign Wire" means a Wire Transfer that eventually will be credited to an account outside the United States or will be sent in a currency other than U.S. Dollars.

(f) "Remittance Transfer" means an electronic transfer of funds initiated from a consumer account located in the United States primarily for personal, family or household purposes to a recipient (hereafter referred to as the "beneficiary") located outside the United States. Special rules apply to Remittance Transfers. For each Remittance Transfer that Customer initiates, Bank must provide Customer with disclosures required by federal law at the time Customer initiates the Remittance Transfer. To the extent that the provisions of this Agreement are inconsistent with the disclosures provided to Customer for a Remittance Transfer, the provisions of such disclosures shall govern. Disclosures may be furnished to Customer electronically where Customer has agreed to receive disclosures electronically.

3. Accounts. Customer agrees to maintain a minimum of at least one (1) checking account ("account") with the Bank with funds sufficient to cover the transactions initiated pursuant to this Agreement, and to cover fees required to pay for Services provided thereunder.

4. Authorized Agents. Customer represents and warrants to Bank that the persons named on Schedule W-1 to this Agreement as Authorized Agents are authorized by Customer and on Customer's behalf to give instructions to Bank for transfers of funds and matters related to transfers of funds with respect to

Customer's accounts at the Bank. Customer may change the Authorized Agents listed on Schedule W-1 to this Agreement from time to time upon written notice to Bank. Any such notice must be expressly acknowledged by Bank to be effective. Customer agrees that the terms and conditions set forth herein constitute a commercially reasonable method of facilitating wire transfers by Customer.

5. Security Procedures.

- (a) Security Procedures under the Agreement. The Bank and the Customer agree to security procedures ("Security Procedures") that must be used by the Bank and the Customer in connection with the Service. Security Procedures offered by the Bank are described herein. As part of the Security Procedures, Bank may employ various authentication technologies. As part of the Bank's Wire Transfer systems, Bank employs various security and authentication technologies to ensure that Customer and Authorized Agents are communicating directly with Bank, and also to ensure that the Customer's computer is communicating with a legitimate Bank computer. Such Bank authentication procedures and technologies include, but are not limited to, use of Customer User IDs, passwords and other "Additional Authentication Information" ("AAI") that Bank may require Customers to provide at Bank's sole discretion. Such AAI is required as a component of various Wire Transfer systems authentication procedures that Bank may employ, including, but not limited to, security questions and responses and/or use of other hardware-based and software-based security and authentication tools, programs and procedures. The Customer is responsible for the establishment and maintenance of its internal procedures reasonably adapted to insure the confidentiality and security of Security Procedures. **CUSTOMER UNDERSTANDS AND AGREES THAT CUSTOMER WILL BE RESPONSIBLE FOR MAINTAINING SECURITY AND CONTROL OVER ALL USER IDS AND PASSWORDS OF THE CUSTOMER'S AUTHORIZED PARTIES, SERVICE SETUP ADMINISTRATORS, USER SETUP ADMINISTRATORS AND USERS, AND SHALL USE SECURITY FOR SUCH ITEMS COMPARABLE TO THE SECURITY AND CONTROL CUSTOMER WOULD USE FOR CASH, OR A MECHANICAL CHECK-SIGNING MACHINE, BUT IN NO EVENT LESS THAN REASONABLE SECURITY AND CONTROL IN THE CIRCUMSTANCES.** If the Customer or its employees or agents have reason to believe that any Security Procedure has or may have become known by unauthorized persons (whether or not employed by the Customer), the Customer shall immediately notify the Bank by telephone and confirm such oral notification in writing to the Bank within twenty-four (24) hours of the oral notification. The Bank will replace the Security Procedures in accordance with the Bank's standard security requirements related to the applicable Service(s). To the maximum extent permitted by applicable law, the Customer will be solely liable for all transactions, including Wire Transfer requests and other communications, initiated before the Bank has received such notification and has had a reasonable opportunity to act on such notification. The Bank reserves the right to change any or all of the Security Procedures offered or used at any time by giving oral or written notice to the Customer. The Customer agrees that its use of the Service after the Bank provides notice of such changes constitutes Customer's acceptance of the new Security Procedures. The Customer acknowledges that the purpose of Security Procedures is to authenticate the identity of the person initiating the action, not to detect errors in any transmission or content. The Bank is not agreeing to any security or other procedure for the detection of errors. The Customer represents that for the Service, it considers the Security Procedures to be commercially reasonable with respect to the size, type, and frequency of Wire Transfers it anticipates issuing and the information which will be transmitted. Customer expressly represents it has not withheld any information or circumstances from Financial Institution, which would indicate different security procedures, are appropriate for this Agreement.

- (b) Customer's Data Security Obligations. Customer must comply with the Computer (as defined herein) hardware, software, and Security Procedures requirements as set forth in these General Provisions and in any Service specific provisions or any supplemental information and instructions provided by the Bank. The Bank reserves the right as encryption technology develops to impose further reasonable requirements to maintain the appropriate level of security for the Service and transactions contemplated hereunder and the Customer agrees to abide by such requirements. Furthermore, the Customer understands and acknowledges that if Customer does not follow commercially reasonable hardware, software, physical access and physical storage security procedures regarding any Customer-owned Data (defined herein), including such data containing the sensitive personally identifiable information ("PII") of any individual, the security of Customer's transactions and/or Customer-owned Data (including sensitive PII) may be compromised. Customer understands, acknowledges and agrees that installation, maintenance and operation of Customer's Computer (hardware and software) and related security procedures, including, but not limited to, data security protection, firewalls and anti-virus software, is the Customer's sole responsibility, and that Customer is solely responsible for securing, encrypting, protecting and otherwise safeguarding the Customer-owned Data.
- (c) Limitation on Liability. In addition to limitation of liability provisions contained elsewhere in this Agreement, Customer understands, acknowledges and agrees that the Bank is not responsible for any loss or damages resulting from any errors or failures of the Customer's Computer or data processing systems, including, but not limited to any computer virus or malware attack (such as a keystroke logging program or similar malware), any attack by a person attempting or actually gaining unauthorized access to Customer-owned Data, or any Internet-related problems that may be associated with the Customer's access and use of the Service.
- (d) Serious Potential Threat to Customer's Business; Notification to Bank. Customer acknowledges and agrees that the threat of fraud resulting from theft of electronic data is a serious potential threat to Customer's business and, accordingly, Customer will take all reasonable steps to make certain that its Computers and data security systems are protected from unauthorized access or use, and in an event of any unauthorized access or use, Customer will take all reasonable steps to immediately inform Bank of the security breach.
- (e) Responsibility for Loss. If, despite Customer efforts, Customer suffers any damage or loss as a result of Customer's failure to comply with its data security obligations, and regardless of whether such damage or loss results from the activities of Customer's employees, agents, subcontractors or any unaffiliated third party, any such loss or damage shall be the sole responsibility of Customer.
- (f) In its sole and absolute discretion, Bank may seek verification or further authorization of any Wire Transfer request or related instruction. Bank may contact Customer and its Authorized Agents by telephone at the telephone number(s) listed in Schedule W-1, attached hereto, in order to obtain assurance of the authenticity or other correctness of a transfer request. Bank shall be under no obligation to do so. If, however, upon attempting to obtain such verification, Bank is unable to do so, Bank may in its sole and absolute discretion, either make the transfer or decline to make the transfer or follow the instructions or decline to follow the instructions. In such event, Bank shall not be liable to Customer for any actual loss of any kind or for any consequential, or exemplary damages in any amount, provided Bank has acted in good faith.

6. Processing Wire Transfer Requests. Subject to Bank's normal banking hours and other deadlines, whether legal, regulatory, or contractual, Bank is hereby authorized and directed to make Wire

Transfers and to act upon other instructions relating to Wire Transfers upon receipt of instructions through the Wire Transfer systems, by fax, or by secure email, or in-person (Customer Identification may be required), which on their face are in compliance with the Security Procedures established by this Agreement. To facilitate security, Customer agrees that instructions should be in the format required by the Wire Transfer systems.

7. Inconsistent Name and Account Number. Customer understands that the numbers assigned to banks and to the accounts of recipients of transfers are critical to the transfer function. If any Wire Transfer request by the Customer describes the intended recipient of funds inconsistently by name and account number, the Customer agrees that payment by the receiving bank (which may be the Bank) may be made on the basis of the account number alone even if that account is not owned by the person or entity named in the Wire Transfer request. If any Wire Transfer request identifies an intermediary bank or the payee's bank inconsistently by name and identifying number, the Customer agrees that the Bank may rely solely on the identifying number as the proper identification of the intermediary bank or the payee's bank even if it identifies a bank different from the bank the Customer identified by name. To the extent permitted by applicable law, the Customer acknowledges and agrees that its obligation to pay the Bank the amount of the Wire Transfer pursuant to a Wire Transfer request will not be excused in any circumstance described in Section 21 (Erroneous Instructions), below, and that the Customer will reimburse the Bank for any losses or expenses the Bank incurs as a result of the Bank's reliance on the identifying number provided in the Wire Transfer request.

8. Cancellation or Amendment of Non-Remittance Transfers. Customer may ask Bank to amend or cancel any Wire Transfer Request or related instruction, and Bank will use its best efforts to comply with such request if the request is made at a time and in a manner which gives Bank a reasonable opportunity to act on the request before it carries out the transfer or instruction as Customer originally requested.

9. Cancellation or Amendment of Remittance Transfers – Customer has the right to cancel or amend a Remittance Transfer request, provided that Customer cancels or amends that request within thirty (30) minutes of Customer authorizing payment for that transfer. If Customer requests a cancellation or amendment after such time, the provisions in Section 8, above, shall apply to such Remittance Transfer.

10. Wire Transfer Requests. Requests for Wire Transfers may be initiated online by Customer by an Authorized Agent by providing the authentication information required by Bank. Requests may also be submitted in person at a Bank branch, via phone call, or via fax transmission. All Wire Transfers are subject to conformance with the security procedures described in the Treasury Management Services Agreement, this Wire Transfer Agreement, and any applicable Schedules, Appendices, or Addenda. All Wire Transfers are required to provide the minimum information requirements of the "Travel Rule", and at a minimum will include the Originator's name/address, beneficiary's name/address, originating bank name/ID/branch code, foreign correspondent bank name/ID/branch code, receiving bank name/ID/branch code, and reason for payment. Requests that do not meet the minimum standards of the "Travel Rule" may be refused or declined.

11. Acceptance and Execution of Wire Transfer Requests.

- (a) Bank Acceptance of Requests. A Wire Transfer request from the Customer shall be considered accepted by the Bank when the Bank executes it.
- (b) Deadlines. The Customer acknowledges that the Bank maintains deadlines for accepting Wire Transfer requests. Such deadlines are subject to change from time to time at the sole discretion of the Bank. If a Wire Transfer request from the Customer is delivered after the deadline, it may be executed the next Business Day. Wire Transfers shall be deemed delivered to the Bank when the

applicable Security Procedures have been complied with and the submission to the Bank is completed in accordance with the Agreement.

- (c) Bank Acceptance of Instructions. No instructions or other restrictions limiting the Bank's acceptance of a Wire Transfer request from the Customer shall be effective unless accepted and agreed to in writing by the Bank. However, the Bank at its option may elect to act consistently with such instructions or other restrictions which it believes in good faith were made by an Authorized Party or User of the Customer.
- (d) Instructions. The Bank shall make debits according to the instructions received from the Customer in the Wire Transfer request and credits according to the instructions received electronically for each Wire Transfer request.
- (e) Transmission. In executing any Wire Transfer request, the Bank may utilize such means of transmission as it may reasonably select. The Bank may initiate Wire Transfer requests in any order convenient to it.

12. Revocation of Transfers. The Customer has no right to reverse, adjust, or revoke a Wire Transfer request after the Bank has executed the Wire Transfer. If the Customer requests the reversal, adjustment or revocation of a Wire Transfer request, Bank shall not be obligated to do so. The Bank may, but shall not be obligated to, attempt to recover the funds from the transferee using whatever steps the Bank may deem appropriate. If Customer requests the reversal, adjustment or revocation of a Wire Transfer request, Bank may require Customer to deposit with Bank an amount reasonably determined in good faith by Bank to approximate the costs and expenses, including, but not limited to, attorneys' fees which Bank may incur in attempting to recover the funds transferred. In lieu of such a deposit, Bank may request customer to provide a bond or other assurance of payment reasonably satisfactory to Bank. In no event, however, shall Bank be deemed to have guaranteed or otherwise assured the recovery of any portion of the amount transferred, nor to have accepted responsibility for any amount transferred before Bank received and had time to act upon the request to amend or cancel the transfer request. **THE CUSTOMER EXPRESSLY AGREES TO INDEMNIFY THE BANK AGAINST ANY COSTS, EXPENSES, DAMAGES AND LIABILITIES, INCLUDING ATTORNEY'S FEES, WHICH THE BANK MAY INCUR IN ATTEMPTING TO EFFECT SUCH RECOVERY OF FUNDS. THE BANK MAKES NO REPRESENTATION OR WARRANTY AS TO ITS ABILITY TO REVOKE OR CANCEL A WIRE TRANSFER ONCE MADE.**

13. Confirmation; Account Reconciliation.

- (a) Statements. The account statements provided to the Customer by the Bank will notify the Customer of (i) the execution of Wire Transfers and all debits or credits to accounts of the Customer held by the Bank resulting from transactions pursuant to the Agreement; and (ii) amounts debited by the Bank from the account(s) for payment of fees for the Service hereunder or other charges pursuant to the Agreement. The Customer agrees that the Bank will not be required to provide any other notice to the Customer of the execution of any Wire Transfers, debits, credits or charges.
- (b) Confirmations. Promptly after receiving a payment order for a Funds Transfer, Financial Institution will mail or deliver to Customer, as such address as Customer may designate from time to time, a confirmation or statement setting forth the date and amount and other information on the transfer made pursuant to this Agreement.

(c) Notification of Discrepancies. Customer agrees to examine each statement and confirmation upon receipt and to notify Bank immediately of any perceived error or other discrepancy regarding any such Wire Transfer. If Customer fails to notify Bank of any discrepancy or other problem within 5 Business Days of the earlier of Customer's receipt of the statement or confirmation, Bank shall be relieved of any and all liability in connection with the Wire Transfer or Wire Transfers reflected in the statement or confirmation. All correspondence relating to a specific Wire Transfer request must include the date and amount of the transfer and, if a reference or confirmation number is assigned to the transfer, the number assigned to the Wire Transfer. If, upon Customer questioning a transaction within the 5 Business Day period, it is determined that the Bank complied with this Agreement or that Customer did not comply with this Agreement, Bank shall be relieved of all liability in connection with the transfer. Bank shall be under no obligation to make any transfer of an amount in excess of the collected and available balance in the Customer's account(s) with Bank, as such balance may be determined in good faith by Bank.

14. Claims with Respect to Remittance Transfers. If Customer believes there has been an error with regard to, or Customer needs more information about, any Remittance Transfer, Customer agrees to contact Bank within one hundred and eighty (180) days of the date indicated by Bank as the date on which the transferred funds would be available to the recipient of that transfer using the contact information provided on Schedule W-1.

At such time, Customer may be asked to provide the following information: 1) Customer's name, address and account number; 2) the name of the beneficiary receiving the funds and, if known, the beneficiary's telephone number or address; 3) the dollar amount of the transfer; 4) the reference code for the transfer; and 5) a description of the error or why Customer needs additional information. Bank may also ask me to select a choice of remedy (credit to my account in an amount necessary to resolve the error or, alternatively, a resend of the transfer in an amount necessary to resolve the error) in those cases where an error by Bank is found. Bank will determine whether an error has occurred within ninety (90) days after Customer contacts Bank. If Bank determines that an error has occurred, Bank will promptly correct that error in accordance with the error resolution procedures under the Electronic Fund Transfer Act and federal Regulation E or in accordance with the laws of the State of Texas, as may be applicable. In any event, Bank hereby agrees (insofar as Customer may do so under applicable law) that any action or proceeding by Customer to enforce any obligation, duty or right under this Agreement must be commenced within one (1) year from the date that such cause of action accrues. **IN NO EVENT SHALL BANK BE RESPONSIBLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES OR EXPENSES IN CONNECTION WITH CUSTOMER'S REMITTANCE TRANSFER.**

15. Foreign Currency Exchange. Customer agrees that if it requests a transfer of funds in a currency other than United States dollars, Financial Institution will convert at the Financial Institution's current exchange rate for the specified foreign currency. If any funds are returned to Customer in a currency other than United States dollars, Financial Institution will convert the returned foreign currency into United States dollars at its current exchange rate for such currency at the time of the return. If Financial Institution does not have current exchange rates for the particular foreign currency involved, Financial Institution will use its best efforts to convert the currency promptly through reasonable commercial or banking channels, and Customer shall pay Financial Institution a reasonable fee for such services. The Bank assumes neither risk of loss nor any liability, which Customer or any other person may suffer by reason of foreign currency exchange conversions. In no event shall Financial Institution be liable to Customer for any losses arising from currency conversions effected by Financial Institution in good faith within a reasonable time after receiving funds for conversion. If Customer is a consumer Customer and desires to send a payment order to a foreign country outside the U.S., Financial Institution will comply with all applicable laws, rules and regulations, and will provide all information and disclosures required with regard to such consumer foreign funds transfer.

16. Fees.

- (a) Generally. The Bank reserves the right to change any fee schedule at any time and from time to time, without notice. Applicable fees do not include, and the Customer will be solely responsible for payment of any sales, use, excise, value added, utility tax, or tariffs relating to the Service(s) provided hereunder, and for all telephone charges, Internet access service charges, tolls, tariffs, and other costs for Internet Banking Services initiated by the Customer, or the Customer's authorized users, or correspondent banks of the Bank.
- (b) Payment of Fees. Any amount(s) due the Bank for the Service as determined by the Bank's account analysis or will be charged per Section 13(a), Payment of Fees in the Treasury Management Services Agreement.
- (c) Foreign Wires. U.S. Dollar denominated foreign Wire Transfers are subject to additional fees by correspondents.

17. Wire Template Maintenance; Customer's Liability for Errors in Beneficiary Information.

THE CUSTOMER UNDERSTANDS AND AGREES THAT THE CUSTOMER AND NOT THE BANK WILL CONTROL THE BENEFICIARY INFORMATION FOR ALL WIRE TRANSFERS, INCLUDING ANY REPETITIVE WIRE REQUESTS, AND THAT IF ANY WIRE TRANSFER REQUEST BY THE CUSTOMER DESCRIBES THE INTENDED RECIPIENT OF FUNDS INCONSISTENTLY BY NAME AND ACCOUNT NUMBER THAT PAYMENT BY THE RECEIVING BANK (WHICH MAY BE THE BANK) MAY BE MADE ON THE BASIS OF ACCOUNT NUMBER ALONE EVEN IF THAT ACCOUNT IS NOT OWNED BY THE PERSON OR ENTITY NAMED IN THE WIRE TRANSFER REQUEST. BANK WILL NOT BE LIABLE FOR ANY ERRORS OR LOSSES RESULTING FROM ANY ERRORS IN OR CHANGES TO THE BENEFICIARY INFORMATION PROVIDED BY THE CUSTOMER. CUSTOMER HEREBY AGREES AND ACKNOWLEDGES THAT BANK IS NOT RESPONSIBLE FOR DETECTING ANY CUSTOMER ERROR CONTAINED IN ANY INDIVIDUAL WIRE TRANSFER.

18. Account Holder's Liability for Wire Transfers. The Customer agrees to be bound by any Wire Transfer, amendment or cancellation to a Wire Transfer issued in the Customer's name and received by the Bank, whether or not authorized, if the Bank accepts the Wire Transfer, amendment or cancellation in good faith and in compliance with the Security Procedures agreed to herein.

IN THE EVENT THAT A WIRE TRANSFER IS UNAUTHORIZED BUT EFFECTIVE PURSUANT TO THE SECURITY PROCEDURES AND OTHER PROCEDURES AGREED TO HEREIN, BANK IS ENTITLED TO ENFORCE OR RETAIN PAYMENT FOR THE WIRE TRANSFER FROM CUSTOMER UNLESS THE CUSTOMER CAN PROVE THAT THE WIRE TRANSFER WAS NOT CAUSED, DIRECTLY OR INDIRECTLY, BY A PERSON EITHER (I) ENTRUSTED AT ANY TIME WITH DUTIES TO ACT ON CUSTOMER'S BEHALF WITH RESPECT TO SUCH WIRE TRANSFER OR THE SECURITY PROCEDURES OR OTHER PROCEDURES HEREIN, OR (II) WHO OBTAINED ACCESS TO CUSTOMER'S TRANSMITTING FACILITIES OR WHO OBTAINED, FROM A SOURCE CONTROLLED BY CUSTOMER AND WITHOUT AUTHORITY OF THE BANK, INFORMATION FACILITATING A BREACH OF THE PROCEDURES, REGARDLESS OF HOW THE INFORMATION WAS OBTAINED OR WHETHER CUSTOMER WAS AT FAULT.

19. Bank's Duties. Bank's duties and responsibilities are limited to those described in this Agreement. Bank will use ordinary care in performing under this Agreement, but will be responsible for any

loss sustained by Customer only to the extent such loss is caused by Bank's gross negligence or intentional wrongful acts. However, in such case, liability will extend only to the resulting direct loss not to exceed the amount of the disputed Wire Transfer and any related fees, and not to any special, indirect, exemplary or consequential damages, including, but not limited to, lost profits, even if Bank has been informed of the possibility of such damages. In addition, Bank will not be responsible for liability, loss, or damage resulting from: Customer's failure to follow this Agreement or other procedures for Wire Transfers, of which Bank has notified Customer; or any delay in the performance by Bank of, or failure to perform, the provisions of this Agreement.

20. Construction. While this Agreement shall be construed consistently with any other agreement between Customer and Bank relating to Customer's financial transactions with Bank, in the event of any conflict or inconsistency among the terms of this Agreement and any other agreement between Customer and Bank, the terms of the most recently dated agreement, including amendments, shall control, but only to the extent of such conflict or inconsistency.

21. Governing Law. This Agreement shall be governed by all applicable operating circulars of any Federal Reserve Bank which may handle any transaction that is the subject of this Agreement, and by all applicable provisions of federal law and regulation. To the extent allowed by federal law, this Agreement shall also be governed by the operating rules and other governing documents of SWIFT, or any other Wire Transfer or advice service or facilitator, and by the laws of any foreign nation having jurisdiction over the Wire Transfer (or any segment thereof, to the extent of that segment only). To the extent it is not governed by such laws, regulations, rules and other governing documents, this Agreement shall be governed by the laws of the State of Texas, including Texas Business & Commerce Code Article 4A relating to Wire Transfers. This Agreement shall be binding upon and inure to the benefit of Customer and Bank, and their respective successors, assigns, and legal representatives.

22. Identification Verification. We are required by Federal Law, International Automated Transactions ("IAT") requirements, and under the USA Patriot Act to verify your identification and check records against certain government lists, transaction type, delivery method, and origin, which may delay the process of your request.

Schedule W-1

Wire Transfer Resolution & Designation of Authorized Individuals

Customer hereby certifies the following:

- 1. Authorized Accounts.** The Customer represents and warrants that the below-listed accounts held with Lone Star National Bank ("Bank") are owned entirely by the Customer, and are hereby authorized to be charged as instructed by the Customer for wire transfers and related fees. Authorized Individual may initiate a wire transfer only up to the maximum wire limit as indicated in the table below.

	Account Number	Account Title	Per Day Total Wire Limit
1	71015582	HEALTH CARE FUNDING DISTRICT LPPF	\$5,000,000
2	71015604	FEMA PROGRAM	\$5,000,000
3	71015612	STATE INFRASTRUCTURE BANK FUND #3	\$5,000,000
4	71015639	GENERAL FUND	\$5,000,000
5	71015647	SPECIAL REVENUE FUND	\$5,000,000
6	71015787	DEBT SERVICE FUND	\$5,000,000
7	71015795	CAPITAL PROJECT FUND	\$5,000,000
8	71015809	TRUST & AGENCY FUND	\$5,000,000
9	71015817	PROPRIETARY FUND	\$5,000,000
10	71015825	PAYROLL FUND	\$5,000,000
11	1035313871	RETAINAGE ACCOUNT	\$5,000,000
12	71015744	JURY SCRIPT	\$5,000,000

- 2. Authorized Individuals for Fax or Email Wire Transfer Request.** The following person(s) is(are) hereby authorized to initiate wire transfers on behalf of Customer. Customer understands and agrees that Bank shall dishonor any request for transfer not specifically authorized hereby. Written wire instructions must be signed and faxed or email on requests via phone call. Each Authorized Individual may initiate and approve wire transfers as indicated in the table below. Each Authorized Individual may initiate a wire transfer only up to the maximum wire limit indicated on Section 1 Authorized Accounts. Each Authorized Individual may only request a wire transfer from the account or accounts indicated. CUSTOMER AND BANK AGREE THAT THIS SCHEDULE W-1 REPLACES AND SUPERSEDES ANY PREVIOUS AUTHORIZATION(S) PROVIDED TO BANK.

Authorized Individual Name	Allow Account(s) from list above Example (1&3)	Authorized Individual Signature	Phone Number	Wire Limit (Can't be greater than the Per Day Acct Limit)	(4 digit) Wire PIN#
ALFREDO ZAMARRIPA	ALL		956-318-2506 EXT 4810	\$5,000,000	
JAMES HODGE	ALL		956-318-2506 EXT 4809	\$5,000,000	
LITA L. LEO	ALL		956-318-2508	\$5,000,000	

- 3. Authorized Individuals for Cash Management Online Banking Submissions.** The following person(s) is(are) hereby authorized to initiate wire transfers via Cash Management Online Banking on behalf of Customer understands and agrees that Bank shall dishonor any request for transfer not specifically authorized hereby. Each Authorized Individual may initiate a wire transfer only up to the maximum wire limit

indicated on Section 1 Authorized Accounts.. Each Authorized Individual may only initiate a wire transfer from the account or accounts indicated. CUSTOMER AND BANK AGREE THAT THIS SCHEDULE W-1 REPLACES AND SUPERSEDES ANY PREVIOUS AUTHORIZATION(S) PROVIDED TO BANK.

Authorized Individual Name	Allow Account(s) from list above Example (1&3)	Authorized Individual Email Address	Phone Number	Wire Limit (Can't be greater than the Per Day Acct Limit)	*Dual Control Required (Yes/No)	
ALFREDO ZAMARRIPA	ALL	alfredo.zamarripa@co.hidalgo.tx.us	318-2506 ext 4810	\$5,000,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>
JAMES HODGE	ALL	james.hodge@co.hidalgo.tx.us	318-2506 ext 4809	\$5,000,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LITA L. LEO	ALL	Lita.leo@co.hidalgo.tx.us	318-2508	\$5,000,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Where indicated in the immediately preceding table, Authorized Individuals will be subject to Dual Control. Dual Control requires two Authorized Individuals working together to successfully release a wire to Bank. One Authorized Individual is required to initiate the transfer request and the other Authorized Individual is required to approve and release the transfer request. A single Authorized Individual will not be able to initiate, approve and release the same transfer request if the Authorized Individual is designated by Customer as being subject to Dual Control in the immediately preceding table. Shall Customer desire to change the dual control designations, Customer shall submit a new Schedule W-1 to Bank and give Bank a reasonable time to update Customer's dual control designations.

*** If Dual Control is not selected, Customer must sign the Optional section found on Schedule A from the Treasury Management Service Request.**

Notwithstanding the transfer limitations listed in the table above, in no event shall Customer be allowed to initiate or approve a wire transfer exceeding the following:

- 1) limit amount indicated on Section 1 Authorize Accounts which is an amount agreed to by Bank and Customer.

4. General Security Procedures.

(a) Customer agrees to comply with the security procedures described in this agreement, including the following security procedures and safeguards.

a. Authorized Individuals. Customer represents and warrants to Bank that, within the limitations set forth in Section 3 of this Schedule, the persons named in this Schedule W-1 as Authorized Individuals are authorized by Customer to: (i) initiate, amend or cancel transfer requests, (ii) receive callbacks confirming transfer requests, (iii) to agree on pricing for foreign currency exchange transactions, and (iv) otherwise authorize or approve wire transaction requests.

b. Aggregate Limits. Bank may establish daily aggregate dollar limits on the amount of transfer requests to be made from Customer's Account.

c. Additional Verification. In its sole discretion, Bank may seek verification or further authorization of any wire payment order or related instruction in addition to any verification procedures described

in other provisions of this Agreement. Bank may contact Customer by any reasonable means in order to obtain assurance of the authenticity or other correctness of a payment order. However, Bank shall be under no obligation to do so in any case. If, upon attempting to obtain such verification, Bank is unable to do so, Bank may, in its sole discretion, either make the transfer or decline to make the transfer or follow the instructions or decline to follow the instructions. In such an event, Bank shall not be liable to Customer for any actual loss of any kind or for any consequential, punitive, or exemplary damages in any amount, provided Bank has acted in good faith.

5. Security Procedures for Transfers Initiated Through Online Banking.

- a. Verification.** Bank shall verify the identity of Customer, its Authorized Signers, or its Authorized Individuals as well as the authenticity of a Customer's transfer request initiated through Online Banking through the presentation of valid login credentials, including username, password, and token. Bank shall verify the authenticity of a submitted wire request through the presentation of a valid wire personal identification number ("PIN"). Customer acknowledges and understands that any person presenting valid credentials as described in this section, which credentials are associated with Customer, Customer's Authorized Signer, or Authorized Representative shall be deemed to be the Customer, Authorized Signer, or Authorized Individual with whom the credentials are associated. Customer acknowledges and understands that any person presenting such valid credentials shall be deemed to be authorized by Customer to initiate or approve a wire transfer request, subject to the dual control, wire limit, and authorized account designations indicated in this Schedule.

6. Security Procedures for Wire Transfers Initiated by Fax, Phone, or Email Request.

- a. Verification.** Where a payment order or communication is authorized by Customer via a fax, telephone, or email communication. Bank shall verify the authenticity of the payment order or communication canceling or amending a payment order issued in Customer's name by call back to an Authorized Individual using the pre-arranged telephone number or emergency contact number listed above for the Authorized Individual. Prior to processing a request, Bank will require the Authorized individual to provide a transaction specific verification form containing facts regarding the requested transaction.
- b. Mandatory PIN Verification.** Customer shall provide the Bank a four digit Wire PIN, which may be used to identify Customer or an Authorized Individual for purposes of verifying wire requests initiated via phone, fax, or email. Bank shall verify the authenticity of such a payment order or communication canceling or amending a payment order issued in Customer's name by call back to an Authorized Individual and through the use of a telephone PIN associated with the Authorized Individual. If Bank does attempt to contact Customer, but Bank is unable to reach Customer, Bank may refuse to make the wire transfer until Bank has received appropriate confirmation from Customer, and Customer agrees in such case that Bank will not be liable to Customer or to any payee in the event Bank refuses to make the wire transfer.

- 7. Cutoff Times.** Domestic Wire Transfers initiated before 2:00 PM CST on a Business Day are posted to Customer's account the same day. Domestic Wire Transfers completed after 2:00 PM CST on a Business day, Saturday, Sunday or banking holiday, will be posted on the next Business Day.

International Wire Transfers, foreign exchange wire transmissions, and Remittance Transfer requests initiated before 2:00 PM CST on a Business Day are posted to Customer's account the same day. International Wire Transfers, foreign exchange wire transmissions, and Remittance Transfer requests completed after 2:00 PM CST on a Business day, Saturday, Sunday or banking holiday, will be posted on the

next Business Day.

Wires to be sent to another bank which exceed \$5,000,000 must be initiated prior to 1:00 PM CST on a Business Day in order to be processed on the same Business Day.

Net Teller transfers initiated before 3:30 PM CST on a Business Day are posted to Customer's account the same day. Net Teller transfers completed after 3:30 PM CST on a Business day, Saturday, Sunday or banking holiday, will be posted on the next Business Day.

8. Representations and Warranties. Customer hereby represents and warrants to Bank that the names of the Authorized Individuals, the account numbers from which they are authorized to request transfers, the maximum authorized amounts, and all other information stated on this Schedule W-1 is authorized and correct. If at any time Customer wishes to change any of the information provided on Schedule W-1, Customer will submit a new Schedule W-1 to Bank. Each Schedule W-1 will supersede all previous Schedule W-1's.

Company/Customer Name:

Lone Star National Bank

HIDALGO COUNTY (TREASURER & AUDITOR)

By: _____
*Customer's Authorized Signature
from Schedule B*

By: _____
Bank Officer's Authorized Signature

Name: LITA L. LEO

Name: DAVID M. PENOLI

Date: _____

Date: _____

Wire Transfer Department Contact Information:

Lone Star National Bank
206 W. Ferguson
Pharr, TX 78577

Telephone: 1.800.580.0322 or 956.781.4321
Ext. 2289, 2276, 2261, 2238 & 2147

Email: Wire_ach@lonestarnationalbank.com

Fax: 956.984.2292

POSITIVE PAY

The Bank and the Customer agree that the provision by the Bank and the use by the Customer of the positive pay services described below shall be subject to the terms and conditions set forth in this agreement, Set-Up Forms, and schedules, if any (the "Positive Pay Agreement"). Customer will select the type of Positive Pay Service to be provided hereunder. "Positive Pay Services" include "Positive Pay", as more specifically described herein. In the event of inconsistency between a provision of this Positive Pay Agreement and the Uniform Commercial Code ("U.C.C."), the provisions of this Positive Pay Agreement shall prevail.

1. **DEFINITIONS**

1.1 Statutory Definitions. Unless otherwise defined in this Positive Pay Agreement, words or phrases shall have the meanings set forth in U.C.C. Article 3- "Negotiable Instruments" and U.C.C. Article 4-"Bank Deposits and Collections."

1.2 **Definitions.**

- a. "Positive Pay Agreement" means this Positive Pay Services Agreement as it may be amended from time to time and shall be deemed to include any Set-Up Forms and schedules to the agreement.
- b. "Authorized Account" means the deposit account(s) of the Customer, maintained at the Bank, to which the Positive Pay Services rendered by the Bank will apply as identified on the "Positive Pay Services – Set-Up & Account Maintenance Form".
- c. "Auto Exception Decision Rule" means the option chosen by the Customer instructing the Bank how to process an Exception Item that has NOT received a Pay/No Pay Decision by the Customer as of the Daily Decision Cutoff Time.
- d. "Available Funds" means funds on deposit in an Authorized Account and available for withdrawal pursuant to Regulation CC and the Bank's applicable funds availability schedule and policies.
- e. "Banking Day" means any day, other than Saturday or Sunday, on which the Bank is not required or authorized to close.
- f. "Check Exception" means a Presented Check that does not match an Issue Item in the Issue Item database. A Check Exception may or may not be authorized.
- g. "Issue Item" means a check issued by the Customer and released for payment.
- h. "Issue Item Database" means the database of Issue Items maintained in Business Online Banking. The information in the database is updated by the Customer using either manual, single item entry or by uploading multiple Issue Items in an Issue Item File.
- i. "Issue Item File" means a data file containing Issue Item Information provided by the Customer to the Bank regarding Issue Items for the Authorized Account. The file must be submitted in a format approved by the Bank.
- j. "Issue Item Information" means specific, unique information on a check that is used to match a Presented Check to an Issue Item contained in the Issue Item Database.
- k. "Daily Decision Cutoff Time" means the deadline each Banking Day that the Customer must submit its Pay/No Pay Decisions for Exception Items.
- l. "Matching Item" means a positive match of a Presented Check and an Issue Item in the Issue Item Database.

- m. "Positive Pay Exception Manager" means the component of Business Online Banking that reports outstanding Check Exceptions and allows the Customer to make Pay/No Pay Decisions. It is currently found on the ARP/Positive Pay tab within Online Banking.
- n. "Presented Check" means a check drawn on an Authorized Account and presented to the Bank for payment through the Bank's check collection system.
- o. "Pay/No Pay Decision" means an instruction presented by the Customer to the Bank directing the Bank to either pay or not pay any Exception Item.
- p. "U.C.C." means the Uniform Commercial Code as in effect in Texas as codified in Title 1 of the Texas Business and Commerce Code.
- q. "Business Online Banking" means the Bank's online commercial banking system and its respective components.

2. POSITIVE PAY SERVICES

2.1 Positive Pay. Customer agrees to provide to Bank the required Issue Item Information for each check issued. Each Banking Day, the Bank will compare each Presented Check to the Issue Items contained in the Issue Item Database. Matching Items will be paid following normal Bank processing. Any non-Matching Items will be presented as Check Exceptions to the Customer through the Positive Pay Exception Manager. The Customer must review any Check Exceptions and submit Pay/No-Pay Decisions by the required Daily Decision Cut-Off Time. Unless the Customer specifies otherwise using the Positive Pay system, at the Daily Decision Cut-off Time, all Check Exceptions without a Pay/No-Pay Decision will be paid by Bank.

2.2 Check Stock Verification

- a. The Customer shall submit to the Bank a sample of completed Checks for verification on Bank's systems. The Customer is responsible for ensuring that this verification is received any time the Customer updates its check printing system or chooses a new check vendor. The Bank may in its sole discretion terminate this Positive Pay Agreement without notice if at any time, the customer's checks fail the Bank's verification systems and after notification by the Bank, Customer does not correct this problem within a reasonable time.

2.3 Issue Item Information. Each day that the Customer writes checks, the Customer must update the Issue Item Database before the actual issuance of checks to named payees by manually entering Issue Items or uploading an Issue Item File. Customer is solely responsible for the Issue Item Information provided. The Bank is under no obligation to identify errors in the Issue Item Information and has no liability for paying or not paying checks based on the information provided.

- a. **Positive Pay.** For this service, the (i) Authorized Account Number; (ii) Item serial number (check number); (iii) dollar amount of the Item; and (iv) Item issuance date is required. Optionally, the type of account (checking or savings) may be provided.
- b. The Customer shall provide the Issue Item Information to the Bank through Business Online Banking using manual input or by uploading an Issue Item File using a file format approved by the Bank.
- c. The Issue Item Information transmitted to the Bank constitutes the authorized signature of the Customer for purposes of determining whether a check is properly payable. The Customer expressly warrants that all checks that match the Issue Item Information in the Issue Item Database are properly payable.

- 2.4 Check Exception Decisions.** All Check Exceptions require the Customer to make a Pay/No Pay Decision and the Bank will take the following actions based on that decision.
- a. **Pay Decision.** If a Customer authorizes a Pay Decision for a Check Exception, the Presented Check will be paid following normal Bank processing.
 - b. **No Pay Decision.** If the Customer authorized a Return Decision for a Check Exception, the Presented Check will be Dishonored and returned following normal Bank processing.
- 2.5 Auto Exception Decisioning.** At the Daily Decision Cutoff Time, the Bank will process all Check Exceptions WITHOUT a Pay/No Pay Decision by the Customer as authorized by the Customer's Auto Exception Decisioning Rule for each Authorized Account. For the decision authorized by the Customer refer to Schedule P-1 section 3 Auto Exception Decision Rule.
- 2.6 Checks Presented at a Lone Star National Bank Branch.** Checks presented for immediate payment at a Bank branch location will process through the Bank's teller positive pay system. A Presented Check that matches Issue Item Information in the Issue Item Database will be paid following normal bank processing. A Presented Check that does not match Issue Item Information in the Issue Item Database will be flagged as a Check Exception. The Bank will contact Customer authorized personnel for paying instructions for the Check Exception. In the event the Bank cannot reach Customer authorized personnel for instructions, Bank may return or refuse to pay the Check Exception. Customer agrees to indemnify the Bank against any claim from a third party regarding a decision to either pay or not pay a check.
- 2.7 Dishonor of Exception Items.** All Check Exceptions with a decision to Return whether directly decided by the Customer or indirectly by the Auto Exception Decision Rule will be returned by the Bank to the depository bank with the reason code "Refer to Maker".
- 2.8 Not a Substitution for Stop Payment.** Positive Pay Services will not be used as a substitute for the Bank's Stop Payment Service. Customer agrees to follow the Bank's standard stop payment procedures if the Customer desires to return a check that was validly issued, and to delete such check from the Issue Item Database if the Positive Pay Service was selected. The use of this Positive Pay Service as a substitute for a stop payment order is strictly prohibited and the Bank reserves the right to charge the Bank's normal fee for issuing a Stop Payment Order then in effect.
- 2.9 Checks with Posting Errors.** From time-to-time, the Bank may receive checks that contain posting errors from another financial institution. The Customer is responsible for notifying the Bank in circumstances when a check posting error is presented as a Check Exception.
- 2.10 Bank's Right to Return Checks.** Nothing in this Positive Pay Agreement regarding the Positive Pay Services will limit the Bank's right to return any matching or other Presented Check that you authorized us to pay under the Positive Pay Services, if the Bank determines in its sole discretion that the Presented Check is not properly payable for any reason (without the Bank's agreeing to, or being required to make such determination in any circumstance) or that there are insufficient collected and available funds in the Authorized Account to pay it. Each Presented Check the Bank returns in accordance with the Positive Pay Agreement will be deemed not to be properly payable.
- 2.11 Customer and Bank Communications.**
- a. The Bank shall use only Issue Item Information submitted through Business Online Banking.
 - b. The Customer shall use only the Check Exception information provided in Business Online Banking. The Bank shall not be obligated to comply with any Return Request received in a format or medium, after a deadline, or at a place not permitted under this Positive Pay Agreement but may instead treat such a Pay/Return Request as though it had not been received.

- c. The Bank is not responsible for detecting any Customer error contained in any Issue Item Information or Pay/No Pay Decision submitted by the Customer to the Bank. Any communication purporting to have been sent by the Customer will be deemed to have been sent and authorized by the Customer, and the Bank is authorized by the Customer to act in reliance thereon, even though the communication was unauthorized.
- d. The Customer is responsible for providing accurate electronic addresses and telephone numbers for communication in connection with transactions contemplated in this Positive Pay Agreement.

3. REMEDIES

3.1 U.C.C. Liability. To the extent applicable, the liability provisions of U.C.C. Articles 3 and 4 shall govern this Positive Pay Agreement, except as modified below.

3.2 Wrongful Honor. It shall constitute wrongful honor by the Bank if the Bank pays a Check Exception (a) in which the Customer issued a timely Pay/No Pay Decision instructing the Bank to Return said Check Exception or (b) the Customer selected the Return Auto Exception Decision and did not issue a timely Pay/No Pay Decision. In the event that there is wrongful honor:

- a. The Bank shall be liable to the Customer for the lesser of the amount of the wrongfully paid Check Exception or the Customer's actual damages resulting from the Bank's payment of the Check Exception.
- b. The Bank expressly waives any right it may have to assert that the Customer is liable for the amount of the wrongfully honored Check Exception on the grounds that the Check Exception was properly payable under U.C.C. section 4-401.
- c. The Bank retains the right to assert the Customer's failure to exercise reasonable care under U.C.C. sections 3-406(a) and 4-406(c). The Bank's wrongful honor shall however constitute a failure of the Bank to have exercised ordinary care under the Joss allocation provisions of U.C.C. sections 3-406(b) and 4-406(e).
- d. The Bank retains the right to assert the defense that the Customer has sustained no actual damages because the Bank's honor of the Check Exception discharged for value an indebtedness of the Customer.

3.3 Wrongful Dishonor. Except as provided below, it shall constitute wrongful dishonor by the Bank if the Bank dishonors a Check Exception (a) for which the Customer has issued a timely Pay/No Pay Decision instructing the Bank to Pay said Check Exception or (b) the Customer selected the Pay Auto Exception Decision and did not issue a timely Pay/No Pay Decision.

- a. The Bank's liability for wrongful dishonor of an Exception Item shall be limited to the damages for wrongful dishonor recoverable under U.C.C. Articles 3 and 4.
- b. Notwithstanding Section 3.2a and 3.3a, the Bank shall have no liability to the Customer for wrongful dishonor when the Bank, acting in good faith, returns an Exception Item:
 - 1. That it reasonably believed was not properly payable; or
 - 2. If there are insufficient Available Funds on deposit in the Authorized Account; if required to do so by the service of legal process on the Bank; or the instructions of regulatory or government authorities or courts.

3.4 Rightful Payment and Dishonor. Except as provided in Section 3.5:

- a. If the Bank honors a Check Exception in accordance with Section 2.1, 2.4, 2.5, and 2.6, such honor shall be rightful, and the Customer waives any right it may have to assert that the Exception Item was not properly payable under U.C.C. section 4-401.
- b. If the Bank dishonors a Check Exception in accordance with Section 2.1, 2.4, 2.5, 2.6, and 2.7, the dishonor shall be rightful, and the Customer waives any right it may have to assert that the dishonor was wrongful under U.C.C. section 4-402.
- c. The Customer agrees that the Bank exercises ordinary care whenever it rightfully pays or returns a Check Exception consistent with the provisions of the Positive Pay Agreement.

3.5 Faulty Information. The Bank shall not be liable for any losses, other than consequential damages, proximately caused by its honor of a check that was not properly payable, or its dishonor of a check that was properly payable, if the honor or dishonor occurred because the Bank acts, in accordance with the provisions of Section 2.1, 2.4, 2.5, 2.6, and 2.7 of this Positive Pay Agreement:

- a. If the Bank honors a Check Exception in accordance with Section 2.1, 2.4, 2.5, and 2.6, such honor shall be rightful, and the Customer waives any right it may have to assert that the Check Exception was not properly payable under U.C.C. section 4-401;
- b. If the Bank should have shown the check as a Check Exception but failed to do so; or,
- c. If the Bank showed the check as a Check Exception but referenced the wrong check number, unless the Bank provided the Customer with timely information that disclosed the error.

3.6 Assignment. To the extent that the Customer suffers a loss under this Positive Pay Agreement, the Bank assigns to the Customer any claim that the Bank would have against a depository or collecting bank to recover the loss, including any claim of breach of warranty under U.C.C. sections 4-207, 4-208, and 4-209.

4. SECURITY CONTROLS

The Security Controls described in the Schedules to this Positive Pay Agreement will be used by the Bank for purpose of establishing this service.

5. CUSTOMER SECURITY PROCEDURES

Customer is solely responsible for its own internal security and its own internal procedures to assure the confidentiality of the Security Controls and information described in Section 4, as well as Customer's own internal security procedures, security devices, and codes, assumes all risk of accidental disclosure or inadvertent use of any such information or security procedures by any party whatsoever, whether such disclosure or use is on account of Customer's negligent or deliberate acts or otherwise. Customer shall implement and maintain appropriate internal security procedures and features to maintain information security and safeguard against unauthorized transactions, including, but not limited to:

- a. Physical security and access control;
- b. Credential security;
- c. User access that incorporates controls such as segregation of duties;
- d. Workstation security standards, such as operating system hardening guidelines;
- e. Antivirus and anti-spyware controls, firewall controls, restricted use guidelines to prevent exposure to such threats, etc.;
- f. Network security standards such as network architecture, perimeter protection, firewalls, intrusion detection, etc.;

- g. Closely and regularly monitor the activities of its personnel and representatives who have access to the Positive Pay Services or otherwise have access to, or responsibility for, Customer's banking records, banking information, accounting systems, check stock and signature stamp (if applicable);
- h. Incident reporting requirements to ensure Lone Star National Bank is properly informed so that the Bank can implement its incident response plan to help quickly contain the damage and minimize losses;
- i. Appropriate disaster recovery and business continuity plans and periodic testing of these plans; and
- j. Warranties that Customer will not expose, introduce, or otherwise transfer in any fashion, any virus, worm, Trojan, spyware, malware, or other malicious code to Customer's or service provider's systems.

Customer shall periodically update its internal security procedures to address new fraud threats to which Customer may become exposed. Customer shall be solely responsible for, and shall indemnify, defend, and hold Lone Star National Bank harmless from and against, any Loss arising from any Virus, data, or code transmitted from Customer's or its Servicer's systems to Lone Star National Bank systems through its use of the Positive Pay Services or the Bank's systems.

Schedule P-1

Positive Pay Resolution & Designation of Authorized Individuals

Customer hereby certifies the following:

I/We, the undersigned, hereby certify the following:

- 1. Authorized Accounts.** The Customer represents and warrants that the below-listed accounts held with Lone Star National Bank ("Bank") are owned entirely by the within-named Customer, and are hereby authorized to be charged as instructed by the Customer for Positive Pay and provided with the Positive Pay Services:

#	Account Number	Account Title
1	71015582	HEALTH CARE FUNDING DISTRICT LPPF
2	71015604	FEMA PROGRAM
3	71015612	STATE INFRASTRUCTURE BANK FUND #3
4	71015639	GENERAL FUND
5	71015647	SPECIAL REVENUE FUND
6	71015787	DEBT SERVICE FUND
7	71015795	CAPITAL PROJECT FUND
8	71015809	TRUST & AGENCY FUND
9	71015817	PROPRIETARY FUND
10	71015825	PAYROLL FUND
11	1035313871	RETAINAGE ACCOUNT
12	71015744	JURY SCRIPT

- 2. Authorized Individuals.** The following person(s) is(are) hereby authorized to make the decisions on whether to pay or return the items on the Exceptions Report. CUSTOMER AND BANK AGREE THAT THIS SCHEDULE P-1 REPLACES AND SUPERSEDES ANY PREVIOUS AUTHORIZATION(S) PROVIDED TO BANK.

Allow Account(s) from list above Example (1&3)	Authorized Individual Name	Phone Number	Email Address
ALL	LITA L. LEO	318-2508	LITA.LEO@CO.HIDALGO.TX.US
ALL	ALFREDO ZAMARRIPA	318-2506 EXT 4810	ALFREDO.ZAMARRIPA@CO.HIDALGO.TX.US
ALL	JAMES HODGE	318-2506 EXT 4809	JAMES.HODGE@CO.HIDALGO.TX.US

- 3. Auto Exception Decision Rule.** At the Daily Decision Cutoff Time, The Bank will process Check Exception according to the Auto Exception Decision Rule that is selected by the customer below, for all of the Authorized Accounts.

Return Default. If the Customer has selected the Return default option, the Bank will return any Check Exception drawn on an Authorized Account.

✓ Pay Default. If the Customer has selected the Pay default option, the Bank will pay any Check Exception drawn on the Authorized Account.

4. Deadlines.

- a. The Check Issue Data Cutoff Time is 2:00p.m. CST. Customer shall deliver the Check Issue Data to Bank for the checks to be posted that day by 2:00p.m. CST.
- b. The Bank shall provide the Exception Report for the previous day's data by 7:00a.m. CST.
- c. The Decision Deadline is 11:00a.m. CST. The Customer shall submit all pay or no pay decisions for the day by 11:00a.m. CST.

5. Security Controls. The following Security Controls will be used by the Bank for purpose of establishing this service:

- a. Customer must provide valid user ID and password login credentials to access the Positive Pay Exception Manager and to submit Check Issue Item Files to Bank.
- b. Customer shall submit to the Bank a sample of the data file containing Issue Item Information provided by the Customer to the Bank regarding Issue Items for the Authorized Account ("Issue Item File"). The file must be in a format approved by the Bank. The Bank reserves the right to request edits to the file layout.
- c. Customer agrees that the Issue Item File will be submitted through Business Online Banking and all Issue Item Information contained thereon, shall conclusively be deemed to be authorized by Customer.
- d. Customer may manually enter Issue Item information through Business Online Banking. This information will become immediately effective upon submittal to the Bank through Business Online Banking.
- e. Customer will be responsible for reviewing the Positive Pay Exception Manager (included in Business Online Banking) for any Check Exceptions DAILY and make any necessary Pay/No Pay Decisions by the Daily Decision Cutoff Time.
- f. Any Check Exceptions without Customer Pay/No Pay Decisions will be decided based on the Auto Exception Decision Rule (default disposition) assigned to the Authorized Account.
- g. The Customer agrees to prevent any disclosure of these Security Controls.
- h. The Customer agrees to take all steps within its control to keep these procedures confidential and effective to prevent unauthorized transactions.
- i. The Bank and the Customer agree not to allow an exception to these security procedures unless an amendment is agreed to in writing.
- j. The Customer agrees to notify the Bank immediately if the security or confidentiality of the procedures is breached or compromised in anyway.

k. Bank may, from time to time, amend the procedures in this Positive Pay Agreement with 30 days' written notice to Customer.

6. Facsimile Signature. Customer further authorizes and directs Bank to honor as genuine and authorized any facsimile signature or signatures of any of the persons named herein and that Customer assumes full responsibility for any and all actions taken by Bank in reliance upon the facsimile signature of any person or persons named herein and agrees to hold harmless and indemnify Bank against any and all loss, costs, damages or expenses suffered or incurred by Bank arising out of the use, misuse or unlawful or unauthorized use by any person of such facsimile signature.

7. Representations and Warranties. Customer hereby represents and warrants to Bank that the names of the Authorized Individuals, the account numbers, and all other information stated on this Schedule P-1 is authorized and correct. If at any time Customer wishes to change any of the information provided on Schedule P-1, Customer will submit a new Schedule P-1 to Bank. Each Schedule P-1 will supersede all previous Schedule P-1 s.

Company/Customer Name:

Lone Star National Bank

HIDALGO COUNTY (TREASURER & AUDITOR)

By:

Customer's Authorized Signature
from Schedule B

By:

Bank Officer's Authorized Signature

Name: LITA L. LEO

Name: DAVID M. PENOLI

Date: _____

Date: _____

BILL PAY AGREEMENT

Customer may use Bill Pay to direct Lone Star National Bank ("Bank") to make payments from Customer's designated checking account to the "Payees" you choose in accordance with this agreement. The terms and conditions of this Bill Pay Agreement ("Bill Pay Agreement") are in addition to Customer's account agreements with bank, the Treasury Management Services Agreement, and other documents in effect from time to time governing Customer's account ("Account Rules"). In the event of a conflict between this Bill Pay Agreement and the Treasury Management Services Agreement, this Bill Pay Agreement will control but only to the extent there is any inconsistency.

"Payee" means any person, including the Bank, Customer designates and the Bank accepts as a "Payee".

1. The Bill Pay Process.

Single Payments - a single payment will be processed on the business day (generally Monday through Friday, except legal bank holidays) that Customer designates as the payment's process 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 the Bank, is currently 2:30 PM CST.

A single payment submitted after the cut-off time on the designated process date will be processed on the next business day. If Customer designates a non-business day (generally weekends and legal bank holidays) as the payment's process date, the payment will be processed on the first business day following the designated process date.

Bill payments may be processed by Electronic Fund Transfer ("EFT").

2. Recurring Payments.

Customer may schedule recurring payments on a monthly, bi-weekly, or other periodic basis. Following each scheduled payment, the system schedules a subsequent recurring payment. The system schedules a subsequent process date based upon the Customer's payment frequency setting. If the calculated process date is not a business day (generally weekends and legal bank holidays), the payment will be processed on the following business day.

Where Customer's schedules the 29th, 30th, or 31st day of the month as the processing date for recurring payments and where that day does not exist in a subsequent month, the calculated process date will be the last calendar day of that month.

3. Arrival Date.

The system will calculate the Estimated Arrival Date of Customer's payment. This is only an estimate. Please allow ample time for Customer's payments to reach Customer's "Payees".

4. Cancelling a Payment.

A bill payment can be changed or cancelled any time prior to the cutoff time on the scheduled process date.

5. Available Funds

Customer must specify an account from which a bill payment must be made. Customer agrees to have available and collected funds on deposit in the designated account sufficient to pay for all bill payments Customer requests as well as any other payment obligations Customer has to the Bank.

The Bank reserves the right, without liability, to reject or reverse a bill payment if Customer fails to comply with the above requirement or any other term of this agreement. If Customer does not have sufficient funds in the account and the Bank has not exercised its right to reverse or reject a bill payment, Customer agrees to pay for such payment obligations on demand. Customer further agrees that Bank, at its option, may charge any of Customer's accounts with the Bank to cover any payment obligations arising under this Bill Pay Agreement. The Bank reserves the right to change the cut-off time. Customer will receive notice if the cut-off time changes.

6. Payment Methods and Amounts

There are limits on the amount of money or payments you can send or receive through our Bill Pay Service. We or our Service Providers may adjust your limits from time-to-time at our sole discretion. We may refuse to process a payment if it exceeds the limit. We also reserve the right, in our sole discretion, to select the method in which to remit funds on your behalf through the Bill Pay Service, and in the event that your Eligible Transaction Account is closed or otherwise unavailable to us the method to return funds to you. These payment methods may include, but may not be limited to, an electronic or paper check or draft payment.

7. Biller Limitation

The Bill Pay Service reserves the right to refuse to pay any Biller to whom you may direct a payment. The Bill Pay Service will notify you promptly if it decides to refuse to pay a Biller designated by you.

8. Liability

Customer is solely responsible for controlling the safekeeping of and access to Customer's User I.D. and Password. If Customer gives another person Customer's User I.D. and Password and wants to prevent access to Customer's account and bill payment services, Customer must notify Bank and arrange to change Customer's Password. Bank may honor, and Customer will be responsible for any bill payment request submitted using Customer's User I.D. and Password. Any bill payment request submitted using Customer's User I.D. and Password will be deemed authorized by Customer. Customer will be responsible for any bill payment request Customer makes that contains an error or is a duplicate of another bill payment.

The Bank is not responsible for a bill payment that is not made if Customer did not properly follow the instructions for making a bill payment. The Bank is not liable for any failure to make a bill payment if Customer fails to promptly notify the Bank after learning that it has not received credit from a "Payee" for a bill payment. The Bank is not responsible for Customer's acts or

omissions or those of any other person, including, without limitation, any transmission or communications facility, and no such party shall be deemed to be the Bank's agent.

In any event, the Bank will not be liable for any special, consequential, incidental, or punitive losses, damages, or expenses that arise in connection with this agreement or the service, even if the Bank has knowledge of the possibility of them. The Bank is not liable for any act, failure to act or delay in acting if it is caused, in whole or in part, by any cause beyond the Bank's reasonable control.

In addition, the Bank is not liable for any of Customer's losses or damages caused by the following circumstances:

- If Customer does not have sufficient funds in my account to make the bill payment on the date a Payment is scheduled to be sent.
- If Customer does not allow adequate time between the date a bill payment is scheduled to be sent and the due date for Customer's bill payment.
- For the failure of any bill payment Payee to correctly account for or credit the bill payment in a timely manner.
- For any bill payment that contains an error with regard to the identifying information of the Payee, including the refusal of any such unintended payee to return any funds transferred as a result of such error.
- For changes to a third party's account name or number or other identifying information if funds are being transferred to the account of that third party.
- If Bank has placed a "hold" on any funds in the Deposit Account(s) in accordance with Bank's rights under applicable laws or any other agreements between Bank and Customer.
- If a court order, such as garnishment or other legal process, prevents Bank from making a transfer.
- If Bank has a reasonable basis for believing that Customer knows or should know that unauthorized use of its User I.D. or Password has occurred or may be occurring.
- If Customer defaults under this Agreement, deposit account agreement, a credit agreement, or any other agreement with Bank.
- If Bank or Customer terminates this Agreement.
- For any other circumstances beyond the control of Bank that prevented the bill payment, including but not limited to circumstances such as telecommunications outages, power outages, equipment failures, postal strikes, delays caused by other Banks, fires and floods.

9. Amendment and Termination

The Bank has the right to change this agreement at any time by notice mailed to Customer at the last address shown for the account on the Bank's records, to Customer's email address, or as otherwise permitted by law. The Bank is not responsible for any fixed payment made before the Bank has a reasonable opportunity to act on Customer's termination notice. Customer remains obligated for any payments made by the Bank on Customer's behalf.

10. Consumer Accounts

For consumer accounts only, please refer to your Electronic Funds Transfer notice, your Deposit Account Agreement, and other account disclosures for additional information and consumer customer rights regarding errors and unauthorized transfers using electronic funds

transfers. For further information about our privacy practices, please see our consumer privacy policy. A copy of these notices will be provided upon Customer's request.

[Signature Page Follows]

Company/Customer Name:

Lone Star National Bank

By: _____
*Customer's Authorized Signature
from Schedule B*

By: _____
Bank Officer's Authorized Signature

Name: _____

Name: _____

Date: _____

Date: _____

OFFICE BANKER REMOTE DEPOSIT COMPLETE AGREEMENT

1. SERVICE

Customer subscribes to, and Lone Star National Bank (the "Bank") agrees to provide, as part of its banking services, the Remote Deposit Complete Services ("Office Banker"). The Remote Deposit Complete Services enable Customer to submit to the Bank, for deposit to Customer's account(s) listed in Schedule RDC-1, as amended periodically, electronic check images and associated information ("Check Images") in lieu of the original checks from which such check images were obtained. The generated check image will be the legal equivalent of the original check and shall be construed to a legal equivalent of the original check and as an item under the Uniform Commercial Code, Regulation CC, and other relevant laws and regulations. The dollar amount, as well as the amount of deposit transactions transmitted by Customer on any single business day, shall not exceed limits set forth in Schedule RDC-1 for each account, as determined by Bank. Schedules RDC-1 and RDC-2 are incorporated in and made a part of this Remote Deposit Complete Agreement for all intents and purposes. The Service and any activity related to the service must take place wholly within the United States of America. The Service may not be used to remotely deposit checks in a location outside the United States of America.

2. EQUIPMENT

In order to use the Remote Deposit Complete Services, Customer is required to obtain and use certain equipment, computer software, office equipment and telecommunication services as Bank may provide or specify from time to time. Customer agrees that the equipment may not be used to make deposits at another financial institution. Customer is solely responsible for the operation, performance, and adequacy of the equipment, software, and services. Bank makes no representations or warranties and has no responsibility or liability for such equipment, software, or services even if specified as necessary by Bank. Customer agrees to complete any changes and/or upgrades to the system as required by the Bank within thirty (30) days of such request.

If the Bank provides any software to Customer in connection with the Remote Deposit Complete Services, Customer may use that software on any Customer owned & operated machine. The software may not be provided to any agent of Customer without the prior written consent of Bank. The release of software to agent will be dependent upon the agent's agreement to contractual terms deemed acceptable by the Bank. Customer is solely responsible for maintaining adequate security software within the computer systems used to access Remote Deposit Complete Services.

3. TRANSMITTAL OF ENTRIES BY CUSTOMER

Customer shall submit check images to the Bank in such format, and with such associated check information, as the Bank may require periodically, utilizing Accredited Standards Committee X9's Specifications for Electronic exchange of Check and Image Data (DSTU X9.37-2003) or the then current standards used for service of this type. Customer agrees to inspect and verify the quality of the Check Images, ensuring that the Check Images of the front and back of the original check are legible. Specifically, Customer warrants the following: (i) the Check Image is an accurate representation of the information contained in the original check, and the Check image includes all endorsements from the original check; (ii) each Check Image contains a record of all MICR line information required for a substitute check, and the Check Image satisfies all of the requirements of Check 21 and Regulation CC; (iii) the original check, a duplicate check image, or any copy of the original check or Check Image will not be deposited by Customer with the Bank; and (iv) the original check, a duplicate check image, or any copy of the original check or Check Image will not be presented, transferred or returned such that the Bank or any other person will be asked to make a payment based on a check or Check Image that has already been paid. Pursuant to the Deposit Account Agreement, Bank reserves the right to reject any single check image or group of check images for any reason, before or after it/they appear on Bank's system. Bank is

not liable for any loss or failure to collect a Check Image that results from an inaccurate or illegible Check Image or failure to provide full and correct MICR, date, or dollar amount for a Check Image.

Customer agrees to submit only valid, legal check images for deposit through Remote Deposit Complete. Customer agrees not to use the Remote Deposit Services to deposit or otherwise process: (i) non-cash items, (ii) items for which the Customer is not a holder in due course, or (iii) substitute checks, except those which have been returned to Customer for any reason.

4. SECURITY PROCEDURES

- (a) Customer and Bank shall comply with the security protocol requirements described in Schedule RDC-1 attached hereto with respect to deposits transmitted by Customer to Bank. Customer acknowledges that the purpose of such security procedure is for verification of authenticity and not to detect errors in transmission or content of a deposit. No security procedure for the detection of any such error has been established between Bank and Customer.
- (b) If a deposit received by Bank has been or purports to have been transmitted or authorized by Customer, it will be deemed effective as Customer's deposit and Customer shall be obligated to Bank for the amount of the deposit. In the event the deposit was not authorized by Customer, Customer will be liable for the amount of the deposit, provided Bank accepted the deposit in good faith and acted in compliance with the security procedures referred to in Schedule RDC-1 with respect to such deposit.
- (c) If a deposit received by Bank is erroneous in any manner and was transmitted or authorized by Customer, Customer shall reimburse Bank the amount of the deposit, whether or not Bank complied with the security procedures referred to in Schedule RDC-1 with respect to that deposit, and whether or not the error would have been detected if Bank had complied with such procedure. Reimbursement may be accomplished by Bank initiating a chargeback to the Customer's account identified in Schedule RDC-1.
- (d) Customer is strictly responsible to establish and maintain the security protocol to safeguard against unauthorized transmissions. Customer warrants and guarantees that no individual will be allowed to initiate transfers in the absence of proper supervision and safeguards. System administrator is solely responsible for setting up additional users and is responsible for insuring that they are trained and fully qualified users. Customer also agrees to maintain confidentiality of the security procedures and any login credentials, passwords, codes, security devices, and related instructions provided by the Bank in connection with the security procedures described in Schedule RDC-1 for the access rights granted under Schedule RDC-1.

5. NOTIFICATION OF BREACH

If Customer believes or suspects that any login credentials or information regarding the security procedures are known or have been accessed by unauthorized persons, Customer agrees to immediately notify Bank through email, fax, or telephone by contacting any of the people identified in Schedule RDC-1. Any unauthorized access will not affect any transactions processed in good faith by Bank as a result of a deposit made by Customer prior to receipt of such notification and within a reasonable time period to prevent unauthorized transfers.

6. RIGHT TO INSPECT AND/OR AUDIT RECORDS

Customer agrees to have in place and in effect such software, procedures, and systems as comply with security best practices for transmission of sensitive data. These shall include at a minimum, appropriate and updated versions of firewalls, anti-virus programs, spyware detection, anti-phishing and mal-ware programs. Customer

agrees to ensure that all software upgrades and system patches will be installed in a timely manner. Bank reserves the right to conduct an on-site inspection and audit the Customer's Remote Deposit Complete records and operations.

Lone Star shall be entitled to conduct an audit of the process and the records including an inspection of the hardware and review of the web-based software relating to the check capture process, procedures, check retention, documentation transactions and other aspects of this relationship. Lone Star may also inspect the records and retained checks to assure that the checks once imaged are appropriately destroyed in accordance with the record retention provision contained herein and prior to destruction are secured in an acceptable storage facility in order to prevent redeposit of the same scanned checks or misuse of such checks for counterfeit or other illegal purposes.

7. RECORDING AND USE OF COMMUNICATIONS

Customer and Bank agree that all telephone conversations, emails, or other forms of data transmissions between them or their agents, made in connection with this Supplemental Agreement, may be electronically recorded and retained by either party by use of reasonable means.

8. PROCESSING, TRANSMITTAL, AND SETTLEMENT BY BANK

(a) Except as provided in Section 9, Rejection of Entries or Deposits, Bank shall (I) process deposits received from Customer, (II) transmit such deposits to the Bank's correspondent bank, (III) settle for such deposits as provided by Bank in the procedures listed in Schedule RDC-1.

(b) Bank shall transmit or complete the necessary batch authorization of such deposits by the delivery date deadline of the deposits as set forth in Schedule RDC-1 attached hereto prior to the effective entry date provided (I) such deposits are received by Bank's related cut-off time on a business day as set forth on Schedule RDC-1, (II) the effective entry date is the same business day, and (III) the correspondent bank is open for business on such business day. For purposes of this Supplemental Agreement, (i) a "business day" is a day on which Bank is open to the public for carrying on substantially all of its business (other than a Saturday or Sunday), and (ii) entries or deposits shall be deemed received by Bank in the case of transmittal by electronic transmission, when the transmission (and compliance with any related security procedure provided for herein) is completed as provided in Schedule RDC-1.

(c) If any of the requirements of clause (I), (II), or (III) of Section 8(b) are not met, Bank shall use reasonable efforts to transmit such deposits to the correspondent bank by the next deposit deadline of the correspondent bank following that specified in Schedule RDC-1 which is a business day and a day on which the correspondent bank is open for business.

(d) The cut-off time specified in Schedule RDC-1 shall prevail over the Bank's funds availability schedule cut-off time.

9. REJECTION OF ENTRIES OR DEPOSITS

Bank may reject any entry which does not comply with the requirements set forth in Section 3, Transmittal of Entries by Customer, or Section 4, Security Procedures. Bank may reject any entry if Customer has failed to comply with its account balance obligations under Section 13, The Account. Bank may reject any deposit of Customer that does not adhere to security procedures as described in Schedule RDC-1. Bank shall notify Customer by phone or electronic transmission, including email and fax, of such rejection no later than the business day such deposit would otherwise have been transmitted by Bank to the correspondent bank.

Notices of rejection shall be effective when given. Bank shall have no liability to Customer by reason of the rejection of any such deposit or the fact that such notice is not given at an earlier time than that provided for herein.

10. CANCELLATION OR AMENDMENT BY CUSTOMER

Customer shall have no right to cancel or amend any deposit after its receipt by Bank. However, if such request complies with the security procedures, Bank shall use reasonable efforts to act on a request by Customer for cancellation of a deposit prior to transmitting it to the correspondent bank, but shall have no liability if such cancellation is not implemented. Customer shall reimburse Bank for any expenses, losses, or damages Bank may incur in implementing or attempting to implement Customer's request for the reversal of a deposit.

11. NOTICE OF RETURNED ENTRIES

Bank shall notify Customer by phone or electronic transmission, including email and fax, of the receipt of a returned deposit from the correspondent bank no later than one business day after the business day of such receipt.

Except for an entry retransmitted by Customer in accordance with the requirements of Section 3, Transmittal of Entries by Customer, Bank shall have no obligation to retransmit or re-present a returned deposit to the correspondent bank if Bank complied with the terms of this Supplemental Agreement with respect to the original deposit. Bank may return items to Customer through transmission of an Image Replacement Document ("IRD").

12. PAYMENT BY CUSTOMER FOR RETURNED DEPOSITS

Customer shall pay Bank the amount of each returned deposit transmitted by Bank pursuant to this Supplemental Agreement at such time specified on Schedule RDC-1.

13. THE ACCOUNT: OFFSET RIGHTS

Bank may, without prior notice or demand, obtain payment of any account due and payable to it under this Supplemental Agreement by debiting the account(s) of Customer identified in Schedule RDC-1 attached hereto (the "Account"), and shall credit or debit the Account for any amount received by Bank by reason of the return of a deposit transmitted by Bank for which Bank has previously received payment or credit from Customer. Such credit or debit shall be made as of the day of such receipt by Bank.

Customer shall at all times maintain a balance of available funds in the account sufficient to cover any payment obligations under this Supplemental Agreement. In the event there are not sufficient available funds in the account to cover Customer's obligations under this Supplemental Agreement, Customer agrees that Bank may debit any account maintained by Customer with Bank or any affiliate of Bank or that Bank may off set against any amount it owes to Customer, in order to obtain payment of Customer's obligations under this Supplemental Agreement.

14. ACCOUNT RECONCILIATION

Deposits transmitted by Bank will be reflected as part of Customer's transaction activity, through online access via the Bank's internet banking system, with respect to the account pursuant to the Deposit Account Agreement between Bank and Customer. Customer agrees to notify Bank promptly of any discrepancy between Customer's records and the information shown as account history, online, or on a periodic statement. If Customer fails to notify Bank of any discrepancy after the account statement containing such discrepancy is mailed or otherwise made available to Customer, Customer agrees that Bank shall not be liable for any losses resulting from Customer's failure to give such notice or any loss of interest or any interest equivalent with respect to any deposit shown as transaction activity and shall be precluded from asserting such discrepancy against Bank. (See Deposit Account Agreement)

15. CUSTOMER REPRESENTATIONS AND AGREEMENTS; INDEMNITY

With respect to each and every deposit initiated by Customer, Customer represents and warrants to Bank and agrees that to the best of Customer's knowledge (a) each deposit is made payable to the Customer (b) any necessary authorization is operative at the time of transmittal or crediting/debiting by Bank as provided herein, and (c) Customer shall perform its obligations under this Supplemental Agreement in accordance with all applicable laws and regulations, including, but not limited to, the Bank Secrecy Act and the sanctions laws administered by OFAC. Customer warrants that it will not deposit any prohibited items. Customer represents and warrants that the imaging and remote capture process shall be monitored to assure that the system cannot be used for illicit activities including, but not limited to, processing of counterfeit or other fraudulent checks or any activities that would facilitate money laundering.

Customer shall indemnify Bank against any loss, liability, or expense (including attorney's fees and expenses) resulting from or arising out of any breach of any of the foregoing representations or agreements.

16. BANK RESPONSIBILITIES; LIABILITY; LIMITATIONS ON LIABILITY; INDEMNITY

(a) In the performance of the services required by this Supplemental Agreement, Bank shall be entitled to rely solely on the information, representations, and warranties provided by Customer pursuant to this Supplemental Agreement, and shall not be responsible for the accuracy or completeness thereof. Bank shall be responsible only for performing the services expressly provided for in this Supplemental Agreement, and shall be liable only for its negligence or willful misconduct in performing those services.

Bank shall not be responsible for Customer's acts or omissions (including without limitation the amount, accuracy, timeliness of transmittal or authorization of any deposit received from Customer) or those of any other person, including without limitation any correspondent bank, or transmission or communications facility, and no such person shall be deemed Bank's agent.

Customer agrees to indemnify Bank against any loss, liability, or expense (including attorney's fees and expenses) resulting from or arising out of any claim of any person that the Bank is responsible for any act or omission of Customer or any other person described in this Section 16(a).

(b) Bank shall be liable only for Customer's actual damage; **in no event shall Bank be liable for any consequential, special, incidental, punitive, or indirect loss or damage which Customer may incur or suffer in connection with this agreement**, whether or not the likelihood of such damages was known or contemplated by the Bank and regardless of the legal or equitable theory of liability which Customer may assert, including, without limitation, loss or damage from subsequent wrongful dishonor resulting from Bank's acts or omissions pursuant to this Supplemental Agreement.

Liability shall not exceed the sum of the amount of any loss suffered by the Customer as a result of a breach of warranties under Regulation CC (12 CFR Part 229) up to the amount of any substitute check, interest and expenses (including cost and reasonable attorney fees and other expenses of presentation) related to the substitute check reduced by any amount that the Customer receives and retains as a re-credit. Furthermore, such liability shall be further reduced by the amount of any damages incurred as a result of the negligence or bad faith of the Customer.

(c) Without limiting the generality of the foregoing provisions, Bank shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission of communication facilities, equipment failure, war, emergency conditions, or other circumstances beyond Bank's control. In addition, Bank shall be excused from failing to transmit or delay in transmitting a deposit if such transmittal

would result in Bank's having exceeded any limitation upon its intra-day net funds position established pursuant to present or future correspondent bank or correspondent bank guidelines or in Bank's reasonable judgment otherwise violating any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other U.S. governmental regulatory authority. In such event, Customer shall be responsible for having a contingency plan in place including temporarily depositing original, paper items at any branch facility of the Bank.

(d) Subject to the foregoing limitations, Bank'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 Dallas for the period involved. At Bank's option, payment of such interest may be made by crediting the account resulting from or arising out of any claim of any person that Bank is responsible for any act or omission of Customer or any other person described in Section 16(a).

17. PAYMENT FOR SERVICES

Customer shall pay Bank the charges for the services provided in connection with this Supplemental Agreement, as set forth in the Bank's Fee Schedule. All fees and services are subject to change upon thirty calendar days prior written notice from Bank to Customer. Such charges do not include, and Customer 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 Bank and Customer with respect to the account (the "Account Agreement").

18. DATA RETENTION

Customer shall retain physical checks that represent the deposit for at least forty-five (45) days following the date of their transmittal to Bank and agrees to make the originals available to Bank for fraud control purposes. Customer is responsible for destroying all physical checks deposited through the Remote Deposit Complete Services within a maximum of 45 days. Customer shall be responsible for maintaining physical control over processed checks and agrees to indemnify and hold Bank harmless for any losses resulting from physical loss, whether by theft or otherwise, of any check.

19. RECORDS

All electronic media, security procedures, and related records used by Bank for transactions contemplated by this Supplemental Agreement shall be and remain Bank's property. Bank may, at its sole discretion, make available such information upon Customer's request. Any expense incurred by Bank in making such information available to Customer shall be paid by Customer.

20. CONSTRUCTION

In the event of any inconsistency between the terms of this Supplemental Agreement and the Account Agreement, the terms of this Supplemental Agreement shall govern. In the event performance of the services provided herein in accordance with the terms of this Supplemental Agreement would result in a violation of any present or future statute, regulation, or government policy to which Bank is subject, and which governs or affects the transactions contemplated by this Agreement, then this Supplemental Agreement shall be deemed amended to the extent necessary to comply with such statute, regulation, or policy, and Bank shall incur no liability to Customer as a result of such violation or amendment. No course of dealing between Bank and Customer will constitute a modification of this Supplemental Agreement or the security procedures or constitute an agreement between the Bank and Customer regardless of whatever practices and procedures Bank and Customer may use.

21. PROHIBITED TRANSACTIONS

Customer agrees not to use the MRDC Service to deposit or otherwise process: (i) non-cash items; (ii) items drawn on foreign banks or payable in other than U.S. money; (iii) items without preprinted magnetic ink routing

numbers; (iv) items for which customer is not a holder in due course; (v) Substitute Checks, except those which have been returned to customer for any reason; (vi) items payable to any person or entity other than customer (i.e. no third-party deposits); (vii) items that have been altered in any way, 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; (viii) items dated more than six months prior to the date of deposit; (ix) items prohibited by Bank's current procedures relating to the Mobile Banking Services or which are not acceptable under the Agreement; (x) Original Checks or other items previously converted to a Substitute Check; (xi) checks or items that are Remotely Created Checks (as defined in Reg. CC); (xii) items payable to you jointly with one or more other persons, unless deposited into an account in the name of all payees; items containing forged maker signatures, forged indorser signatures, or any other type of forgery.

**Schedule RDC-1
Office Banker User Enrollment Forms**

OFFICE BANKER COMPANY INFORMATION:				
COMPANY NAME:				
BUSINESS NUMBER:				
ADDRESS:				
CITY:		STATE:		ZIP:
INTERNAL USE ONLY	CIF:		MERCHANT ID:	

1. Authorized Accounts. The Customer represents and warrants that the below-listed accounts held with Lone Star National Bank ("Bank") are owned entirely by the Customer, and are hereby authorized to be charged as instructed by the Customer for Office Banker remote deposit and related fees:

	ACCOUNT NUMBER	ACCOUNT NAME
1		
2		
3		
4		

2. Authorized Agents. The following person(s) is(are) hereby authorized to initiate Office Banker remote deposit transactions on behalf of Customer. Customer understands and agrees that Bank shall dishonor any request for transfer not specifically authorized hereby. CUSTOMER AND BANK AGREE THAT THIS SCHEDULE RDC-1 REPLACES AND SUPERSEDES ANY PREVIOUS AUTHORIZATION(S) PROVIDED TO BANK.

Allow account #'s from list above Example (1 & 3)	CUSTOMER NAME (Authorized Agents)	CONTACT PHONE NUMBER	EMAIL ADDRESS

3. Transfer Limitations. Notwithstanding the transfer limitations listed in the table above, in no event shall Customer be allowed to initiate or approve an Office Banker remote deposit batch or transaction exceeding the following limitations:

Max. Single Transaction (Per Check) Amount	Max Single Day Count	Max Single Day Amount
\$		\$

Customer may not initiate a single remote check deposit transaction exceeding the "Max. Single Transaction Amount" indicated above. Customer may not process and submit through Office Banker remote deposit in one day a number of items exceeding the "Max Single Day Count." Customer may not initiate through Office Banker remote deposit an aggregate dollar amount of transactions exceeding the "Max Single Day Amount."

4. Security Procedures.

An Authorized Agent must authenticate transactions by providing valid login credentials through the Office Banker software. Any batch or transaction submitted using an Authorized Agent's valid login credentials will be deemed to be that Authorized Agent and will be deemed to be authorized by Customer for submission and processing. Customer is responsible for maintaining the security of all login credentials and access to Office Banker software.

5. Bank Contact Information:

During Business Hours, please contact Customer Service: 1-800-580-0322 (7:30 a.m. – 6:30 p.m. Monday-Friday; 9:00 a.m. – 1:00 p.m. Saturday)

6. Customer Emergency Contact Information:

Name: _____
Phone Number: _____
Address: _____
City/State/Zip: _____
Fax Number: _____
Email: _____

7. Transaction Settlement Delivery Timeframes

All deposits utilizing Office Banker processing should be received by Lone Star National Bank prior to the end-of-day cutoff time which may be change by Lone Star National Bank during the term of this agreement. If the deposits are not received by the end-of-day cutoff time, Bank will not guarantee that deposits will be processed that day. Bank may accept these deposits and they will be forwarded to the correspondent bank no later than the Bank's next regularly scheduled delivery time.

The current end-of-day cutoff time is 9:00 pm., Central Standard Time.

8. Provisional Settlement Agreement

Bank shall give provisional credit as provided in this Schedule subject to revocation of credit for deposits as provided in Regulation CC and the Uniform Commercial Code as it applies to deposits.

[Signature Page Follows]

Customer hereby represents and warrants to Bank that the names of the Authorized Agents, the account numbers from which they are authorized to process deposits, are correctly stated above. If at any time Customer wishes to add or delete Authorized Agents, or change account numbers for Authorized Agents, Customer will submit a new "Schedule RDC-1" form to Bank.

Company/Customer Name:

Lone Star National Bank

By: _____
*Customer's Authorized Signature
from Schedule B*

By: _____
Bank Officer's Authorized Signature

Name: _____

Name: _____

Date: _____

Date: _____

SCHEDULE RDC-2

SCANNER PURCHASE AGREEMENT

Check Scanner	
Manufacturer	
Model Name/ Number	
Serial Number	

Purchase. Customer agrees to purchase the Scanner described above for a purchase price of _____, together with any applicable sales, use, or other taxes that may apply to this Agreement. Customer agrees that any charges under this Schedule RDC-2 may be collected in the same manner as other charges under this Agreement, including, but not limited to, by auto debit from Customer’s account.

All of the provisions of this Agreement apply to this Schedule, including, but not limited to its warranty limitations and its default and termination provisions. **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BANK AND ITS AFFILIATES AND SUPPLIERS MAKE NO WARRANTIES OF ANY KIND, EXPRESS, IMPLIED, OR STATUTORY, ABOUT THE SCANNER, ANY OTHER PROCESSING EQUIPMENT, OR ANY PROCESSING SOFTWARE DESCRIBED IN THIS AGREEMENT, AND HEREBY DISCLAIM ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, OR NON-INFRINGEMENT.**

Alteration or modification of this scanner may render it unable to process items for remote deposit capture. The scanner is intended for use only in the United States of America.

Company/Customer Name:

Lone Star National Bank

By: _____
*Customer’s Authorized Signature
from Schedule B*

By: _____
Bank Officer’s Authorized Signature

Name: _____

Name: _____

Date: _____

Date: _____

TREASURY MANAGEMENT SERVICES GUARANTY

In consideration of Bank's providing treasury management services to

HIDALGO COUNTY (TREASURER & AUDITOR) ("Customer"),

LITA L. LEO ("Guarantor")

irrevocably and unconditionally guarantees payment of Customer's obligations that may arise under such Treasury Management Services Agreement, dated _____ ("Treasury Agreement").

This Guaranty is made on the following terms and conditions:

Continuing Guaranty

1. This is a continuing Guaranty and all indebtedness to which it applies or may apply under the terms of this Guaranty are conclusively presumed to have been created in reliance on this Guaranty. This Guaranty is required in accordance with such Treasury Agreement in order to satisfy Bank's credit and/or risk analysis of Customer and to assure continued provision of treasury management services to Customer. However, the Guarantor may give Bank written notice that the Guarantor will not be liable for any indebtedness created, incurred, or arising after receipt of notice by Bank. The notice will not be considered as given until actually received in writing by Bank's treasury management department [206 W. Ferguson, Pharr, Texas 78577]. In no case, will Bank release Guarantor from liability for any indebtedness incurred before notice becomes effective.
2. In the event of the death of Guarantor, the obligation of the deceased will continue in full force and effect against Guarantor's estate as to all indebtedness that has been created or incurred by Customer before the time when Bank received written notice of the death.
3. Guarantor agrees that, should the status of Customer change, this Guaranty will continue and also cover the indebtedness of Customer under the new status, according to the terms set out in this Guaranty.

Waiver of Notice and Other Suretyship Rights

4. The Guarantor waives notice of acceptance of this Guaranty and notice of any and all liability to which it may apply, and waives presentment, demand of payment, protest, notice of dishonor, or nonpayment of any such indebtedness, suit or taking of any other action by Bank against Guarantor, and any other notice to any party including the Guarantor. Furthermore, in order to give full effect to the provisions of this Guaranty, the Guarantor waives all suretyship and other rights inconsistent with this Guaranty, which might otherwise be available to Guarantor.

Bank Excused from Exercise of Other Remedies

5. Bank will not be required to pursue any other remedies before invoking the terms of this Guaranty, and will not be required to join Customer in any action to enforce its right to receive payment of the indebtedness,

or any other right under this Guaranty. No delay on the part of Bank in exercising any of its options, powers, or rights, or partial or single exercise thereof, constitute a waiver of that right.

Consent to Extensions and Modifications

- 6. Guarantor agrees that, from time to time, Bank may take the following actions without in any way releasing, modifying, or discharging Guarantor’s liability under this Guaranty:
 - a. Extend Customer’s time to pay any or all obligations.
 - b. Settle with or discharge Customer.
 - c. Modify the nature of Customer’s obligation in any regard.

General Provisions

- 7. Any modification of this Guaranty or any waiver of its provisions will be ineffective unless made in writing signed by Bank.
- 8. The invalidity or unenforceability of this Guaranty, in part or in whole, will not affect the guaranteed indebtedness.
- 9. This Guaranty and the rights and obligations of the Customer are to be governed and construed in accordance with the laws of the State of Texas. This contract is performable in HIDALGO County, Texas. The Guarantor waives the right to be sued elsewhere.
- 10. The term “indebtedness” includes all liabilities, direct or contingent, joint, several, or independent, of Customer now or hereafter existing, due to Bank, arising out of the Treasury Agreement.

DATE: _____

(Signature)

LITA L. LEO

(Print Name), Guarantor