



CHECK POSITIVE PAY SERVICE AGREEMENT

This Check Positive Pay Service Agreement (the "Agreement") is made and entered between Legacy State Bank ("Bank," "we" or "us"), a Georgia chartered state bank, and the undersigned commercial business (the "Company," or "you"). Your use or selection of the Bank's Check Positive Pay Service constitutes your consent and agreement to the terms and conditions set forth herein, including any Schedules hereto. Any Schedules to this Agreement that completed by the Company and accepted by the Bank will continue in full force and effect until amended in writing by the parties hereto.

Bank and Company hereby agree as follows:

LIABILITY FOR FAILURE TO ELECT OR USE COMMERCIALLY REASONABLE SECURITY PROCEDURES

Company acknowledges and agrees that Bank's Check Positive Pay Service (the "Service" or "Services") described in this Agreement is a commercially reasonable security procedure offered by the Bank. The Service is designed to help prevent loss in connection with fraudulent, forged or altered checks or other items presented for processing through the Company's deposit accounts with the Bank. Company further acknowledges that its failure to accept the Service, or if it accepts the Service, its failure to consistently use it, may result in losses that could have been prevented if the Service had been used in the manner set forth herein.

Company understands and agrees that if it fails to elect the Service, or the Service is elected, if Company fails to use the Service to verify all checks and similar items processed through the Company's deposit account(s), Company will be responsible for any losses resulting from fraudulent, forged or otherwise altered checks or similar items processed through its account(s). In addition to and without limiting Company's obligations under other agreements with the Bank, Company agrees to hold harmless and to indemnify the Bank, its management, employees and directors for any and all losses resulting from transactions that could have been prevented had Company used the Bank's Check Positive Pay Service. To the fullest extent permitted under applicable law, this Agreement is intended to alter liability that the Bank may have for such losses under the applicable state's Uniform Commercial Code or other applicable laws or regulations.

1. Acceptance of the Agreement

When you accept the terms and conditions of this Agreement, you represent and warrant that you are an authorized signer on each Authorized Account (as defined below) acting with full transaction authority, and that you are duly authorized to execute this Agreement on behalf of the Company and to delegate authority to any Authorized User in the manner contemplated hereby.

2. Designated Accounts for Check Positive Pay Service

The Service, as described in this Agreement, is to be offered by Bank to Company until such time as this Agreement is modified or terminated in the manner set forth herein. The account number(s) listed on Schedule A will be set up at initial implementation of the Service; however, other deposit accounts added to the Bank's online banking service may also be added to the Service at the Company's election.

If there is any change of ownership, Authorized Users, or signing authority with respect to any of the Authorized Accounts, Company agrees to immediately notify the Bank in the manner permitted by this Agreement. The Bank shall have a reasonable opportunity to act upon such notice and Bank shall not be deemed to have received such notice until receipt has been acknowledged by the Bank in writing.



3. Definitions

Unless otherwise defined in this Agreement, words or phrases shall have meanings set forth in Articles 3 and 4 of the Uniform Commercial Code as adopted in the State of Georgia (the "UCC").

In this Agreement, the below defined terms shall have the following meanings:

Account Agreement means the terms and conditions governing your deposit account(s) with the Bank.

Agreement means this Check Positive Pay Service Agreement, including attached Schedules A through C, as any such Schedule may be amended from time to time.

Authorized Account(s), Account(s) or account(s), when used herein means the deposit account(s) of the Company, maintained at the Bank, to which the Services rendered by the Bank will apply. Authorized Accounts are identified in the attached Schedule A, which is incorporated herein for all purposes.

Authorized User is any individual, agent, or person that you have authorized to use and/or access the Service on behalf of the Company. The Company hereby authorizes the Bank to provide each of the Authorized Users identified in Schedule B to this Agreement with access to the Services on the Authorized Account(s). If this Bank is contacted by a person whom we believe to be your Authorized User and who requests that we pay or return Exception Items, or who provides other check reconciliation information to us, we shall be entitled to rely upon such instructions and information in good faith.

Company will be solely responsible for designating its Authorized Users and assigning privileges. Company authorizes Bank and its Service Providers to act upon, and you agree to be bound by, any transaction, instruction, or direction whether or not authorized, that is initiated with an access ID, passcode or similar access device that has been assigned to an Authorized User. Furthermore, any instructions, directions, or other information provided by Company via the Service or any of its Authorized Users, will be deemed to have been authorized by the Company. Bank and its Service Providers will not be responsible for verifying the identity or authenticity of any person claiming to be an Authorized User of the Company.

Available Funds means funds on deposit in an Authorized Account and available for withdrawal pursuant to Federal Reserve Regulation CC (12 CFR 229 et seq.) and the Bank's applicable funds availability schedule and policies as described in the current Account Agreement.

Business Day is every Monday through Friday, excluding Federal Reserve holidays.

Cut-Off Time refers to the deadline by which we must receive your pay or return instructions for Exception Items. Currently the **Cut-Off Time is 11:00 a.m. EST.**

Exception Check or Exception Item means a Presented Check that the Bank was not able to reconcile with a check included in an Issued Check File.

Issued Check File means a record describing checks written by the Company on an Authorized Account. The Issued Check File is prepared and provided by the Company in connection with the Service.

Pay Request means the instructions of the Company to the Bank requesting the Bank to pay an Exception Check.

Presented Check means a check drawn on an Authorized Account and presented to the Bank for payment through the check collection system.

Return Request means the instructions of the Company to the Bank instructing the Bank not to pay an Exception Check.

Service Provider - includes any agent, licensor, independent contractor or subcontractor that Bank may involve in the provision of Online Banking and Positive Pay Services.



4. Service Description

Check Reconciliation. The Service facilitates reconciliation of issued checks to checks presented to the Bank for payment.

The Service will allow you to create an Issued Check File by manually entering issued checks through our online banking system. The system permits you to update the checks' status as needed to reflect stopped or voided items. Alternatively, you may upload an Issued Check File containing this information. The Issued Check File shall accurately state the check number, date, and the exact dollar amount of each check drawn on an Authorized Account since the last Issued Check File was submitted. Each Authorized Account shall require an Issued Check File for all checks issued.

In the event of system failure, either that of the Company's or of the Bank's and the Issued Check File cannot be received by the Bank or the Bank cannot process the file, the file shall be considered as not received, even if the Bank has possession of the file.

Each Business Day that the Service is available, the Bank will perform a comparison of checks included in each Issued Check File that has been timely delivered to the Bank to Presented Checks on the corresponding Authorized Account for the previous Business Day. Any Exception Items will be listed on a daily Exception Report, which is described in more detail below.

On each Business Day, the Bank may pay and debit the applicable Authorized Account for each Presented Check that matched by check number and amount a check shown in any Issued Check File. If requested by the Company, Bank may compare payee information as an added protection against loss. However, Company agrees that Bank is not obligated to compare check payee information against payees in the Issued Check File. Any such comparison of payee information is unautomated, and any such manual comparison by Bank may not always identify and detect discrepancies. Bank shall not be responsible for any unidentified payee discrepancy in connection with items which are paid by the Bank based upon matching item numbers and amounts.

Exception Report. The Service will provide the Company with an electronic notification of any Exception Checks that were presented for payment and that the Bank was not able to reconcile with the checks included in any Check Issued File. Company agrees to review the Exception Item Report each Business Day and provide the Bank with a Pay Request or a Return Request for all Exception Items before the applicable Cut-Off Time. In the event any system error or similar issue prevents the Service from delivering Exception Report to Company in sufficient time for Company to respond by the applicable Cut-Off Time, the Bank may extend its Cut-Off Time. Any extended Cut-Off Time will be communicated to the Company via e-mail, phone or Secure Online Message. Check review may also be done by the Company through Online Banking detail of each Authorized Account.

Pay Default. In the event that Company does not make a timely funding decision as to any Exception Item in the manner summarized above, Company acknowledges that the Bank will pay such item and debit the applicable Authorized Account for such item. Notwithstanding the foregoing, the Bank may in its sole discretion elect to reject any Exception Item for which Company has not made a funding decision by the applicable Cut-Off Time. Company hereby agrees to indemnify Bank against any loss, liability or expense (including attorneys' fees and expenses) resulting from or arising out of Bank paying or returning any Exception Item for which no timely funding decision has been made by the Company.

Not Covered. The terms of the Service are not applicable to any check if the Bank has already cashed the check or is already committed to honor or pay the item under applicable laws, regulations or rules governing checks.

Authorized User Privileges. Authorized Users may see different links within the Service based upon the privileges that have been granted to such Authorized User pursuant to the terms of this Agreement. For example, Authorized Users with **full privileges** will be able to enter, modify, and view issued checks. These Authorized Users will also be able to view daily Exception Reports as well as enter funding decisions on the day's Exception Items.

5. Company and Bank Communications



The Company or the Bank, at its discretion, may each submit to the other party a revision of any communication provided for under this Agreement. The revised communication must (i) be sent in its entirety and not in the form of a partial amendment to the communication originally sent, (ii) identify the original communication, and (iii) be sent in the format and medium, by the deadline(s), and at the place(s) established by the receiving party. A properly submitted revised communication serves to revoke the original communication. This revision must be received no later than 11:00 a.m. Eastern Time by the Bank.

The Company shall use only Exception Reports that are for the current date and not for prior dates, even if the Exception Report was not reviewed for any previous dates. The Bank shall not be obligated to comply with any Pay Request or Return Request received in a non-standard format or medium, after a deadline, or at a place not permitted under this Agreement but may instead treat such a Pay Request or Return Request as though it had not been received.

The Bank is not responsible for detecting any Company error contained in any Issued Check File or Pay Request or Return Request sent by the Company to the Bank.

Any communication purporting to have been sent by Company will be deemed to have been sent by and authorized by Company, and Bank is authorized by Company to act in reliance thereon, even though the communication was unauthorized.

6. Stop Payments

If Company wishes to place a Stop Payment on a check, the request must be made so that the Bank receives it before the check has been paid. Stop payments may be submitted through Online Banking or the Positive Pay Service. The deadline for placing a Stop Payment is 4 p.m. Eastern Time each Business Day. If you are concerned that the check may be paid before the order is effective, you should call the Bank. To be effective, your Stop Payment must be timely placed, and must include the payee's name, the check number, the amount and date reflected on the check. The Bank may also require you to confirm your Stop Payment order in writing sent by mail or personal delivery.

7. Security Procedures

Company and Bank shall comply with the following Security Procedures with regard to the delivery/transmittal of Positive Pay files by Company to Bank. All Issued Check Files, Pay Requests, and Return Requests must be submitted by Authorized Users that have login IDs, passwords, or such other access devices required pursuant the Bank's online banking services, and Company must submit such reports through the Bank's online banking platform, which authenticates that the sender of the Issued Check File is the designated authorized representative of Company by permitting transmissions to be made by persons that possess valid Login IDs, Passwords or other such access devices. Each file must contain: (i) the check number(s); (ii) the corresponding total dollar amounts of such check(s); and (iii) the corresponding dates of such check(s).

Bank utilizes identification technology to verify that the sender and receiver of electronic transmissions can be appropriately identified by each other. Notwithstanding Bank's efforts to ensure that transmissions are secure, Company acknowledges that the internet is inherently insecure and that all data transfers, including email, occur openly on the Internet and potentially can be monitored and read by others. Bank cannot and does not warrant that all data transfers or email transmitted to and from Bank will not be monitored or read by others, and Company assumes sole responsibility for any and all losses of confidential information through use of email and any other communication system such as telephone, cellular telephone, or facsimile.

8. Confirmation of Items Paid.

Confirmation of items paid on the Company's Authorized Accounts may be obtained by the Company electronically, in writing, by telephone, or otherwise through Company's use of its online banking platform. Error resolution and reporting requirements with respect to the Company's Authorized Accounts will, to the extent not inconsistent with the requirements of this Agreement, be governed by your Account Agreement.



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

9. Liability of Bank; Limitations on Liability

Performance of Bank. Bank shall be responsible only for performing the Service it expressly agrees to perform in this Agreement, shall be liable only for direct damages caused by its gross negligence or willful misconduct in performing the Service. Bank shall not be responsible for any acts or omissions of Company, including without limitation the amount, accuracy, timeliness of delivery or authorization of any item or instruction received from Company, or any act or omission of any other person, including without limitation any transmission or communications facility, data processor or Service Provider of Company, and no such person shall be deemed Bank's agent.

Limit on Damages. In no event shall the Bank be liable for any consequential, special, punitive, or indirect loss or damage which Company may incur or suffer in connection with this Agreement, including without limitation loss or damage from subsequent wrongful dishonor resulting from Bank's acts or omissions in performing the Services under this Agreement. The Bank shall have no liability to the Company for wrongful dishonor when the Bank, acting in good faith, returns an Exception Check:

- (a) that it reasonably believed was not properly payable; or
- (b) if there are insufficient Available Funds on deposit in the Authorized Account; or
- (c) if required to do so by the service of legal process on the Bank or the instructions of regulatory or government authorities or courts.

Force Majeure. Bank shall not be responsible for any failure to act or delay in acting if such failure is caused by legal constraint, the interruption of transmission or communication facilities, computer malfunction or equipment failure, war, pandemic, emergency conditions, or other circumstances beyond Bank's reasonable control. In addition, Bank shall be excused from failing to transmit or delay in transmitting any check or Exception Item if such transmittal would result in Bank's having violated any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other governmental regulatory authority.

10. Indemnification

Company shall defend, indemnify, and hold harmless Bank, its Service Providers, and officers, directors, agents and employees, from and against any and all actions, costs, claims losses, damages or expenses, including attorneys' fees and expenses, resulting from or arising out of (i) any breach by Company of any of the agreements, representations, or warranties of Company contained in this Agreement, or (ii) any act or omission of Company, any Authorized User or any other party with actual authority acting on Company's behalf, including but not limited to any transmission or communications facility, data processor or Service Provider of Company.

11. Payment for Bank Services

Company shall pay Bank fees for the Service provided by Bank under this Agreement in accordance with Schedule C, attached hereto ("Service Fees"). Such charges do not include, and Company shall be responsible for payment of: sales, use, or excise, value added, utility or other similar taxes relating to the services provided for in the Account Agreement.

13. Termination

Bank may terminate this Agreement immediately, without or without cause, upon notice to Company. Company may terminate this Agreement at any time upon thirty (30) calendar days prior notice to Bank. This Agreement shall terminate automatically upon the closure of all of Company's Authorized Accounts with the Bank. Termination shall not affect any of the Bank's rights or Company's obligations under this Agreement prior to such termination. Company's indemnification obligations shall survive any termination of this Agreement.



14. Confidentiality

Company and Bank acknowledge that each will have access to certain Confidential Information regarding one another's execution of Service(s) and/or use of the Service contemplated by this Agreement. Company shall not disclose any such Confidential Information of Bank and shall use such Confidential Information only in connection with the transactions contemplated by this Agreement; likewise Bank shall not disclose any such Confidential Information of Company and shall use such Confidential Information only in connection with the transactions contemplated by this Agreement. Confidential Information shall not be required to be labeled as such, and any information constituting Nonpublic Personal Information within the meaning of 15 U.S.C. Section 6809 shall be deemed to be Confidential Information.

15. Records

All electronic data or media, and records used by Bank and its Service Provider for Service(s) contemplated by this Agreement shall be and remain the property of this Bank and/or its Service Providers. Bank and its Service Providers may, in their sole discretion, make available such information upon Company's request. Any expenses incurred by Bank and its Service Providers in making any such information available to Company shall be paid by Company.

16. General Provisions

- a. **Entire Agreement.** This Agreement and the schedules attached hereto constitute the entire agreement between Bank and Company relating to the Services, and supersede any proposal or prior agreement, oral or written, and any other communications between Company and Bank relating to the Services. In the event of any inconsistency between the terms of this Agreement and the Account Agreement or between statements made by any employee of Bank and/or its Service Providers, the terms of this Agreement shall govern. In the event performance of the Service 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 Company as a result of such violation or amendment. No course of dealing between Bank and Company or usage of Service shall constitute a modification of this Agreement regardless of whatever practices or procedures Bank or Company may use.
- b. **Amendment.** Bank may amend any part of this Agreement, including any schedule hereto, from time to time immediately upon notice to Company.
- c. **Instructions and Notices.**
 - (i) Except as otherwise expressly provided herein, Bank shall not be required to act upon any notice or instruction received from Company or any other person, or to provide any notice or advice to Company or any other person with respect to any matter.
 - (ii) Bank shall be entitled to rely on any oral or written notice, response, or other communication, including electronic communications, believed by it to be genuine and to have been provided by an Authorized User of Company, and any such communication shall be deemed to have been provided by such Authorized User on behalf of Company.
 - (iii) Company may add or delete any Authorized User by written notice to Bank signed by an Authorized User other than the one being added or deleted or by a signer on the Authorized Account. If the Authorized User is set up as a "Sub User" within Online Banking, approval of such Sub User requires a Sub User Administrator or authorized personnel at the Bank after verbal confirmation. Such addition shall be effective on the second Business Day following the day of Bank's receipt thereof. Written notice may also be provided electronically by fax by completing Schedule B.



- (iv) Except as otherwise provided herein, any notice under this Agreement must be in writing and delivered by express carrier, faxed, or sent by United States registered or certified mail and, if to Bank, addressed to:

	Legacy State Bank
	3825 Harrison Road, SW
	Loganville, Georgia 30052
Attn:	Deposit Operations
Fax:	9 : ; 07 : 80 : ; 6 <

And, if to Company, addressed to:

Company	
Address	
Attn:	
Fax:	

unless another address is substituted by notice delivered or sent as provided herein. Except as otherwise expressly provided herein, any such notice shall be deemed given when received.

d. Assignment

Company may not assign its interest or rights under this Agreement without the prior written consent of Bank, and any purported assignment in violation of this section shall be void. 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.

e. Successor and Assigns

This Agreement shall be binding upon and inure to the benefit of the parties' hereto and their respective legal representatives, successors, and permitted assigns. The Agreement is not for the benefit of any other person, and no other person shall have any right against Bank or Company hereunder.

f. No Third-Party Beneficiaries

The Agreement is for the benefit of Company and 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.

g. Headings

Headings used in this Agreement are for convenience only, and shall not be deemed a part of this Agreement.

h. Governing Law; Jurisdiction

This Agreement between Company and Bank shall be governed by and interpreted in accordance with the laws and regulations of the State of Georgia (without regard to conflicts of law principles) and applicable federal law, rules and regulations. Company and the Bank shall have the right to apply to a court to enjoin any breach of this contract. For such purpose, Company and Bank hereby consent to the jurisdiction of Georgia state courts in Walton County, Georgia and federal district courts located in Walton County, Georgia.



j. Counterparts

This Agreement may be signed in counterparts, all of which shall constitute one agreement. A scanned or similar electronic signature page to this Agreement shall be deemed an original for all purposes hereof.

k. Waiver

A waiver by Bank of any term or provision of this Agreement shall not be construed as a waiver of such term or provision at any other time, or of any term or provision.

[signatures follow on next page.]

[Signature Page to Check Positive Pay Service Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth below.

Company Name:	Date:
Company Address:	
E-mail Address:	
Authorized Signature:	Print Name of Authorized Signer:
	Title:
Legacy State Bank	Print Name:
By:	Title:
E-Mail Address for Bank:	https://www.legacystatebank.com

Schedule A – Authorized Accounts

Account Number	Account Title

Schedule B – Authorized User

Authorized User Access:

Please complete the section below showing the access authorized for each Check Positive Pay user. *For security reasons, it is not recommended to authorize the same user to both upload or manually enter issued checks **and** be able to work exceptions. Bank suggests that you have one user upload or manually enter issued checks and another user work the daily Exception Items. Authorized Users working the exceptions may be authorized signers on the Company accounts.

ACTION: Add____ Change____ Remove____

Name: _____
(Authorized User)

Email Address: _____ **Day Phone:** _____

Check Positive Pay Authorized User Access* (Please specify below the capabilities for this user):

Upload or manually enter Issued Check file ☐ YES ☐ NO

Work Exceptions/violations – Check marking ‘YES’ will authorize this user to make decisions whether to pay or return/refuse an item presented for payment. ☐ YES ☐ NO

ACTION: Add____ Change____ Remove____

Name: _____
(Authorized User)

Email Address: _____ **Day Phone:** _____

Check Positive Pay Authorized User Access* (Please specify below the capabilities for this user):

Upload or manually enter Issued Check file ☐ YES ☐ NO

Work Check Exceptions/violations – Check marking ‘YES’ will authorize this user to make decisions whether to pay or return/refuse an item presented for payment. ☐ YES ☐ NO

ACTION: Add____ Change____ Remove____

Name: _____
(Authorized User)

Email Address: _____ **Day Phone:** _____

Check Positive Pay Authorized User Access* (Please specify below the capabilities for this user):

Upload or manually enter Issued Check file ☐ YES ☐ NO

Work Check Exceptions/violations – Check marking ‘YES’ will authorize this user to make decisions whether to pay or return/refuse an item presented for payment. ☐ YES ☐ NO

The foregoing Authorized User Access is authorized by:

Company Name:	Date:
Authorized Signature**:	Print Name of Authorized Signer:
	Title:

**Must be an authorized signer on the Account(s).

SCHEDULE C – SERVICE FEE SCHEDULE

	Fixed
Check Reconciliation	Monthly Fee
Positive Pay Fee	\$25.00

This fee schedule is confidential and not to be disclosed to other parties. The fees for this service will be charged on a monthly basis on a date determined by the Bank. Fees may be subject to change with 30 days prior notice.

METHOD OF PAYMENT

_____ Charge Account # _____

_____ Add to Account Analysis on Account # _____

CHARGING FEES

- On the statement drop date or the 1st day of each month; or,
- Included in monthly Account Analysis statement.

COMPANY: _____

BY: _____

DATE: _____