



CLIPPERLINK COMMERCIAL AGREEMENT

This ClipperLink Commercial Agreement contains important information about the ClipperLink Commercial services Bay Bank, FSB, offers. Please read it carefully and retain it for future reference. The terms “you” and “your” refer to all holders and authorized users of any Account that may be accessed through the Services. The terms “we,” “us,” “our,” and “Bank” refer to Bay Bank, FSB. By signing an application and/or by using the Services, you agree to the following terms and conditions. Continued use of the Services is contingent on your Accounts remaining in good standing with the Bank and the other conditions stated in this Agreement.

DEFINITIONS

Throughout this Agreement, the following words have the meanings indicated below.

“**Access Code**” means the password, personal security code, authentication device, and other security procedures, whether one or more than one, that you choose or is assigned to you by the Bank and that allows you to access one or more Services.

“**Account**” means your checking, savings, Money Market and/or CD account(s), whether one or more than one, that may be accessed by the Services according to your request.

“**Agreement**” means this ClipperLink Commercial Agreement, instructions about the Services given online, our Clipperlink Fee Schedule, and our Deposit Account Agreements and Disclosures.

“**Business Day(s)**” means Monday through Friday, excluding holidays. Holidays are listed at <http://www.frbsservices.org/holidayschedules/index.html>.

“**Electronic Banking System**” means the components that permit you to use and to make or initiate Transfers through the various Services, including telephone lines and equipment, Personal Computers and other electronic devices, such as tablets and smart phones (“PC’s”), computer systems, internet access and web sites, and the automated clearinghouse system.

“**Rules**” means the ACH Rules published by the National Automated Clearing House Association. You may obtain the Rules at <http://www.achrulesonline.org/> by enrolling for read-only access as a “Basic User.” The terms “Entry” or “Entries” have the meaning provided in the Rules.

“**Service(s)**” means all of the ClipperLink Commercial internet banking services described in this Agreement.

“**Transfer(s)**” means all electronic funds transfers performed through the Services, including, but not limited to, Payment Orders, ACH transfers, and bill payments.

TERMS AND CONDITIONS

A. General

The terms and conditions in *Section A* apply to all of our Services. This Agreement supersedes all prior oral or written agreements, understanding or communications regarding the Services. Your existing or future resolutions or agreements with us concerning your Accounts and loans may require the instructions of one or more named individuals to access funds. This Agreement supersedes those agreements and resolutions. When you enroll in the Services, you will designate the permitted levels of access to the Services for your staff, which may differ from the instructions required by your resolutions or agreements. *Any person you authorize to make Transfers through the Services will be able to transfer funds from or to your Account or loan accounts. You authorize us to act upon the instruction of any person granted appropriate access to the Services and of only ONE person (unless you designate dual controls) in connection with Transfers, even though the Account signature card, your resolutions or other agreements with us require the authorization of other persons and 2 or more signatures.*

1. **Available Services:** Through the Services and in accordance with this Agreement, you may:

- View your Bay Bank deposit and loan account information and your Account statements
- Review recent Transfer information
- Transfer funds between your Accounts
- Export Account information into compatible financial management software
- Pay bills directly from your Account to merchants and individuals located in the U.S.
- Receive bills from electronic billers
- Stop payment on your checks
- Receive electronic Account statements
- Make some Bay Bank loan payments and initiate Bay Bank loan advances on some loans

- Initiate domestic and US Dollar international wire transfers
- Originate ACH Transfers
- Make state and federal tax payments through the ACH
- Either specifically or by default, approve the payment of a particular check drawn on an Account and presented to us for payment

2. **Account Data.** Because certain information and Transfers are not processed by us until after the close of our Business Day, some transactions may not be reflected until the next Business Day. Posted items may be reversed due to insufficient funds, stop payment orders, legal process, and other reasons. Certain balances also may not be subject to immediate withdrawal. We assume no responsibility for any loss arising from incomplete information or for any temporary interruption in our Services. If you are unable to access the Services, you may contact your branch for loan and deposit information.

3. **Information Processing and Reporting.**

a. The Services require us to receive, process and report information involving your Accounts. You assume the sole responsibility for providing us with complete and accurate information in the form and format that we require (*e.g.*, in connection with wire transfers).

b. You must accurately describe beneficiaries, intermediary financial institutions, and the beneficiary's financial institution in Transfer instructions. If you describe any beneficiary or institution inconsistently by name and number, other institutions and we may process the Transfer solely on the basis of the number, even if the number identifies a person or entity different from the named beneficiary or institution.

c. You acknowledge that it is not possible for the Services to be totally free from operator, programming or equipment error, and that errors in processing and compiling data may occur occasionally (*e.g.*, due to the failure of others to provide accurate information, telecommunication failures, or a breakdown in an electronic data interchange). As such, you agree 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, our sole responsibility for any reporting errors caused by us will be to reprocess the information for the period in question and to provide corrected reports at our own expense. You agree to maintain adequate backup files of the data you submit for a reasonable period of time in order to facilitate any needed reconstruction of your transactions (*e.g.*, in the event of a telecommunication failure). If we are unable to provide a Service for any reason, we will promptly inform you of the problem and will take reasonable steps to resume processing.

4. **Stop Payment Orders and Transfers.** All Transfers into your Accounts will be “provisionally credited” (made available for withdrawal pending system posting) to your Account upon completion of your session. Any orders you give us through the Services to stop

payment of checks are not effective until 24 hours after you request the stop payment, shall be deemed written orders and shall be effective for 6 months. We are not responsible for any check that clears before the stop payment is effective. Standard stop payment fees apply.

5. **Equipment and Technical Requirements.** To use the Services, you must have the telephonic or other electronic equipment necessary for the Services, such as a PC with modem and/or World Wide Web access. It is your responsibility to acquire the equipment, software or internet service necessary to access the Services.

6. **Fees.** You agree to pay the fees we charge for the Services. The current fees are set out on our ClipperLink Fee Schedule. We may charge fees to your Account, whether or not the charge causes the Account to be overdrawn. If the Account is overdrawn, you may be charged an overdraft fee as provided in our Deposit Account Agreements and Disclosures. If you do not have sufficient funds in your Account on the date a fee or charge is due, you also authorize us to charge the amount to any other account you have with us. We may change the fees. (see *Section A(14)*.) In addition, you agree to pay for all taxes, tariffs and assessments levied or imposed by any government agency in connection with the Services, this Agreement, and/or the software or equipment made available to you (excluding any income tax payable by us).

7. **New Services.** We may incorporate new options into these Services. By using such new options, you agree to be bound by the rules concerning those options, which will be mailed to you or disclosed through the Services, as appropriate.

8. **Termination of Services.** You may terminate your use of these Services by giving us 3 Business Days advance notice in writing to the address in *Section A(15)* of this Agreement. Your termination of one or more of these Services will act as a termination for any joint owners on your Account. We may terminate your use of these Services, in whole or in part, at any time without prior notice. We have no duty to provide any of these Services after termination, including, but not limited to, any “future” or “recurring” Transfers you previously scheduled. If all Accounts are closed, the Services will terminate automatically.

9. **Security.**

a. You agree to comply with all reasonable instructions or recommendations we may issue to you regarding Service security. You agree to set up, maintain and regularly review your security arrangements concerning access to, and use of, the Services and information stored on your computing and communications systems, and your control of the Access Code to ensure that your computing and communications systems and the Access Code are protected against intrusion according to best industry practice.

b. You understand the importance of your role in preventing misuse of your Account and you agree to protect the confidentiality of your Account, Account number, and Access Code. You understand that identification information by itself or together with information related to your Account or loans may allow unauthorized access to your Account or

loans. Data transferred via the Services is not encrypted. We cannot and do not warrant data transfers utilizing the open internet.

c. You are solely responsible for the security of your Access Code and your computers and other devices you use to access the Services. You agree to make sure that any computer or other device you use to access the Services is free from and adequately protected against computer viruses and other destructive components. You are solely responsible for the performance and protection of your browsers, including the prompt adoption of all security patches and other security measures issued or recommended from time to time by the browser supplier. You are strictly responsible for establishing and maintaining commercially reasonable security measures to safeguard against unauthorized transmissions and network infections. You agree that such measures will include, but not be limited to, security technology that provides a minimum level of security equivalent to 128-bit RC4 encryption technology for the transmission of Transfers over the internet. We are not responsible for any electronic virus or viruses that you may encounter or that infect your computing system. You agree to scan your PC and other electronic media using a reliable virus product to detect and remove any viruses routinely according to best current industry practice.

d. You acknowledge that there are certain security, corruption, transmission error and access availability risks associated with using open networks such as the internet and/or telecommunication lines or circuits. You assume all risks relating to the foregoing.

e. To gain access to the Services, you will need your Access Code. You will be or will designate an Administrator who is authorized to set up other users who will establish separate Access Codes. Some of the Services require the use of additional passwords and authentication devices. You agree that each Access Code is a commercially reasonable security procedure (based on the normal size, type, and frequency of your Transfers) designed to authenticate your Transfers. Some of our Services allow you to set Transfer limitations and establish internal controls, including, but not limited to, requiring dual controls for certain Transfers, all of which are additional security procedures. Your failure to set such limitations and implement such controls or your failure to take advantage of all Access Codes we offer increases your exposure to, and responsibility for, unauthorized Transfers. **All Transfers made with your Access Code are conclusively presumed to have been authorized by you. You, jointly and severally, agree to be bound by and assume full liability and responsibility for any Transfer direction for any Account or loan we receive through the Services, even if the Transfer direction is not authorized by you, if your Access Code was used to gain access to the Services and the Transfer is otherwise processed by us in accordance with our security procedures.**

f. You agree that you will not disclose, and will prevent the disclosure of, your Access Code. You will ensure that your employees do not share Access Codes. If the confidentiality of an Access Code is compromised, you shall notify us immediately. You assume sole responsibility for maintaining the Access Code. When you access any of the Services, your instructions may be recorded. You consent to such recording.

g. We reserve the right, in our sole discretion, to further authenticate any request for a Service or Transfer prior to effecting the same. We are entitled to rely on any communication, instrument, document, telephonic or computer instruction believed by us in good faith to be genuine and correct and to have been given, signed or sent by anyone on your behalf. We shall not be liable to you for the consequences of such reliance.

h. You agree that you will monitor the Account and loan accounts that may be accessed by the Services each day. You must notify us immediately if you or any person you permit to access the Services knows of or suspects any unauthorized access to the Services or the Electronic Banking System or any unauthorized Transfer or instruction. You must call us immediately between the hours of 8:30 am and 4:30 pm Monday through Friday at 410-312-5400 and then follow up with written notice as described in *Section A(15)*.

10. **Limitations on Frequency and Dollar Amount of Transfers.** Federal banking regulations (as implemented by our procedures) restrict the number of transfers and withdrawals from any type of savings or money market Account to another of your Accounts with us or to a third party by means of a preauthorized, telephone or automatic transfer (which would include transfers made via the Services) to 6 clearing per statement cycle. In all cases, security concerns may lead to other limits on the number or dollar amount of Transfers you may make from time to time.

11. **Limitation of Our Liability. We have no liability to you for any unauthorized Transfer made using your Access Code.** We shall not be liable or responsible for any loss you incur or damage you suffer because any unauthorized person gains access to or makes use of the Services. You assume full responsibility for the consequences of any misuse or unauthorized use of or access to the Services or disclosure of any of your confidential information or instructions by your employees, agents, or other third parties. **We are not responsible for any errors or omissions in or to any information resulting from your use of the Services. We provide the Services and related documentation “as is” without any warranty of any kind, either expressed or implied, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose.** You are responsible for any Transfer request that contains an error or that is a duplicate of another Transfer request. We are not responsible for determining the accuracy, timeliness or completeness of any information that you or others provide to us. We do not have a duty to interpret the content of any data transmitted to us, except to the limited extent set forth in this Agreement. We are not required (by means of any security procedure or otherwise) to detect errors in the transmission or content of any information we receive from you or third parties. We are not responsible for monitoring or refusing to process duplicate instructions by you or your agents. If you give us a Transfer instruction that is incorrect in any way or is a duplicate of another Transfer instruction, you agree that we may make the Transfer and charge your Account for the amount transferred whether or not the error or duplicate could have been detected by us. We are not responsible for a Transfer that is not made if you did not properly follow the instructions for making a Transfer. We are not responsible for your acts or omissions of those of any other person, including, without limitation, any transmission or communications facility, and no such party shall be deemed to be our agent. **In any event, we are not liable for any special, consequential, incidental, or punitive losses, damages or expenses in connection with this Agreement or the Services, even if we have**

knowledge of the possibility of them. We are not liable for any act, failure to act or delay in acting if it is caused, in whole or part, by any cause beyond our reasonable control. We are not liable for any loss associated with systems failures, processing errors, software defects, operating mistake, hardware breakdowns, capacity, inadequacies, network vulnerabilities, control weaknesses, security shortcomings, malicious attacks, hacking incidents, fraudulent actions and inadequate recovery capabilities.

In addition, we have no liability for failing to complete a Transfer to or from your Account in time or in the correct amount under any of the following circumstances:

- a. If, through no fault of ours, you do not have enough money (available funds) in your Account or loan account to make the Transfer.
- b. If the Transfer would go over the credit limit on your overdraft line.
- c. If the Electronic Banking System was not working properly.
- d. If circumstances beyond our control (such as fire or flood) prevent the Transfer, despite reasonable precautions that we have taken.
- e. If you have not properly followed instructions for operation of the Electronic Banking System.
- f. If the funds in your Account or loan account are subject to a “hold” due to legal process, similar encumbrance or as otherwise permitted in the Agreement.
- g. If the Transfer would exceed one of the established limits contained in the Agreement.
- h. If your own components making up the Electronic Banking System were not functioning properly.
- i. If you did not provide us with correct names or account information for those persons or entities to whom you wish to direct payment.
- j. If we have received incomplete or inaccurate information from you or a third party involving the Account or Transfer.
- k. If we have a reasonable basis for believing that unauthorized use of your Access Code or Account has occurred or may occur.
- l. If we or you have terminated this Agreement or closed the Account.

In other cases, if we fail or delay in making a Transfer pursuant to your instructions, or if we make a Transfer in an amount which is less than the amount in your instructions, then (unless otherwise required by law) any liability we have is limited to interest on the amount that we fail to timely pay or transfer, calculated from the date on which the Transfer was to be made

until the date it was actually made or you notify us of the problem, whichever occurs first, but in no event to exceed 30 days' interest. We may pay such interest either to you or to the intended recipient of the Transfer, but in no event shall we be liable to both parties and our payment to either party shall fully discharge any obligation to the other. If we make a Transfer in an amount which exceeds the amount in your instructions, or if we permit an unauthorized Transfer after we have had a reasonable time to act on notice from you of possible unauthorized use, then (unless otherwise required by law) any liability we have is limited to a refund of the amount erroneously paid or transferred, plus interest on that amount from the date of the Transfer to the date of the refund, but in no event to exceed 30 days' interest. If we become liable to you for interest under this Agreement or applicable law, such interest shall be calculated based on the lowest interest rate we are then paying on our deposit accounts. In no event will we be liable for interest compensation unless we are notified of a discrepancy within 60 days from the date of the first periodic statement reflecting the discrepancy. Any claim, action or proceeding by you to enforce the terms of this Agreement or to recover for any Service-related loss must be commenced within one year from the date that the event giving rise to the claim, action or proceeding first occurs. You agree to cooperate with us in any loss recovery efforts we undertake to reduce any loss or liability that arises in connection with the Services.

12. **Financial Information and Audit.** You agree from time to time, upon our request, to provide us with current financial information about yourself. We may terminate your Services if you fail to provide such information or if you no longer qualify for Services based on our review of the information you supply. You authorize us to order credit reports on you from time to time. You agree that we may monitor and audit your compliance with this Agreement and the Rules.

13. **Transfer Notification.** You agree that we will not notify you of any Transfer, except in any periodic statements we provide to you. If periodic statements are not provided, you agree that we are not obligated to provide you with notice of Transfers. On receipt of any periodic statement, you agree to review it and promptly report to us in no event later than 60 days after the date that you received the statement, any discrepancies, errors or unauthorized transactions.

14. **Changes in Terms.** We reserve the right to amend the terms and conditions applicable to your use of the Services. Unless applicable law requires otherwise, all such amendments will be binding upon you immediately after we give you notice. We also will mail you the most recent version of this Agreement upon your written request.

15. **Notices.** Any notice, request or other communication you are required or permitted to give under this Agreement must be in writing and sent by certified or registered United States mail, return receipt requested, postage prepaid, to the address indicated below, unless another part of this Agreement specifically permits or requires you to give notice another way:

Bay Bank, FSB
Electronic Banking
7151 Columbia Gateway Drive, Suite A
Columbia, MD 21046

Your notices will be effective when we receive them and have a reasonable opportunity to act on them. We may give notice at our discretion by mail, electronically, or by revising this Agreement and making it available in our branches or on our website and any notice we mail is considered given 48 hours after we place it in the U.S. mail, postage-paid, for delivery to your address shown on our records. We will deliver electronic notices to your Message Center within the Service. Any notice that is delivered electronically is considered given 24 hours after it is first available through your Electronic Banking System. If a specific notice period or type of notice is required by applicable law, the notice will be made and will be binding in accordance with such law.

16. **Use of E-Mail and Other Electronic Communications.** You agree that we may provide this Agreement, amendments and other communications regarding Transfers electronically in a format that allows visual text to be displayed on your personal computer or other electronic equipment. If you send us e-mail, we may not receive or review it immediately. We will have a reasonable time to act upon any e-mail request or notice, and reserve the right to reject any transaction or request received by e-mail. You acknowledge that, even though e-mail may be encrypted, we cannot ensure that it will not be intercepted or affected by the actions or omissions of others, such as third party networks or persons with access to the internet. We recommend that you not send Account data or other sensitive information to us by e-mail.

17. **Severability.** Any term contained in this Agreement which is or becomes invalid or unenforceable under applicable law or regulation, will not affect the validity or enforcement of the remaining terms.

18. **Assignment.** We may assign or delegate any of our rights or obligations under this Agreement to independent contractors or other third-party organizations without affecting the enforceability hereof. Your rights and obligations may not be assigned or transferred without our written consent.

19. **Governing Law.** This Agreement and the Services offered shall be governed by and construed in accordance with the internal laws of the State of Maryland (without regard to conflict of law principles) and federal law, as applicable.

20. **Use of Eastern Time.** In this Agreement, all references to specific times are deemed to be Eastern Standard or Daylight Savings Time, as applicable.

21. **Enforcement Expenses and Security Interest.** If we have to file a lawsuit to collect what you owe us, you will pay our reasonable expenses, including attorneys' fees. You grant us a security interest in your Accounts to secure the repayment of any overdraft or other obligation that you incur under this Agreement. We may debit any account maintained by you with us or any of our affiliates and we may set off against any amount we owe to you to obtain payment of any amount you owe us under this Agreement. If you bring a legal action against us in connection with the Services, the losing party shall pay the prevailing party's reasonable attorney fees and costs, including fees on any appeal.

22. **Your Indemnity.** You waive any statutory right you may have to recover your attorneys' fees from us. You shall indemnify us against and hold us harmless from and reimburse us for all claims, demands, losses, liabilities or expenses (including attorney's fees and expenses) resulting from or arising out of (a) any claim that we are responsible for any of your obligations under this Agreement, (b) any breach of your obligations under this Agreement by you, (c) any breach of any of the representations or warranties made by you in this Agreement, (d) your failure to operate properly, service, maintain or safeguard your PC's, (e) the mechanical failure of your PC's, (f) any misconduct or negligence of your officers, employees or agents in performing any of your duties or functions hereunder, including, but not limited to, explicitly following the security procedures or exceeding the authority granted by you or disclosing or disseminating any proprietary information, (g) making (or reversing) any Transfer to the account of any person or entity in accordance with your instructions, (h) your failure to notify us in an accurate and timely manner of authorizations or withdrawal of such authorizations, instructions or other information required from time to time, (i) the crediting or debiting of the amount of any Entry, including but not limited to any reversing or correcting Entry, to the account of any person or entity in accordance with your instructions, (j) any claim that we are responsible for any of the foregoing, (k) our performance of the Services as provided in this Agreement, including our honoring or dishonoring, or accepting or not accepting, any checks on your Accounts, and (l) any late fees or other charges assessed by any tax authority and any fines and/or liabilities imposed against us for a violation of the Rules caused by your action or inaction.

23. **Fighting Terrorism.** To help the government fight the funding of terrorism and money laundering, we need to get specified information from you about Transfers you make through the Services. We are required to do this by law and will do it in the least obtrusive way possible. You agree to provide us all information required by the Bank Secrecy Act, the USA Patriot Act, OFAC Rules, or other laws, rules or regulations and to comply with all of these laws, rules and regulations.

B. Bill Payment and Presentment Services

The *Bill Payment and Presentment Services* permit you to pay bills from your Account and to access your electronic bills. The terms in this *Section B* apply only to Bill Payment and Presentment Services.

1. With the exception of tax payments and court-ordered payments, through the Bill Payment and Presentment Services, you may make payments to any business, merchant, professional, organization, or individual with a valid address that generates a bill or invoice with a U.S. payment address. You may not use Bill Payment and Presentment Services to make tax payments, court-ordered payments or payments to payees outside of the U.S. We reserve the right to refuse to allow you to designate any particular payee or class of payee.

2. When you schedule a bill payment, you authorize us to withdraw the amount of your payment from your Account.

a. You must schedule the Payment Request Date to be on or before the date the payment is due to the payee, including any required processing time. This means that you

must schedule your payments before 8:30 pm on a Business Day at least 3 Business Days before the payment is due to the payee for an electronic payment and at least 6 Business Days prior to the date the payment is due to the payee in the event the payee is paid by check. You must provide the correct payee name, address, due date, account information, and the correct payment amount. Longer processing times apply to bill payments to the following and you must schedule your payments earlier: U.S. Territories (Guam, Puerto Rico, U.S. Virgin Islands) and International Military Bases (Armed Forces Americas, Armed Forces Europe, Asia, Canada, Middle East, Armed Forces Pacific).

b. Your Account, including any overdraft plan, must contain sufficient available funds to complete the bill payment on the Transaction Date.

3. We use a third party (“Provider”) to provide Bill Payment and Presentment Services. The Provider may remit your payments by mailing your payee a paper check, by electronic funds transfer, or by other means. Payees who have a relationship established to receive electronic delivery of payments will receive your payment electronically. Electronic payments are received and credited by most payees within 2 Business Days after the Payment Request Date. The Provider also may send payments by a paper check drawn on your Account. All checks are sent through the United States mail. We are not responsible for postal delays or processing delays by the payees. Occasionally, a payee chooses not to participate in a bill payment service, or may be unable to process payments in a timely manner. In such cases, we may decline to make future payments to these payees.

4. Payments will be withdrawn from your Account on or after the Payment Request Date. If the Payment Request Date falls on a weekend or a Federal Reserve Holiday, the payment will be processed on the Business Day following the weekend or Federal Reserve Holiday. Although you may schedule bill payments 24-hours a day, 7 days a week, payments will be withdrawn from your Account only on Business Days, subject to system availability.

5. You may schedule a payment for a future Business Day up to one year in advance.

6. You may schedule recurring payments for the same dollar amount at various intervals (bi-weekly, monthly, quarterly, etc.) (“Recurring Payments”). If the Payment Request Date does not exist in a certain month or the Payment Request Date is not a Business Day, the Payment Request Date will be the following Business Day.

7. You may use the Bill Payment and Presentment Services to electronically change the Payment Request Date of any scheduled Recurring Payments at any time prior to 8:30 pm on the Business Day prior to the current Payment Request Date. You may also delete any single payment or Recurring Payment at any time prior to 8:30 pm on the Business Day prior to the current Payment Request Date. For assistance you may call Customer Service at (800) 593-4345 each Business Day, 8:00 am – 8:00 pm.

8. Payment information and records of past and future scheduled payments are stored on the Bill Payment and Presentment Service. Refer to Online Help for additional information about retrieving your payment history.

9. We will use reasonable efforts to ensure that payments reach creditors on time, but you understand that we cannot guarantee the time a payment will be posted by a creditor. We will use reasonable efforts to see that creditors reverse any service fee or late charge that is related to a payment processing error caused by us.

10. If you elect to activate one of the electronic Bill Presentment options, you agree to the following:

a. It is your responsibility to maintain all user names and passwords for all electronic Biller sites and provide all information required for Bill Presentment.

b. Upon activation, we may notify the Biller of your request to receive electronic billing information. The presentment of your first electronic bill may vary from Biller to Biller and may take up to 60 days, depending on the billing cycle of each Biller. Additionally, the ability to receive a paper copy of your bill(s) is at the sole discretion of the Biller. While your electronic bill presentment feature is being activated, it is your responsibility to keep your accounts current. Each Biller reserves the right to accept or deny your request to receive electronic bills.

c. Your activation of the electronic bill presentment feature for a Biller shall be deemed by us to be your authorization for us to obtain bill data from the Biller on your behalf. For some Billers, you will be asked to provide us with your user name and password for that Biller. By providing us with such information, you authorize us to use the information to obtain your bill data.

d. We will use our best efforts to present all of your electronic bills promptly. We will notify you of bill receipt by email, however, it is your responsibility to periodically logon to Bill Presentment and check for new electronic bills. The time for notification may vary from Biller to Biller.

e. Electronic Billers may cancel the presentment of electronic bills at any time. You may cancel Bill Presentment at any time. The timeframe for cancellation of your electronic bill presentment may vary from Biller to Biller. It may take up to 60 days. We will notify your Biller(s) that you have cancelled and it is your sole responsibility to make arrangements for an alternative form of bill delivery. We are not responsible for presenting any electronic bills that are already in process at the time of cancellation.

f. You agree to hold us and the Provider harmless should the Biller fail to deliver your statement(s). You are responsible for ensuring timely payment of all bills. Copies of previously delivered bills must be requested from the Biller directly.

g. We and the Provider are not responsible for the accuracy of your electronic bill(s). We and the Provider are only responsible for presenting the information we receive from the Biller. You must address discrepancies or disputes regarding the accuracy of your electronic bill summary or detail directly with the Biller.

h. You agree not to use someone else's information to gain unauthorized access to another person's bill.

C. Wire Transfer Services

The *Wire Transfer Services* permit you to initiate domestic and US Dollar international funds transfers from your Accounts with us to deposit accounts with other financial institutions, other than through the automated clearing house or "ACH" network (collectively, "Payment Orders"). The terms in this *Section C* apply only to Wire Transfer Services.

1. You authorize us to receive, execute and charge the Account identified in your instructions to us for any Payment Order you send us. Upon receipt of a Payment Order, we may, but are not required to, execute such request according to the terms of this Agreement and charge the Account designated in the Payment Order request for the amount of the Payment Order. If we receive a Payment Order for an amount greater than the maximum amount identified in your ClipperLink Specification Sheet, we reserve the right to refuse to process the Payment Order.

2. We may execute Payment Orders in any order convenient to us in our sole discretion.

3. You may transmit Payment Order requests to us at any time. We will process the Payment Orders between 7:32 am and 5:00 pm (2:00 pm for US Dollar international Payment Orders) each Business Day. In unusual circumstances, and in our discretion, we may accept Payment Orders before or after these times.

4. Without liability, we may not effect a Payment Order if we are unable to obtain authentication of such Payment Order satisfactory to us, if there is any inconsistency between a Payment Order and information previously supplied to us, if such Payment Order is not initiated in conformity with the terms of this Agreement, if the funds transfer requested by the Payment Order is prohibited as a result of court order, garnishment, tax levy or the like, or if we reasonably believe that execution of the Payment Order might result in an unauthorized or erroneous transfer of funds or might otherwise cause us to suffer a loss.

5. If any Payment Order exceeds the balance of collected funds in the Account you designate, we need not make such funds transfer and shall incur no liability to you for such inaction. If we elect to make such transfer, you shall remain liable for all amounts transferred, including funds transferred in excess of the collected balances in the Account.

6. We may charge any Account you maintain with us at any time for payment of the Payment Order and related fees, costs and expenses.

7. You shall request domestic Payment Orders before 5:00 pm and international Payment Orders before 2:00 pm on the Business Day of the requested transfer. We do not assume any responsibility for execution of a Payment Order on the day requested. We are authorized to use any correspondent bank, means and routes that we, in our sole discretion, may consider suitable for the transmission of funds. Fedwire, the funds transfer system owned and operated by the Federal Reserve Banks, or eWire may be used to effect your Payment Orders.

Regulation J, including Subpart B which has adopted Article 4A of the Uniform Commercial Code, governs all funds transfers through Fedwire.

8. At our sole discretion, we may accept cancellations, and revocations to Payment Orders. We shall not accept any amendments to Payment Orders and we shall not accept any cancellations or revocations to Payment Orders after we execute the Payment Order.

9. We shall reject Payment Orders by verbal communication to you using the telephone, by written communication using the mail, or by electronic transmission. Rejection is effective when mailed, if given by mail, when you receive the telephone call or when the electronic transmission is sent. Notice of rejection is sufficient if it indicates that we will not pay the Payment Order or are rejecting the Payment Order.

10. We are not required to act on any written or oral instructions you give restricting the acceptance or transmission of Payment Orders which are not contained in this Agreement.

D. ACH Services

The *ACH Services* use the Automated Clearing House or “ACH” network to transfer funds. You may initiate Credit and Debit Entries as indicated in your ClipperLink Application. The terms in this *Section D* apply only to the ACH Services.

1. We may, but shall not be obligated to, accept and execute transfer instructions delivered by you through the ACH Services. We will execute the transfer instructions through the ACH in accordance with the Rules, the terms of this Agreement and our procedures, including our security procedures. You shall provide us with such test files, information, prenotification files and actual payment files for processing as required under the Rules, applicable law and our procedures. Unless otherwise defined in this Agreement, all capitalized terms have the meanings set forth in the Rules.

2. The following applies to all Entries we choose to accept and execute:

a. We shall transmit Entries to the ACH Operator (the “ACH Operator”) in time to permit the Receiving Depository Financial Institution to make the Entry available to the Receiver by the opening of business on the Effective Entry Date specified in the Entry provided (i) we receive such Entries from you by 6:00 pm at least 2 Business Days prior to the Effective Entry Date shown in such Entries, and (ii) the ACH Operator is open for business on such Business Day. If we receive Entries for an amount greater than the maximum amount identified in your ClipperLink Specification Sheet or greater than the maximum amount established by the Bank from time to time, which may change without prior notice to you, we reserve the right to refuse to process all or part of the Entries. Failure to exercise this right of refusal in any one or more instances shall not preclude the exercise of such right in any future instance or constitute a course of business conduct by us on which you may rely. Entries shall be deemed received by us when your transmission is completed.

b. If any of the requirements of *Subsection D(2)(a)* are not met, we shall use reasonable efforts to transmit such Entries to the ACH Operator by the next deposit deadline of the ACH Operator, unless we reject the Entry.

c. In the case of an Entry received for credit to an account maintained with us (an “On-Us Entry”), we shall credit the Receiver’s account in the amount of such Entry on the Effective Entry Date contained in such Entry, provided the requirements of *Subsection D(2)(a)* are met, unless we reject the Entry. If these requirements are not met, we shall use reasonable efforts to credit the Receiver’s account in the amount of such Entry on the next Business Day following such Effective Entry Date.

3. You may originate Entries through the ACH Services. Each Entry shall include the offsetting debit or credit to your Account indicated in your instructions (“ACH Settlement Account”). Pre-notifications may be originated 6 days prior to the first live Entry.

4. You shall retain data on file adequate to permit remaking of Entries for 7 days following the Effective Entry Date and shall provide such data to us upon our request. In addition to your obligation in the Rules regarding the retention of certain Debit Entry authorization agreements, you agree that you will retain a copy of each such authorization agreement for the period specified in the Rules, will permit us to examine such authorization agreements at such times as we may reasonably request and will furnish to us a copy of any such authorization agreement upon request.

5. On the Effective Entry Date(s) of Credit Entries you originate, you shall have a balance of available funds in the ACH Settlement Account at least equal to the aggregate amount of Credit Entries you originate pursuant to this Agreement. At our discretion, you shall pay us the amount of each Credit Entry you originate pursuant to this Agreement, or we may place a hold on equivalent funds in the ACH Settlement Account, at such earlier time as we, in our discretion, may determine. In the event there are not sufficient available funds in the ACH Settlement Account to cover your obligations under this Agreement, you agree that we may immediately discontinue the ACH Services and that we may debit any account maintained by you with us or any of our affiliates and that we may set off against any amount we owe to you in order to obtain payment of your obligations under this Agreement.

6. With respect to Debit Entries you initiate, we will credit the ACH Settlement Account the aggregate amount of such Entries on the Effective Entry Date or the next Business Day following the Effective Entry Date.

7. We may reject any Entry that does not comply with the requirements of this Agreement, the Rules, and our procedures. We shall have the right to reject an On-Us Entry for any reason for which an Entry may be returned under the Rules. We have the right to reject any Entry if you have failed to comply with your payment obligations under this Agreement. We shall have no liability to you by reason of the rejection of any such Entry or the fact that such notice is not given at an earlier time than that provided for herein. We shall be permitted to reject any transfer instructions orally, electronically, or in writing, and notice of rejection

communicated by any such means shall be effective to prevent acceptance of the transfer instructions at the time we give notice.

8. You have no right to cancel or amend any Entry after we receive it. At our sole discretion, we may accept cancellations to Entries.

9. We shall notify you by phone, mail, telefacsimile, electronic transmission or any combination thereof, of the receipt of a returned Entry from the ACH no later than one (1) Business Day after the Business Day of such receipt. We shall have no obligation to retransmit a returned Entry to the ACH.

10. You represent to us and warrant and agree that (a) each person shown as the Receiver on an Entry received by us from you has authorized the initiation of such Entry as required by the Rules and the crediting or debiting of his or her or 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 of Entries to us, (c) you only shall originate those types of Entries selected by you in the ClipperLink Commercial Application, (d) you shall perform your obligations under this Agreement in accordance with all applicable laws and regulations, including the sanctions laws administered by OFAC, (e) you shall be bound by and comply with the Rules as in effect from time to time, (f) you specifically acknowledge that you have received notice of the Rules and agree to be bound by them and acknowledge that Entries may not be initiated that violate the laws of the United States, (g) all warranties we are deemed by the Rules to make to any party with respect to Entries originated by you are hereby made by you to us, (h) each Debit Entry is for a sum which, on the settlement date with respect to it, will be owing to you from the party whose account will be debited, is for a sum specified by such party to be paid to you, or is a correction of a previously transmitted erroneous Credit Entry, (i) each Entry is made for your own account and is not made on behalf of another person or entity, unless you have signed a Third Party Sender Agreement with us, and (j) each Debit Entry to a Consumer Account has been authorized in a paper writing, signed by the Receiver, and you have possession of the signed, written paper authorization.

11. Both you and we shall be subject to the Rules' designation that the credit given by a beneficiary's bank to the beneficiary of a Credit Entry is provisional until such bank has received final settlement or payment for such Entry. If such settlement or payment is not received, the beneficiary's bank is entitled to a refund from the beneficiary in the amount credited, and the originator of the Entry shall not be deemed to have paid the beneficiary the amount of such Entry.

12. Before you originate Entries to pay federal taxes, you shall provide us with proof of your enrollment in the Federal Government EFTPS program. A 10 day prenotification is required under the Rules, applicable law and our procedures.

13. Before you may use the services of a third party service provider to process payroll Entries, you must sign a Third Party Payroll Processing Agreement with us.

14. Before you may provide ACH origination services to other companies or individuals, you must sign a Third Party Sender Agreement with us.

15. For assistance, you may call Customer Service at (800) 593-4345 each Business Day, 8:00 am – 8:00 pm.

E. Positive Pay Service

The *Positive Pay Service* helps detect unauthorized and/or altered checks drawn on your Account and presented for payment to us through normal interbank clearings. The terms in this *Section E* apply only to the Positive Pay Services.

1. You may provide the Positive Pay Service with a list (the “Outstanding Issues File”) of the serial numbers, issue dates and the exact amounts (dollars and cents) of the checks that you issue against designated Account(s). You also may delete checks from the Outstanding Issues File. We will delete checks we pay in accordance with this Agreement from the Outstanding Issues File. Until deleted, checks will remain on the Outstanding Issues File.

2. Before 8:00 am each Business Day, the Positive Pay Service will compare the Outstanding Issues File with the information that is encoded on checks presented to us for payment against the designated Account the previous Business Day:

a. If the information encoded on the check matches the serial number and dollar amount of the check as listed on the Outstanding Issues File, you instruct us to pay the check. You agree that we shall treat all such checks as validly issued and properly payable.

b. If the information encoded on the check does not match the serial number and dollar amount of the check as listed on the Outstanding Issues File, the check will be listed on a Positive Pay Exception Decisions report.

c. If you do not provide an Outstanding Issues File by the cut off time the preceding Business Day, the Positive Pay Exception Decisions reports will list all checks presented for payment.

3. By 11:00 am each Business Day, for each check listed on that day’s Positive Pay Exception Decisions report, you may instruct us through the Positive Pay Service to pay the check or return the check to the depository bank. You agree that we shall treat all checks listed on the Positive Pay Exception Decisions report that you instruct us to pay as validly issued and properly payable. You agree that we shall treat all checks listed on the Positive Pay Exception Decisions report that you instruct us to return as invalidly issued and not properly payable.

4. **We shall pay all checks that appear on the Positive Pay Exception Decisions report for which you have not provided individual instructions through the Positive Pay Service by 11:00 am that Business Day (the “default.”)** You agree that we shall treat all checks listed on the Positive Pay Exception Decisions report for which you have not provided individual instructions through the Positive Pay Service by the cutoff time as validly issued and properly payable, and that we may process such checks for payment.

5. You represent, warrant, and agree with respect to each check you instruct us to return, that you have not authorized the payment of the check, the check is not properly payable from the Account, and the check is fraudulent. You agree to sign an affidavit to this effect at our request.

6. We assume no duty to identify and/or return duplicate checks, checks with duplicate serial numbers, misencoded checks, or checks lacking an encoded serial number.

7. We are not responsible for detecting any error contained in any Outstanding Issues File or check we are instructed to pay, either individually or by default. We are not obligated to verify signatures on any checks that match any Outstanding Issues File or on any checks that we are instructed to pay, either individually or by default. You understand and agree that the Positive Pay Service only will compare the Outstanding Issues File with the serial number and amount information that is encoded on the checks presented to us for payment. We are not required to physically examine checks to confirm that they are properly signed, completed and encoded. You agree that we may rely on the Outstanding Issues File, your instructions, and this Agreement to determine whether checks are properly payable and that the Positive Pay process is an acceptable standard of care for your Accounts. You understand that the Positive Pay Service may not identify counterfeit or duplicate checks. As such, you agree to review promptly all statements, returned checks, reports and other check and transaction information we make available to you.

8. We may pay stale-dated checks unless you place a stop payment order on such checks.

9. We make no representation or warranty regarding the effectiveness of the Positive Pay Exception Decisions report, and make the report available only as an accommodation to you. You agree to indemnify, defend and hold us harmless from every loss, liability and claim, including our attorney fees, arising from information provided on, or excluded from, this report. You understand that the fee for the Positive Pay Service has been established in contemplation of this limitation on our liability.

a. You agree to indemnify and hold us harmless from any claim, loss, liability or expense, including attorney's fees and expenses, asserted by third parties against us and which result from, or arise out of, our performance under the Agreement, including our honoring or dishonoring, or accepting or not accepting, any checks on your Accounts. You waive any right you may have to assert (a) that a check we have been instructed to pay hereunder, either specifically or by default, was not properly payable under Maryland Uniform Commercial Code ("UCC") § 4-401, and (b) that a check we have been instructed to return was wrongfully dishonored under UCC § 4-402. You agree that we exercise ordinary care whenever we pay or return a check consistent with this Agreement. In the event of any inconsistency between this Agreement and the UCC, this Agreement shall prevail.

F. Electronic Statement Delivery Service

You may elect to receive your Account statements and notices required by law or any agreement between you and us concerning your Accounts (each a “Legal Communication”) electronically through the *Electronic Statement Delivery Service*. The terms in this *Section F* apply only to the Electronic Statement Delivery Services.

1. After you enroll in the Electronic Statement Delivery Service, we will discontinue mailing paper copies of your Account statement and, at our discretion, paper copies of Legal Communications. All future statements will be maintained on a secure web site which you access to obtain, review, print, and copy/download your statements. For as long as we are required by applicable law to keep a copy of any statement for an Account or any Legal Communication, you may request a paper copy by calling (410) 512-3400. You must pay to us any charge for the paper copy listed in our current ClipperLink Fee Schedule. Your request for a paper copy will not constitute a request to cancel electronic statement delivery. We may resume sending statements or Legal Communications at any time.

2. When the Electronic Statement Delivery Service becomes effective, whenever any Account statement or Legal Communication is available to you through the Service, we will deliver a notice to your Message Center within the Service advising you of the availability of the statement or Legal Communication. You may then access your statement or the Legal Communication via the web site using the procedures we authorize. Except when applicable law requires otherwise, this notice will be the only notice we give you about the availability of the statement or the Legal Communication. **You agree that delivery of the notice to your Message Center within the Service will constitute delivery of the periodic statement or Legal Communication to you, whether or not you view or print it.** You will continue receiving electronic statements until you or we terminate electronic statement delivery.

3. Your statement date will not change when you enroll in Electronic Statement Delivery Service. You must promptly access/review your electronic statement and any accompanying items and notify us in writing within the applicable time period specified in your Deposit Account Agreement and Disclosures of any error, unauthorized transaction, or other irregularity. Any applicable time periods within which you must notify us of any errors begin on the notice delivery date (see *Section F(2)*) regardless of when you receive and/or open the electronic statement.

4. When you enroll in the Electronic Statement Delivery Service, you no longer will receive cancelled checks with your Account statements and any combined Account statements shall be discontinued and shall not be available for any of the Accounts for which you receive electronic statements.

5. Electronic statements will be available to you through the Electronic Statement Delivery Service for at least 6 months.

6. To request information, service, a paper copy of a statement or a Legal Communication, or to terminate enrollment in Electronic Statement Delivery, do not respond (including by using the reply function) to our emails. Any notices or requests should be given as described in *Section A(15)*.

7. You may terminate your enrollment in Electronic Statement Delivery Services by accessing the Service and changing your method of delivery to “paper” statement or by notifying us. Termination will take effect when we have had reasonable time to act on your notice, which can take up to 60 days. Any termination of your enrollment may be effective for all Accounts.

By signing below you acknowledge receipt of and agree to be bound by the terms of this ClipperLink Commercial Agreement:

COMPANY NAME

Name of Authorized Company Representative

Signature of Authorized Company Representative

Title

Date

Bay Bank, FSB

By: _____

Name

Title

Date