



Positive Pay Agreement

Business Name:	_____
Contact Name:	_____
Address:	_____
Phone:	_____
Tax ID#:	_____

Bank: Texas National Bank, P.O. Box 4650, Edinburg, Texas 78540, (956) 217-7101

This Positive Pay Agreement (the “Agreement”) is made as of the date set forth below by and between the Client and TEXAS NATIONAL BANK (the “Bank”) and shall become effective as of the Effective Date described below. The Client has requested that the Bank facilitate the Client’s detection of unauthorized and/or altered checks drawn on one or more accounts of the Client maintained with the Bank through the services described herein below (the “Services”), and the Bank is willing to perform such Services. Accordingly, in consideration of the foregoing premises and the promises and agreements set forth herein, the Client and the Bank agree as follows:

1. Texas National Bank BeB Agreement. This Agreement is incorporated as an Addendum to the Client’s Texas National BeB Agreement with the Bank, as applicable, the terms and provisions of which shall apply to the Services provided to the Client hereunder, except to the extent such terms and provisions may be inconsistent with the terms and provisions of this Agreement, in which case the terms and provisions of this Agreement will govern and control.

2. Outstanding File. The Bank will maintain and update an electronic file (the “Outstanding File”) which will contain information received from the Client, in accordance with procedures set forth herein, regarding checks issued by the Client which have not been presented to the Bank for payment from one or more of the Client’s checking accounts (collectively the “Account”) maintained with the Bank. The Client will provide the Bank complete and accurate information regarding additions to and deletions from the Outstanding File for all checks issued against the Account in a format pre-approved by the Bank and will transmit such information (via a means approved by the Bank) by no later than 12:00 P.M. (Central Time) and (1) Business Day (hereinafter defined) prior to the day of the checks’ issuance in the case of additions and no later than 12:00 P.M. Central Time) of the day on which the Client wishes the Bank to remove such checks from the Outstanding File in the case deletions. Information regarding additions to and deletions from the Outstanding File will include (a) records of checks issued by the Client (each a “Record” and collectively, the “Records”), and each Record will contain the serial number, dollar amount, and issuance date of an issued check, and (b) any and all deletions of Records previously entered into the Outstanding File. The Bank will not be liable for the return or payment of any check if it does not receive timely and accurate instructions from the Client with respect to adding or removing such check to or from the Outstanding File. Each Business Day, the Bank will perform an automated review comparing the MICR-encoded information on each check presented for payment against the Account with the Outstanding File. The Bank will perform a manual review of each check rejected by the automated review and will repair damaged MICR lines and identify any other checks that appear to be properly payable. The Client requests that the Bank pay, and the Bank shall pay, all checks that the Bank identifies through the automated or manual review as matching the serial number and dollar amount of a Record. The Bank will delete, from the Outstanding File, Records for (a) checks paid by the Bank in accordance with this Agreement, and (b) checks that the Client has requested that the Bank delete such as those for which it has placed a stop payment. All other checks will remain on the Outstanding File.

3. Suspect File. Each Business Day prior to 8:00 A.M. (Central Time), the Bank will endeavor to make available to the Client information containing the records of checks presented for payment against the Account the previous day

(such information hereinafter called the “Suspect File”), which (a) have serial numbers that do not match the serial number contained in any Record on the Outstanding File or (b) have serial numbers that match serial numbers contained on records on the Outstanding File, but have a different dollar amount than such Records.

4. Return Checks. Each Business Day before 12:00 P.M. (Central Time), the Client will instruct the Bank (via any means approved by the Bank) to return or pay each individual check corresponding to the records on the Suspect File made available to the Client by the Bank on such day. The Client must indicate for every check to be returned that it either (a) is an unauthorized check or (b) has been materially altered after issuance. **If the Client fails to respond and provide pay or return instructions within the above-stated time frame for each check on the Suspect File and the Client has selected the Default to Pay Option set forth on the Positive Pay Set Up Form (together with any replacement thereof accepted by the Bank, the “Set Up Form”) attached hereto as Exhibit A, and made part hereof by this reference, the Bank will post and pay each check corresponding to a record on the Suspect File for which the Client has provided no specific instructions (provided there are sufficient funds to cover such checks in the Account) and the Bank shall not be liable for damages caused by the payment of any such checks. If the Client fails to respond and provide pay or return instructions for each check corresponding to a record on the Suspect File within the above-stated time frame and the Client has selected the Default to Return Option on the Set Up Form, the Bank shall return all checks appearing on the Suspect File for which the Client has provided no specific instructions and the Bank shall not be liable for damages caused by the return of such checks.** The Client waives any claim of wrongful dishonor of any such checks returned because the Client did not provide timely instructions to pay checks appearing on the Suspect File or instructed the Bank to return any such checks. The Client understands and agrees that the Bank cannot return checks that have been cashed over-the-counter prior to the time that the Client instructs the Bank to pay or return such checks. With the consent of the Bank, the Client may, from time to time, change its selections on the Set up Form, by replacing the Set up Form with another Set up Form. The Bank shall not be bound by any Set up Form unless and until an authorized representative of the Bank has executed such Set up Form. As used herein, the term “Business Day” means Monday through Friday, except federal holidays and any other days on which banks in the State of Texas are authorize to close.

5. Check Documents. The Client agrees at all times to use high quality check documents in accordance with the Bank’s check printing and MICR specifications.

6. Termination. Any provisions contained in the Treasury Management Services Agreement (or Cash Management Services Agreement) between the Client and the Bank that may be to the contrary notwithstanding, this Agreement may be terminated at any time by either party upon notice to the other party.

7. Effective Date, This Agreement shall be generally effective as of the date of its execution. However, Services shall not commence until the date that the Bank has received and had a reasonable opportunity to act upon all information and instructions from the Client that the Bank may require.

EXHIBIT A TO POSITIVE PAY AGREEMENT

Positive Pay Set Up form

This Positive Pay Set Up Form is the Positive Pay Set Up Form referenced in, and made part of, that certain Positive Pay Agreement dated as of _____, 20__ (the "Positive Pay Agreement"), by and between **Texas National Bank** (the "Bank") and _____ (the "Client"); The Client makes the following selections with respect to the Bank's Positive Pay service for the accounts indicated:

Account Number	Default Option (to Pay/to Return)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Unless otherwise specifically defined herein, all terms defined by the provisions of the Positive Pay Agreement shall have the same meanings ascribed to such terms by the provisions of the Positive Pay Agreement when used herein. **If the Client has selected the Default to Pay Option and if the Client fails to otherwise direct the Bank within the time frames set forth in the Positive Pay Agreement, checks corresponding to records on the Suspect File for which no specific instructions have been received will be posted and paid (provided there are sufficient funds to cover such checks in the Account), and the Bank shall not be liable for damages caused by the payment of any such checks in the Suspect File. If the Client has selected the Default to Return Option and if the Client fails to otherwise direct the Bank within the time frames set forth in the Positive Pay Agreement, checks corresponding to records on the Suspect File for which no specific instructions have been received will be returned and the Bank shall not be liable for damages caused by the return of any such checks in the Suspect File.** This Positive Pay Set up Form supersedes all previous Positive Pay Set up Forms with respect to the accounts listed above.

TEXAS NATIONAL BANK

CUSTOMER

Signature

Authorized Signature

Printed Name

Printed Name

Title

Title