



Positive Pay Agreement

This Agreement entered into this _____ day of _____, _____ is by and between Adams Bank & Trust ("Bank") and _____ ("Company"). In consideration of the promises set forth below, the parties hereto agree as follows:

1. Company shall maintain at least one Adams Bank & Trust checking account in good standing in order to participate in Positive Pay. If there is any change in ownership or signing authority on any of the account(s), written notification must be immediately provided to Adams Bank as required in the checking account agreement. By signing this Agreement, the account holder(s) gives authority for other authorized users listed below to have full access and privileges to the eligible account(s) to which this Agreement applies.
2. You must have access to the Bank's Online Banking System, Business Online, to utilize Positive Pay.
3. **The Positive Pay Issue File** must be uploaded or manually entered one business day before disbursing checks. Issue Files can be uploaded or issued checks can be manually entered into our System on a monthly, weekly, daily, or on an as needed basis.
4. **Checks Covered by Service** - The Positive Pay Service applies only to checks issued by the Company from the Eligible Accounts specifically designated for the Positive Pay service. The Company must provide, and keep up to date, a list (Issued File) of checks issued by the Company on the Positive Pay System, including the check number, issue date and the exact amount. Checks presented prior to being uploaded into the Positive Pay System will be treated as Exception Items if presented for payment before they are posted on the Positive Pay System. * See Item 10 - Violations
5. **Positive Pay Exception Items** - If the Company elects to participate in the Positive Pay Service, a daily notification of any "Exception Items" will be emailed and be available to the Company on the Positive Pay system. Items will be noted as an Exception Item if a check (i) is presented and is not found in the Issue File, (ii) is a duplicate of a previously paid item, (iii) is listed in the Issue File with a Stop Payment status, (iv) is listed with a Void status in the Issue File, (v) has a different dollar amount than is shown in the Check Issued File, (vi) does not have a serial number, or (vii) is listed in the issue file but is dated more than 180 calendar days ago.
6. **Payment of Checks** - The Company agrees that the Bank may treat all issued checks as validly issued and properly payable, and that the Bank may process such items for payment regardless of your use of the Positive Pay Service. In accordance with the Terms & Conditions of your account, "you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered, unless we acted in bad faith."

Exception Items - Checks Issued - If the Company has elected to use the Positive Pay Service, the Bank must receive your "Pay" or "Return" decision via the Positive Pay System by the designated cutoff time of 10:30 A.M. Mountain Time.

In the event that the Company does not provide pay/return decisions by that time, the Service will default to PAY exception items. If the Company issues a "Return" decision on an item, the Company can select i) Refer to Maker ii) Altered/Fictitious iii) Stale Dated iv) Irregular Endorsement or v) Stop Payment.

Exception Items - Large Item Feature - Each Company account is eligible to enroll for the Large Item exception feature in positive pay. This feature allows the client to select a predetermined check amount that will trigger any check over that amount to exception. This feature will cause a check to exception on the basis of amount alone, regardless of whether the check is in the Check Issued file. If the Company has elected to use the Large Item feature, the Bank must receive your "Pay" or "Return" decision via the Positive Pay System by the designated cutoff time of 10:30 A.M. Mountain Time.

In the event that the Company does not provide pay/return decisions by that time, the Service will default to RETURN all large item check exceptions with a description of "Refer to Maker." All checks over the large item limit selected by client MUST be presented through normal payment clearing. They will NOT be cashed over the teller line since they require company approval to be paid.

7. **Termination** - Either the Bank or the Company may terminate this Agreement at any time upon prior written notice to the other. Upon termination, the Bank shall have no further obligation to perform Positive Pay Services or to notify the Company of any Exception Items, including Exception Items pertaining to checks added to the Issued File prior to the effective termination date.
8. **Fees/Rules** - Company agrees that the Bank has the right to change the fees for the Positive Pay Service upon written notice to the Company. In addition, the Bank has the right to amend these rules from time to time providing the Company with a copy of the amended rules.
9. **MICR Encoding** - If the Company orders or prints checks from any check-printing vendor other than Adams Bank & Trust, the Company agrees to insure the MICR encoding ink is of high quality. The Company acknowledges that using low quality MICR ink could result in a large number of Positive Pay exceptions and high costs to the Company.

10. **Violations** – A violation occurs when an item is physically presented for payment with a Teller at one of our Offices and is not listed on the Issue File. These items will not be paid until they are in the Check Issued file and individuals presenting these items will be directed to contact the Company.
11. **Representations and Warranties of the Company** - The Company represents and warrants that: (a) it is fully authorized to enter into and perform under this Agreement and that this Agreement constitutes its legal, valid and binding obligation; (b) the Company is solvent and in good standing in the State of its organization; (c) it is not the present intent of the Company to seek protection under any Bankruptcy laws; (d) its Checks are currently and were at the time of their creation, bona fide and existing obligations of the Company; and (e) all Checks and all documents and practices related to them comply with applicable federal and state law.
12. **Liability.** To the extent applicable, the liability provisions of the Uniform Commercial Code as enacted in Nebraska shall govern this Agreement. The Bank will exercise ordinary care in providing the Services and will be responsible for any loss sustained by the Company only to the extent such liability, loss or damage is caused solely by the Bank's gross negligence or willful misconduct. In no event shall clerical errors or mistakes in judgments constitute failure to exercise ordinary care, nor shall the Bank have any liability for any indirect, incidental, consequential (including lost profits), special or punitive damages, whether arising in contract or in tort, and whether or not the possibility of such damages was disclosed to or could have been reasonably foreseen by the Bank. The Bank shall not be liable for failure to perform any of its obligations in connection with the Services if such performance would result in it being in breach of any law, regulation or requirement of any governmental authority. If the Bank fails to debit or credit any of the Business's accounts utilized in connection with the Services in accordance with the terms and conditions of this Agreement applicable thereto, upon discovery or notification of such error, the Bank will properly debit or credit such Account, but the Bank shall not incur any liability therefore, including any loss resulting from failure by the Company to invest the amount of funds not properly credited to the Account.
13. **Force Majeure** Under no circumstances shall the Bank be responsible for any liability, loss or damage resulting from any delay in performance of or failure to perform in connection with the Services which is caused by interruption of telephone, facsimile or communication facilities, delay in transportation, equipment breakdown or mechanical malfunction, electrical, power or computer failure, accidents, fire, flood, explosion, theft, natural disaster or other catastrophe, acts or failure to act by the Company or any third party, strikes or lockouts, emergency conditions, riots, war, acts of government or other circumstances which are unavoidable or beyond the Bank's control.
14. **Indemnification** - The Company shall indemnify and hold harmless the Bank and each of its directors, officers, employees, agents, successors and assigns ("Indemnitees") from and against all liability, loss and damage of any kind (including, but not limited to, loss or damage incurred by a third party arising out of your return decision or your lack of a making a decision on an Exception Item, and including any attorneys' fees and other costs associated with any loss or damage incurred) incurred by or asserted against such Indemnitees in any way relating to or arising out of the Services, by reason of any acts or omissions of the Company or any third party or otherwise, except to the extent such liability, loss or damage is caused solely by the gross negligence or willful misconduct of such Indemnitees (provided that reliance, without further investigation, on any oral, telephonic, electronic, written or other request, notice or instruction believed in good faith to have been given by the Company will in no event constitute gross negligence or willful misconduct on the part of such Indemnitees).

By signing below, you are certifying the representations made and agreeing to all of the terms and conditions set forth in the Agreement.

Fees One time set-up fee \$25.00
 Monthly Service Fee \$0.00

Company	
Company Authorized Signature	Adams Bank & Trust - Authorized Signature
Printed Name	Printed Name
Title	Title
Date	Date

Positive Pay Authorized User Access

Company Name _____

Enroll this account for Large Item option? Yes No

Checking Account Number _____

Large Item Threshold _____

Authorized Users:

Action: Add Change Remove

Signature Printed Name Title

Positive Pay Access**

Upload Check Issued file Yes No
Decision Check Issued Exceptions Yes No **Decision Large Exception Items** Yes No

Check marking "Yes" will authorize this user to make decisions whether to pay or return/refuse an item presented for payment.

Action: Add Change Remove

Signature Printed Name Title

Positive Pay Access**

Upload Check Issued file Yes No
Decision Check Issued Exceptions Yes No **Decision Large Exception Items** Y Yes No

Check marking "Yes" will authorize this user to make decisions whether to pay or return/refuse an item presented for payment.

Action: Add Change Remove

Signature Printed Name Title

Positive Pay Access**

Upload Check Issued file Yes No
Decision Check Issued Exceptions Yes No **Decision Large Exception Items** Yes No

Check marking "Yes" will authorize this user to make decisions whether to pay or return/refuse an item presented for payment.

For security reasons, it is not recommended to authorize the same user to both upload a Check Issued file **and be able to work exceptions. We suggest you have segregation of duties where the user(s) who upload file(s) are different from those user(s) who make the pay/return decisions and approve large item exceptions for payment. We also suggest that the Authorized Users be an authorized signer on the account although this is not required.

Signature of Authorized Officer/Owner/Manager

Printed Name of Authorized Officer/Owner/Manager

Date



Positive Pay Authorized User Access

Company Name

Checking Account Number

Authorized Users:

Action: Add Change Remove

Signature	Printed Name	Title
-----------	--------------	-------

Positive Pay Access**

Upload Check Issued file	Yes	No	Decision Large Exception Items	Yes	No
Decision Check Issued Exceptions	Yes	No			

Check marking "Yes" will authorize this user to make decisions whether to pay or return/refuse an item presented for payment.

Action: Add Change Remove

Signature	Printed Name	Title
-----------	--------------	-------

Positive Pay Access**

Upload Check Issued file	Yes	No	Decision Large Exception Items	Yes	No
Decision Check Issued Exceptions	Yes	No			

Check marking "Yes" will authorize this user to make decisions whether to pay or return/refuse an item presented for payment.

Action: Add Change Remove

Signature	Printed Name	Title
-----------	--------------	-------

Positive Pay Access**

Upload Check Issued file	Yes	No	Decision Large Exception Items	Yes	No
Decision Check Issued Exceptions	Yes	No			

Check marking "Yes" will authorize this user to make decisions whether to pay or return/refuse an item presented for payment.

For security reasons, it is not recommended to authorize the same user to both upload a Check Issued file **and be able to work exceptions. We suggest you have segregation of duties where the user(s) who upload file(s) are different from those user(s) who make the pay/return decisions and approve large item exceptions for payment.

We also suggest that the Authorized Users be an authorized signer on the account although this is not required.

Signature of Authorized Officer/Owner/Manager

Printed Name of Authorized Officer/Owner/Manager

Date



Positive Pay Authorized User Access

Company Name _____

Checking Account Number _____

Authorized Users:

Action: Add Change Remove

Signature	Printed Name	Title
-----------	--------------	-------

Positive Pay Access**

Upload Check Issued file	Yes	No	Decision Large Exception Items	Yes	No
Decision Check Issued Exceptions	Yes	No			

Check marking "Yes" will authorize this user to make decisions whether to pay or return/refuse an item presented for payment.

Action: Add Change Remove

Signature	Printed Name	Title
-----------	--------------	-------

Positive Pay Access**

Upload Check Issued file	Yes	No	Decision Large Exception Items	Yes	No
Decision Check Issued Exceptions	Yes	No			

Check marking "Yes" will authorize this user to make decisions whether to pay or return/refuse an item presented for payment.

Action: Add Change Remove

Signature	Printed Name	Title
-----------	--------------	-------

Positive Pay Access**

Upload Check Issued file	Yes	No	Decision Large Exception Items	Yes	No
Decision Check Issued Exceptions	Yes	No			

Check marking "Yes" will authorize this user to make decisions whether to pay or return/refuse an item presented for payment.

For security reasons, it is not recommended to authorize the same user to both upload a Check Issued file **and be able to work exceptions. We suggest you have segregation of duties where the user(s) who upload file(s) are different from those user(s) who make the pay/return decisions and approve large item exceptions for payment.

We also suggest that the Authorized Users be an authorized signer on the account although this is not required.

Signature of Authorized Officer/Owner/Manager _____

Printed Name of Authorized Officer/Owner/Manager _____

Date _____