



Lockbox Addendum

This Lockbox Addendum ("Addendum") to the Master Treasury Management Service Agreement (the "Agreement") sets forth for TIN: _____ the terms and conditions that will govern your use of the lockbox processing service ("Lockbox Processing Service") described herein.

1. Scope. By signing below and through your use of the Lockbox Processing Service, you agree to be bound by the terms and conditions hereof. It is understood and agreed that this Addendum shall supplement and is hereby incorporated into the Agreement.
2. Effective Date. This Addendum shall be effective as of the date indicated in this Addendum, and shall continue until this Addendum is terminated in accordance with the terms of the Agreement.
3. Definitions. Unless otherwise defined herein, capitalized terms have the meanings ascribed to them in the Agreement. Any reference to "we", "us", or the "Bank" shall refer to Bank First National, and any reference to "you" or the "Company" shall refer to the company countersigning this Addendum below. The following words or terms shall each have the meanings as provided below.
 - a. "*Bankable Item*" means Items that comply with all of the following:
 - i. The payee must match (one of) the name(s) identified in the Lockbox Implementation and Processing Instructions or a reasonable variation thereof.
 - ii. The Item must be dated with a date that is current or less than 6 months old. If undated, the Bank will insert the current processing date.
 - iii. The Item's written and numeric amounts should match. If the Item's written and numeric amounts differ, the Bank will process using the written amount.
 - iv. A drawer's signature should be present on the Item. If no drawer's signature exists, the Item must not be a traveler's check, money order, cashier's check or other similar type of item and must indicate the drawer in which case the Bank will affix a stamp impression requesting the drawee to contact the drawer for authority to pay.
 - b. "*Item*" means all paper checks, electronic check images, and virtually created items presented to the Bank for deposit and Non-Check Items presented for processing.
 - c. "*Non-Check Items*" means Items that are not checks.
 - d. "*Unacceptable Non-Check Item*" means any Non-Check Items authorizing either a charge to a credit or debit card or the initiation of a direct debit (ACH) transaction.
4. Lockbox Processing Service. For the fees specified in the applicable fee schedule, the Bank agrees to provide to the Company the Lockbox Processing Services described below.
 - a. *Authorization*. The Company shall cause its receivables to be mailed to the U.S. Post Office Box specified by the Bank ("P.O. Box") or delivered by the Company (or a delivery agent designated in writing by the Company) to the Bank location specified by the Bank. The Company authorizes the Bank to collect and take custody of the contents of the Company's P.O. Box or other designated P.O. Box(es) assigned to the Company and further authorizes the Bank to open and remove the contents from all the envelopes collected (collectively referred to as "Remittance Package").

b. *Batching, Imaging, Endorsement and Delivery.*

- i. In accordance with this Addendum and the specifications agreed to in writing by the Bank and the Company, the Bank will open and process all Remittance Packages, and Bankable Items will be batched.
- ii. After batching, the Bank will then image each Bankable Item. The Bankable Items will be virtually encoded with the dollar amount of the Item and will be virtually endorsed for deposit into the account identified in the Lockbox Implementation and Processing Instructions. A printout of the information contained in such imaged Items can be created and printed at the Company's request for additional cost. The printout will indicate information about the imaged Item including its batch number and transaction information ("Automated Batch Listing"). Automated Batch Listings will be delivered to the Company as specified in the Lockbox Implementation and Processing Instructions. After the X9 Image Cash Letter is created, it will be transmitted to the proper clearing partner as chosen by the Bank. The Bank shall retain a retrievable electronic copy of Automated Batch Listings, images of Bankable Items, and summary recap reports for 120 days from the date the image is created. During such 120 days, copies of such images will be available at the Company's expense upon request.
- iii. The Bank will apply a virtual endorsement to each Bankable Item indicating, if appropriate, (a) that the Item was credited to the payee's account and (b) the bank of first deposit. Bankable Items shall be delivered to a recipient designated by the Company or an item processor ("Designated Recipient") as directed in the Lockbox Implementation and Processing Instructions.

c. *Processing Procedures for Bankable Items.*

- i. If the Bank is directed to deliver batched Bankable Items to a Designated Recipient that is a bank or other financial institution accepting Items for deposit, the Company authorizes the Bank to deposit such items to the account designated by the Company. Items received by the Bank (a) after the cut-off time specified in the Lockbox Implementation and Processing Instructions on a banking day or (b) on a non-banking day, will be deposited on the next banking day. The Bank shall not have any obligation or any liability to the Company with regard to the treatment or handling of Bankable Item(s) once the Bank has presented the same for deposit, including without limitation, any obligation to ensure that Bankable Item(s) are correctly deposited or any liability arising out of or in connection with any Bankable Item(s) that are incorrectly deposited.
- ii. Any item that is found not to be a Bankable Item will be forwarded to the Company, unless otherwise provided in the Lockbox Implementation and Processing Instructions. While the Bank will endeavor not to deliver to the Designated Recipient items bearing restrictive notations such as "paid-in-full", the Bank will not be liable for any loss if such an Item is delivered to the Designated Recipient.

d. *Processing Procedures for Unacceptable Non-Check Items Received.* The Bank may receive Unacceptable Non-Check Items. The Bank will implement procedures to outsort Unacceptable Non-Check Items from all other Bankable Items. The Bank will not image scan Unacceptable Non-Check Items and will return them to the Company unprocessed using a traceable means of delivery.

e. *Remote Deposit Capture.* If the Company uses the Bank's Remote Deposit Capture service, the Company shall comply with the terms of the Bank's Remote Deposit Capture Addendum, including, but not limited to, with regard to hardware, software, and additional equipment requirements.

f. *Batch Reporting.* The Bank will provide reports for each day Items are processed indicating the total dollar amount of any Bankable Items delivered to the Designated Recipient and the

volume of Items and total remittances for such day. Standard reports will include a daily transaction report for each lockbox.

- g. *Materials Disposition.* All materials included in a Remittance Package, including envelopes, correspondence, invoices, and other documents, shall be disposed of at the Bank's expense and in accordance with the Lockbox Implementation and Processing Instructions. General materials to be returned, the receiving address, the method of delivery, and any additional reporting services (such as same-day deposit notifications, or detailed payment information provided on magnetic tape or by data transmission), if any, will be identified in the Lockbox Implementation and Processing Instructions.
 - h. *Forwarding After Termination.* Notwithstanding the termination or expiration of Lockbox Processing Services with respect to a P.O. Box, during the 3-month period following the effective date of such termination or expiration, as applicable, (and subject to any other rights and duties of the Bank with respect to property of the Company in the Bank's possession), the Bank will forward, at the Company's expense, to the location specified by the Company all mail received by the Bank that is directed to such P.O. Box.
5. Lockbox Implementation and Processing Instructions. All necessary information concerning the requirements of the Company for Lockbox Processing Services shall be set forth in a business assumptions list (the "Lockbox Implementation and Processing Instructions"), which the Company shall provide prior to the Bank rendering Lockbox Processing Services (including, without limitation, issuance of lockbox number) hereunder.
6. Lost, Destroyed, and Misplaced Items. The Bank assumes no liability for any Item lost, destroyed, or misplaced while in transit before the Item physically arrives at the premises of the Bank and is received by the Bank. In the event any Items are lost, destroyed, or misplaced, and such event is not due to negligence or intentional misconduct by the Bank, the Company shall be solely responsible for the costs and expenses incurred by the Bank in reconstructing any such Items and for any damages or other losses that may be incurred by the Bank or the Company due to the collection of such Items. In the event the Bank loses, destroys, or misplaces items as a result of negligence or intentional misconduct after acceptance of them, the Bank shall be liable only for reasonable reconstruction costs of any bankable check within the Item. Reasonable reconstruction costs shall be only those costs that arise from reconstruction of an imaged bankable check if then stored by the Bank. The Bank shall not be liable for reconstruction costs associated with a bankable check for which the Bank did not make an image. Nothing in this Section 6 shall be construed to require the Bank to image any Items in a Remittance Package. In no event shall the Bank be liable for the face or other value of any lost, destroyed, or missing Item(s). In no event shall the Bank be liable for cash whether or not received by the Bank.
7. Designated Accounts.
- a. You shall maintain with us one or more active transactional accounts, referred to herein as "Designated Account(s)," to which deposits may be made pursuant to this Addendum.
 - b. You agree that we may debit any account (either now or in the future existing) maintained by you with us in order to obtain payment of your obligations under this Addendum, if necessary. You agree that your obligations under this Addendum, including, without limitation, any indebtedness or liability arising as a result of the provisions of this Addendum, will be secured by any collateral now or in the future held by us or on which we now or in the future have a lien or security interest for any other indebtedness you owe to us, whether such other indebtedness has already been incurred or will be incurred in the future, and the instruments and agreements under which such collateral is provided are hereby amended to secure your obligations under this Addendum. You hereby grant to us a security interest in your deposit accounts with us and any of our affiliates to us to secure your obligations to us under this Addendum. You expressly

authorize us to debit any account maintained by you with us or any of our affiliates and/or set off any of your obligations to us under this Addendum against any amount we owe to you, in order to obtain payment for your obligations under this Addendum.

8. Indemnity.

- a. You shall indemnify and hold us, our parent, employees and agents harmless from and against any and all claims, damages, losses, demands, liabilities and expenses (including reasonable attorneys' fees and litigation expenses) arising directly or indirectly from or relating in any manner to: (i) your failure to satisfy your obligations under this Addendum; (ii) your failure to exercise ordinary care in connection with your duties under this Addendum; (iii) your breach of any warranties and representations in this Addendum and/or any provision in this Addendum; (iv) the dishonor or otherwise return unpaid by the drawer bank, or return by a clearing agent, for any reason, of any Item presented to us for deposit or processing; (v) any actions or omissions taken by us that were reasonably believed to be taken pursuant to this Addendum or any other action taken or omitted by us in good faith pursuant to our responsibilities under this Addendum; (vi) any actions by any agent employed by us that result in a breach of this Addendum by you; (vii) to the extent that it involves us, any litigation asserting noncompliance on your part with applicable rules, laws, regulations or other requirements; and (viii) from any claim of any person that we are responsible for any act or omission by you or any other person acting on your behalf.
- b. You shall be responsible for and shall indemnify against any acts and omissions of your agents, service providers, affiliates, offices, employees and any other person or party we believe in good faith to be acting on your behalf to the same extent that it is responsible for and must indemnify against its own acts and omissions pursuant to this Addendum.
- c. Notwithstanding any other provision herein, You expressly reserve all rights and protections afforded You under Wis. Stat. 893.80.

9. Additional Limitation of Liability. Notwithstanding the fact that we may have received and accepted for processing an Item and provisionally credited a Designated Account(s), you shall remain liable to us for any errors, inaccuracies, breach of warranties and any other loss sustained by or claim made against us.

10. Fees. You agree to pay us for the charges for the Lockbox Processing Service at the rates specified in the applicable fee schedule.

[Signature page follows.]

This Lockbox Addendum shall be effective as of the date last signed below.

MANITOWOC PUBLIC UTILITIES
Company

BANK FIRST NATIONAL

By: _____
Authorized Signer

By: _____

Title

Title

Date

Date