

**NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
CONTRACT FOR PROCUREMENT**

REQUEST FOR PROPOSAL TITLE: MV Lockbox Processing and Mail Tracking Services

REQUEST FOR PROPOSAL NO.: 915-28/920-22-20-050

This agreement is entered into between the state of North Dakota, acting by and through its Director of Transportation, hereinafter referred to as NDDOT, whose address is 608 East Boulevard Avenue, Bismarck, North Dakota, and JPMorgan Chase Bank, N.A., hereinafter referred to as the Contractor, whose address is 1 East Ohio Street, 4th Floor, Indianapolis, Indiana.

In consideration of the mutual covenants herein set forth, NDDOT and the Contractor agree as follows:

1. That in consideration of the payments to be made by NDDOT, the Contractor agrees to provide the services and/or goods in accordance and in conformity with this contract, the Contractor's account terms, service terms and related documentation ("Account Documentation") which govern the accounts and services provided by the Contractor hereunder, the Contractor's proposal, dated February 19, 2020, NDDOT's request for proposal issued on January 10, 2020, and any purchase orders issued as a result of this contract. The Contractor's proposal, Account Documentation, NDDOT's request for proposal, and any purchase orders are incorporated by reference herein. If discrepancies exist between the Contractor's proposal, and NDDOT's request for proposal, or this contract, NDDOT's request for proposal, and this contract shall govern.
2. NDDOT agrees to pay the Contractor for the work, when completed and accepted in accordance with this contract.

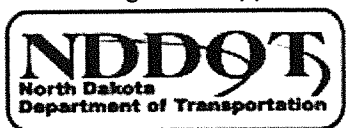
Payments are to be made upon presentation of an invoice by the Contractor, and by the terms of this contract.
3. The work shall be done pursuant to this contract, to the laws of the state of North Dakota, and to the satisfaction of NDDOT, in accordance with the rules and regulations made pursuant to state and federal law.
4. The Contractor, in employing and maintaining labor, shall do so in conformity with state and federal law and this contract.
5. Payments by NDDOT beyond the current state biennium shall be contingent on sufficient funds being appropriated by the Federal Government or State Legislature for the Department. In the event of insufficient appropriations in future bienniums, NDDOT may give a minimum of 30 days notice to terminate this agreement/contract and have no further obligation to the Contractor.
6. Notwithstanding any rules regarding the choice of law or venue, it is agreed by the parties that this contract shall be governed by and construed in accordance with applicable Federal Law and the laws of the state of North Dakota, at the time this contract was executed. All disputes arising from this agreement shall be brought in the South Central District Court of the state of North Dakota.
7. This agreement constitutes the entire agreement between the parties. No waiver, consent, modification, or change of terms of this agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification, or change, if made, shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this agreement. The Contractor, by the signature below of its authorized representative, hereby acknowledges that the Contractor has read this agreement, understands it, and agrees to be bound by its terms and conditions.



8. The terms of this agreement shall not be waived, altered, modified, supplemented, or amended, in any manner whatsoever, except by written instrument signed by the parties.
9. The Contractor shall not assign any portion of the work under this agreement, execute any contract, or obligate itself in any manner with a third party with respect to its rights and responsibilities to this agreement without written consent of NDDOT. Any agreement with a subcontractor does not create a contractual relationship between the NDDOT and the subcontractor.
10. The Contractor shall not assign nor transfer the contractor's interests or duties under this agreement without the express written consent of the state. The Contractor may assign this agreement without such written consent to an affiliate, subsidiary or a successor in interest in connection with a merger, reorganization or disposition of a particular business to which this agreement relates so long as the successor can provide adequate assurances that the successor can perform the agreement and in such case the Contractor shall promptly notify NDDOT of any such assignment.
11. The Contractor agrees to comply with all applicable laws and rules, including, but not limited to, those relating to nondiscrimination, accessibility, and civil rights.
12. The Appendices A and E of the Title VI Assurances, attached, are hereby incorporated into and made a part of this agreement. Such appendices are incorporated to the extent that such requirements are binding upon the Contractor in the performance of services under this agreement. The Contractor's view is that the deposit of federal funds, inclusive of funds of the U.S. Department of Transportation and the Federal Highway Administration, within NDDOT's accounts with the Contractor does not result in this agreement being a "covered transaction" as described in federal regulations or the Contractor being a participant or sub-tier contractor for purposes of the cited regulations.
13. Termination
 - a. This contract may be terminated by mutual consent of both parties, or by either party upon 30 days' notice, in writing and delivered by certified mail or in person.
 - b. In addition, NDDOT may terminate this contract effective upon delivery of written notice to the Contractor, or at such later date as may be established by NDDOT, under any of the following conditions:
 - i. If NDDOT funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the indicated quantity of services. The contract may be modified by agreement of the parties in writing to accommodate a reduction in funds.
 - ii. If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this contract or are no longer eligible for the funding proposed for payments authorized by this contract.
 - iii. If any license or certificate required by law or regulation to be held by the Contractor to provide the services required by the contract is for any reason denied, revoked, or not renewed.

Any such termination of this contract under (i), (ii), or (iii), above, shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

 - c. NDDOT, by written notice to the Contractor, may terminate the whole or any part of this agreement.
 - i. If the Contractor fails to provide services called for by this contract within the time specified herein or any extension thereof; or
 - ii. If the Contractor fails to perform any of the other provisions of this contract, or so fails to pursue the work as to endanger performance of this contract in accordance with its terms, and after receipt of written notice from NDDOT, fails to correct such failures within ten days or such longer period as NDDOT may authorize.
14. The Risk Management Appendix, attached, is hereby incorporated into and made a part of this agreement.



15. This agreement becomes effective when all parties have signed and it shall terminate on 03/30/2022.

EXECUTED the date last below signed.

WITNESS:

Kimberly D Bailey
NAME (TYPE OR PRINT)
Kimberly D Bailey
SIGNATURE

To be signed by **Owner; Partner; Corp. Pres., Vice Pres., or other authorized Corp. Officer.** (If signed by other authorized Corp. Officer, please attach copy of Power of Attorney or other documentation showing authority to sign.)

CONTRACTOR: JPMorgan Chase Bank, N.A.

Nancy A. Sousa
NAME (TYPE OR PRINT)
Nancy A. Sousa
SIGNATURE
Authorized Officer/Executive Director
TITLE
7/22/2020
DATE

WITNESS:

Sandra Goebel
NAME (TYPE OR PRINT)
Sandra Goebel
SIGNATURE

NORTH DAKOTA
DEPARTMENT OF TRANSPORTATION

Robin R. Rehberg
DIRECTOR (TYPE OR PRINT)
Robin R. Rehberg
SIGNATURE
7-23-2020
DATE

APPROVED as to substance by:

Lindi Michtlitsch
DIVISION DIRECTOR (TYPE OR PRINT)
Lindi Michtlitsch
SIGNATURE
7-23-20
DATE

CLA 1043 (Div. 50)
L.D. Approved 2-17-05; 10-14

APPROVED as to execution this
22nd day of July 2020
ATTORNEY GENERAL
By [Signature]
SPECIAL ASST. ATTORNEY GENERAL

[Handwritten Signature]



NDDOT Contract No. 50200788A

North Dakota Department of Transportation
AMENDMENT TO CONTRACT NO. 50200788
Project No. N/A

THIS AMENDMENT to the above-referenced contract is entered into by and between the State of North Dakota, acting through its Director of Transportation, hereinafter known as NDDOT, whose address is 608 East Boulevard Avenue, Bismarck, North Dakota 58505-0700, and JPMorgan Chase Bank, N.A., hereinafter known as the Contractor, whose address is 1 East Ohio Street, 4th Floor, Indianapolis, Indiana 46204-1912.

WHEREAS, the parties entered into a contract on July 23, 2020; and

WHEREAS, the contract was competitively bid and awarded to the Contractor; and

WHEREAS, the Contractor has performed satisfactorily under the terms of the contract; and

WHEREAS, the Contractor has expressed a willingness to extend the term of the above-referenced contract for an additional twelve (12) months with a price increase as well as changing the method of deposit collateralization from the existing surety bond to a Federal Home Loan Bank Letter of Credit; and

NOW THEREFORE, the Contractor and NDDOT agree that the term of the contract is extended through March, 31, 2023, with a price increase of \$.10/lockbox item processed from \$1.00 to \$1.10/item processed using the method of deposit collateralization to a Federal Home Loan Bank Letter of Credit.



All other terms and conditions of the above-referenced contract are incorporated herein by reference and remain in full force and effect.

EXECUTED the date last below signed.

WITNESS:

GREGORY S. KASSERMAN
NAME (TYPE OR PRINT)
SIGNATURE

To be signed by Owner, Partner, Corp. Pres., Vice Pres., or other authorized Corp. Officer. (If signed by other authorized Corp. Officer, please attach copy of Power of Attorney or other documentation showing authority to sign.)

CONTRACTOR:

J.P. Morgan Chase Bank, N.A.
COMPANY NAME
Nancy Dorsq
OFFICER'S NAME (TYPE OR PRINT)
Nancy Dorsq
SIGNATURE
Authorized officer
TITLE
March 18, 2022
DATE

WITNESS:

Lauren M. Martin
NAME (TYPE OR PRINT)
SIGNATURE
19092285AE1B4AB...

NORTH DAKOTA DEPARTMENT OF TRANSPORTATION

Robin Rehborg
DIRECTOR (TYPE OR PRINT)
SIGNATURE
EAD24CA52FBB4A8...
3/22/2022
DATE

DS
SIGNATURE

APPROVED as to substance by:

Jennifer Blumhagen
DIVISION DIRECTOR (TYPE OR PRINT)
DocuSigned by:
SIGNATURE
DCF5688EA042402...
3/21/2022
DATE

CLA 52494 (Div. 06)
L.D. Approved 5-19-00; 5-03

ATTORNEY GENERAL
APPROVED as to Execution

DocuSigned by:
Clint Morgenstern
SIGNATURE
74C101681DFD4D8...
3/22/2022
DATE

Special Asst Attorney General



**NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
APPENDIX A OF THE TITLE VI ASSURANCES**

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the Contractor) agrees as follows:

1. Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, the Federal Highway Administration, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. Non-discrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
3. Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the Contractor's obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.
4. Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the Federal Highway Administration to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a Contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Recipient or the Federal Highway Administration as appropriate, and will set forth what efforts it has made to obtain the information.
5. Sanctions for Noncompliance: In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to:
 - a. withholding payments to the Contractor under the contract until the Contractor complies; and/or
 - b. cancelling, terminating, or suspending a contract, in whole or in part.
6. Incorporation of Provisions: The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Recipient or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.



**NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
APPENDIX E OF THE TITLE VI ASSURANCES**

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the Contractor) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Pertinent Non-Discrimination Authorities:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 *et seq.*), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 *et seq.*).



**STATE OF NORTH DAKOTA
NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
MOTOR VEHICLE DIVISION
608 EAST BOULEVARD AVENUE, BISMARCK, ND 58505**

REQUEST FOR PROPOSAL (RFP)

RFP Title: **Motor Vehicle Lockbox Receivable Processing and Mail Tracking Services**

RFP Number: **915-28/920-22-20-050**

Issued: **January 10, 2020**

Purpose of RFP: The North Dakota Department of Transportation, Motor Vehicle Division, hereafter, NDDOT MV, is soliciting proposals from vendors to provide lockbbox receivable processing services and incoming mail tracking services.

Offerors are not required to return this form.

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SECTION ONE – INSTRUCTIONS

1.1 PURPOSE OF THE RFP

The state of North Dakota, acting through its Motor Vehicle Division (NDDOT MV), or (the STATE), is soliciting proposals for lockbox receivable processing services and incoming mail tracking services.

1.2 DEFINITIONS

For the purposes of this RFP, the acronyms and defined terms are as follows:

Acronym or Term	Name or Definitions
Contractor	Entity that has an approved contract with the State of North Dakota
CT	Central Time Zone
RFP	Request for Proposal
SPO	Office of Management and Budget, State Procurement Office
NDDOT	North Dakota Department of Transportation
MV	Motor Vehicle Division
STARS	State Title and Registration System
NDIT	North Dakota Information Technology

1.3 PROCUREMENT OFFICER CONTACT INFORMATION

The procurement officer is the point of contact for this RFP. Offerors shall direct all communications regarding this RFP to the procurement officer. Please do not add the procurement officer to any marketing distribution lists.

PROCUREMENT OFFICER: **Vanessa Brosten**
EMAIL: **vbrosten@nd.gov**
PHONE: **701-328-4466**
TTY Users call: **7-1-1**

Engaging in unauthorized communication or seeking to obtain information about an open solicitation with any state employee or official other than the responsible procurement officer or designee is sufficient grounds for suspension or debarment. [[N.D.A.C. § 4-12-05-04\(7\)](#)]

1.4 RFP SCHEDULE

EVENT	DATE
RFP issued	1/10/2020
Deadline for Submission of Questions and Objections by 5:00 PM, CT	1/27/2020
Solicitation Amendment with Responses to Questions issued approximately (if required)	02/05/2020
Deadline for Receipt of Proposals by 2:00 PM, CT	2/19/2020
Oral Presentations of the proposed solution -Individually Scheduled	03/02/2020 – 03/06/2020
Proposal Evaluation completed by approximately	3/11/2020
Notice of Intent to Award issued approximately	3/11/2020
State Issues Contract approximately	3/19/2020
Contract start approximately	3/25/2020

1.5 ASSISTANCE TO INDIVIDUALS WITH A DISABILITY

Contact the procurement officer, as soon as possible, if an individual with a disability needs assistance with the RFP, including any events in the RFP schedule, so reasonable accommodations can be made.

1.6 BIDDERS LIST AND SECRETARY OF STATE REGISTRATION REQUIREMENTS

Offerors must comply with requirements related for Office of Management and Budget (OMB) Bidders List application and Secretary of State registration [[N.D.C.C. § 54-44.4-09](#)]. Bidders Lists are used to notify vendors when solicitations are issued on the State Procurement Online system (SPO Online). Proposals will be accepted from offerors that are not on the Bidders List. The successful offeror must complete the Bidders List application process and comply with Secretary of State registration requirements within 30 calendar days from the date a notice of intent to award is issued. If the successful offeror does not register within this time, its proposal may be rejected.

Vendor Registration Information Websites:

Secretary of State Registration. Complete the online Secretary of State registration process (fees apply): <https://firststop.sos.nd.gov/>. Select “Start a Business.” You will need to create a username and password. Contact the Secretary of State, Business Services at 701-328-2904 or sosbir@nd.gov for assistance.

Bidders List Application Process. Complete the online Bidders List application process: <https://www.nd.gov/omb/vendor>. Contact the OMB State Procurement Office for assistance at 701-328-2773 or email infospo@nd.gov.

Bidders List Used for this Solicitation. Notices related to this RFP will be sent to the Bidders List for the needed commodity or service and other known potential offerors. The following commodity codes were used for the Bidders List for this solicitation: 915-28/920-22.

Vendor Payment Registration. The successful offeror may be required to register as a new supplier to receive payment from the State. See the Office of Management and Budget website for more information: <https://www.nd.gov/omb/vendor/vendor-payments>.

1.7 STATE PROCUREMENT WEBSITE (SPO ONLINE)

This RFP and any related amendments and notices will be posted on the North Dakota Office of Management and Budget website using the State Procurement Online system (SPO Online). Offerors are responsible for checking this website to obtain all information and documents related to this RFP: <https://www.nd.gov/omb/vendor/bidding-opportunities-spo-online>.

Select "[SPO Online](#)." From the left menu click Bidder Resources, then click "State Procurement Online". The Bidder Services Main Menu will appear, click on "Recent Solicitations" under the Solicitation section. Recent solicitations are listed by close date.

Offerors not having completed the Bidders List registration may request to receive notices related to this RFP by contacting the procurement officer in writing with the following information: RFP title, business name, contact person, mailing address, telephone number, and email address.

1.8 AMENDMENTS TO THE RFP

If an amendment to this RFP is issued, it will be provided to all offerors on the Bidders List for the solicitation and to those prospective offerors who have contacted the procurement officer to receive notices related to the RFP. An offeror shall include in its proposal any required acknowledgements of amendments to the RFP.

1.9 DEADLINE FOR QUESTIONS AND OBJECTIONS

Offerors should carefully review the RFP including all attachments. Offerors may ask questions to obtain clarification and request additional information, or object to material in the RFP. Questions and objections must be submitted to the procurement officer in writing by the deadline identified in the RFP schedule. If no deadline is specified, questions or objections must be received at least seven days prior to the Proposal Receipt Deadline. The Procurement Officer may elect to respond to questions received after the deadline.

Questions and objections should include a reference to the applicable RFP section or subsection. Email is the preferred method of submission with the RFP number cited in the email subject line.

Responses to questions will be distributed as a solicitation amendment, unless the question can be answered by referring the offeror to a specific section of the RFP.

1.10 PREPROPOSAL CONFERENCE OR SITE INSPECTION

The STATE will not hold a preproposal conference or site inspection for this RFP.

1.11 OFFER HELD FIRM

Offerors must hold proposals firm for at least 180 days from the deadline for receipt of proposals. The STATE may send a written request to all offerors to hold their offer firm for a longer period of time.

1.12 OFFEROR RESPONSIBLE FOR COSTS

Offeror is responsible for all costs associated with the preparation, submittal, presentation, and evaluation of any proposal.

1.13 TAXES

The STATE is not responsible for and will not pay itemized local, state, or federal taxes. Purchases of tangible personal property made by a state government agency is exempt from sales tax. The state sales tax exemption number is E-2001, and certificates will be furnished upon requested by the purchasing agency. The contractor must provide a valid Vendor Tax Identification Number as a provision of the contract.

The purchasing agency will determine if services provided under this contract are 1099 reportable. The purchasing agency may require the contractor to submit an IRS Form W-9.

The state tax exemption number should not be used by contractors in the performance of a contract.

A contractor or service provider performing any contract, including service contracts, for the United States Government, State of North Dakota, counties, cities, school districts, park board or any other political subdivisions within North Dakota is not exempt from payment of sales or use tax on materials, tangible personal property, and supplies used or consumed in carrying out contracts. In these cases, the contractor is required to file returns and pay sales and use tax just as required for contracts with private parties. Contact the North Dakota Tax Department at 701-328-1246 or visit its website at <https://www.nd.gov/tax/tax-resources/> for more information.

A contractor performing any contract, including a service contract, within North Dakota is also subject to the corporation income tax, individual income tax, and withholding tax reporting requirements, whether the contract is performed by a corporation, partnership, or other business entity, or as an employee of the contractor. In the case of employees performing the services in the state, the contractor is required to withhold state income tax from the employees' compensation and remit to the state as required by law. Contact the North Dakota Tax Department at 701-328-1248 or visit its website for more information.

1.14 PROPOSAL RECEIPT DEADLINE – LATE PROPOSALS REJECTED

An offeror is responsible for ensuring its proposal is received by the STATE prior to the proposal receipt deadline identified in the RFP schedule. A solicitation amendment will be issued if this deadline is changed. An offeror may contact the procurement officer to inquire whether its proposal has been received. Offerors assume the risk of the method of dispatch chosen. The STATE assumes no responsibility for delays caused by any delivery service. Postmarking by the deadline shall not substitute for actual proposal receipt by the STATE. Proposals delivered late will be rejected pursuant to [N.D.A.C. § 4-12-08-13](#).

1.15 PROPOSAL OPENING

This is a formal sealed Request for Proposal (RFP) process. Proposals will be secured and held unopened until the proposal receipt deadline. A public opening will not be held. At the specified date and time, each proposal will be opened in a manner to avoid disclosure of the contents to the competing offerors.

1.16 AMENDMENT AND WITHDRAWAL OF PROPOSALS

Offerors may amend or withdraw proposals prior to the deadline for receipt of proposals. No amendments will be accepted after the deadline unless they are in response to the STATE's request. After the deadline, offerors may make a written request to withdraw proposals and provide evidence that a substantial mistake has been made, and the STATE may permit withdrawal.

1.17 NEWS RELEASES

Offerors shall not make any news releases related to this RFP without prior approval of the STATE.

1.18 CONFLICT OF INTEREST

Under state laws and rules, a state employee or official shall not participate directly or indirectly in a procurement when the state employee or official knows of a conflict of interest. Potential conflicts of interest include state employees or their immediate family members employed by the firm, seeking employment with the firm, or with a financial interest in the firm. Potential conflicts of interest will be addressed in accordance with [N.D.A.C. § 4-12-04-04](#). [N.D.C.C. § 12.1-13-03].

Persons employed by the State of North Dakota, or within one year thereafter, may be prohibited from acquiring a pecuniary interest in a public contract or transaction. Offerors should review N.D.C.C. § 12.1-13-02 to ensure compliance and avoid such conflict(s) of interest.

1.19 ATTEMPT TO INFLUENCE PROHIBITED

Offerors must not give or offer to give anything to a state employee or official anything that might influence, or appear to influence procurement decisions. Suspected attempt to influence will be handled in accordance with [N.D.A.C. § 4-12-04-05](#).

1.20 COLLUSION PROHIBITED

Offerors must prepare proposals independently, without collusion. Suspected collusion will be handled in accordance with [N.D.A.C. § 4-12-04-06](#).

1.21 PROTEST AND APPEAL

An interested party may protest a solicitation pursuant to [N.D.C.C. § 54-44.4-12](#) and [N.D.A.C. § 4-12-14-01](#). When a solicitation contains a deadline for submission of questions and objections, protests of the solicitation will not be allowed if these faults have not been brought to the attention of the procurement officer before the specified deadline. If no deadline for questions is specified, protest based upon defects in the solicitation must be made at least seven calendar days before the deadline for receipt of proposals.

An offeror that has submitted a response to a solicitation and is aggrieved may protest an award or notice of intent to award pursuant to [N.D.C.C. § 54-44.4-12](#) and [N.D.A.C. § 4-12-14-02](#). The protest must be submitted in writing to the Procurement Officer during the protest period, which is seven calendar days beginning the day after the notice of intent to award is issued.

The protestor may appeal the decision of the procurement officer to the Director of Office of Management and Budget (OMB) within seven calendar days after receiving notice of the decision pursuant to [N.D.C.C. § 54-44.4-12](#) and [N.D.A.C. § 4-12-14-03](#).

SECTION TWO – BACKGROUND

2.1 BACKGROUND INFORMATION

The NDDOT, through its Motor Vehicle Division, is tasked under North Dakota Century Code (NDCC) Title 39 & Title 57 with collecting and distributing a number of revenues related to sales, title and registration of motor vehicles. The NDDOT MV conducts operations from a central office located in Bismarck, ND and twenty contracted branch offices located in various cities throughout the state.

The NDDOT MV central office receives approximately 1,700 pieces of mail each day, which includes 1,300 vehicle renewal invoices, 400 title documents, and their associated payments. Approximately 95% of daily mail contains a check payment. Approximately 5% of items are delivered from overnight carriers (FedEx or UPS). In fiscal year 2019, there were approximately 303,284 receivables. The volume is consistent throughout the year, with the exception of November and December as the volume during those times are higher for renewals.

The goal is to have mailed in vehicle registration renewal invoices and payments processed by the selected vendor, and all mailed in documents electronically tracked, including payment specific information and location of those documents, from when they are first received in the mail until the transaction processing is completed.

SECTION THREE – SCOPE OF WORK

3.1 SCOPE OF WORK

The North Dakota Department of Transportation, Motor Vehicle Division, hereafter, NDDOT MV, is soliciting proposals from vendors to provide lockbox receivable processing services and incoming mail tracking services.

The vendor will provide lockbox receivable processing or Clearinghouse services for renewal payment processing. The vendor will oversee the motor vehicle lockbox receivable processing (invoice renewals) submitted by mail and will ensure that all invoices are remitted with proper documentation and fees.

The vendor will track all documents and their payments received by mail into an electronic format which will be available for the NDDOT MV daily. The payment will be separated from the paperwork and processed by the vendor. After the reference data has been entered into the mail tracking software and the payment separated, the physical paperwork including the original documents, original envelope and copy of the payment, will be bundled appropriately and sent to the NDDOT MV to be manually processed. A daily deposit will be done by the contractor and will initiate the ACH of the processed state funds to the NDDOT MV account. A data file of payments processed and their reference numbers will be created by the vendor and sent daily to NDDOT MV to update STARS (State Title and Registration System).

Any mail that requires “special handling” (ex. 2290 vehicles, address changes, crossed off vehicles, incorrect amount submitted, etc.) must be electronically tracked (invoice and payment info), payment separated and processed, a reference number assigned, and then the original invoice, original envelope and image of payment be bundled and forwarded to the Motor Vehicle Division’s central office for manual processing. A daily deposit will be done by the contractor and will initiate ACH of the processed state funds to the NDDOT MV account. Data files will be created by the vendor and sent daily to NDDOT MV to update STARS with the renewals, payments processed and their assigned reference numbers.

In the cases where the payment cannot be processed (check incomplete, not signed, starter check, etc.), the vendor will track the envelope and its contents and return them to the customer’s address it was sent from.

The vendor will provide NDDOT MV read only access to all renewal and check images and the mail tracking database for research and query reasons.

3.2 APPLICABLE DIRECTIVES

This project is subject to the following:

- A. N.D.C.C. § 39
- B. N.D.C.C. § 57
- C. N.D.C.C. § 54-10-28 related to the state auditor's authority to conduct information technology compliance reviews.
- D. N.D.C.C. §§ 54-35-15.2, 54-35-15.3, and 54-35-15.4 related reporting to and review by the Legislative Council Information Technology Committee.
- E. N.D.C.C. § 54-59 related to the Information Technology Department
- F. Motor Vehicle Registration Information Manual: <https://www.dot.nd.gov/manuals/mv/registration-manual.pdf> .

The contractor is responsible for identifying and complying with all state and federal requirements that apply to the contract.

3.3 REQUIREMENTS / DESCRIPTION OF SPECIFIC, RESULTS-ORIENTED TASKS

A. DELIVERABLES

The primary criteria for establishing and maintaining a lockbox receivable (payment) processing and/or mail tracking service is:

1. Adequate NDDOT MV need, interest, and available budget.
2. Adequate office staff to service the NDDOT MV in a timely manner.
3. Contact and/or support available during normal hours of operation at Central Office (7:30am CT to 5:00pm CT).
4. Full compliance with the Americans with Disabilities Act (ADA) and Title VI of Civil Rights Act.
5. Accurately review and process the mailed in vehicle registration renewal invoices and their payments.
6. Accurately track the mailed in documents, including payment specific information and location of those documents, from when they are first received in the mail until the transaction processing is completed, and process their associated payments. All mail received must be date stamped.

The powers and duties of the Director and the Department of Transportation are outlined in the North Dakota Century Code (Sections 24-02-01.2 and 39-02-03). The Department of Transportation shall continue its effort to be a servant of the people and to improve and enhance its services. The vendor must be a responsible partner to ensure its success.

The vendor will be self-sustaining as to all costs and expenses in its operation. The vendor shall be responsible for payment of all costs of the network and device connections, including any updates, necessary to communicate on the State NDOT network. The vendor will also be responsible for payment of all costs incurred to add or replace any software and/or equipment, including computers and printers,

which are determined by NDDOT to be necessary for the continued operation of the lockbox receivable (payment) processing and/or mail tracking service.

The primary functions of the vendor is to:

1. Oversee the vehicle invoice renewals submitted by mail and will ensure that all invoices are remitted with proper documentation and fees. The vendor would provide Lockbox or Clearinghouse services for renewal payment processing.

- a. Vendor will FTP files to NDDOT MV for renewal processing, including payment information and assigned reference number. Files will need to follow NDDOT Interface specifications that will be provided to the awarded vendor.
- b. Any that require “special handling” (ex. 2290 required, address changes, crossed off vehicles, incorrect amount submitted, etc.) must be electronically tracked (invoice and payment info, reference number, etc.), payment separated and processed, reference number assigned, and then the original invoice, original envelope and copy of payment be bundled and forwarded to the Motor Vehicle Division’s central office for manual processing.
- c. Payments must be reconciled daily.
- d. Vendor will initiate ACH of state funds to the NDDOT MV account daily.
- e. In the cases where the payment cannot be processed (check incomplete, not signed, starter check, etc.), the vendor will track the envelope and its contents and return them to the customer’s address it was sent from along with correspondence as specified by NDDOT.
- f. Must have options to run reports and research items with discrepancies.
- g. Original invoices and payments processed must be kept and stored by vendor for 90 days per state records retention requirements.
- h. Images of invoices and payments must be kept by vendor for state records retention. Read only access to images of invoices and payments for NDDOT MV is required for research and query reasons.

2. Track all other non-renewal documents and their payments received by mail into an electronic format which will be available for the NDDOT MV daily.

- a. Items to track are date received, carrier (USPS, UPS, etc.), tracking number (if applicable), customer name, number of pages, payment type (including check number if applicable), payment amount, reference number assigned by vendor, vehicle identification number, date sent to NDDOT MV and current status.
- b. Payment will be separated from paperwork and processed by vendor.
- c. After data has been entered into the mail tracking software, the physical paperwork including the original documents, assigned reference number, original envelope and copy of payment, will be bundled appropriately and sent to the NDDOT MV to be manually processed.
- d. Payments must be reconciled daily.
- e. Vendor will initiate ACH of state funds to the NDDOT MV account daily.

f. In the cases where the payment cannot be processed (check incomplete, not signed, starter check, etc.), the vendor will track the envelope and its contents and return them to the customer's address it was sent from, along with correspondence as specified by NDDOT.

g. Must have options to run reports and research items with discrepancies.

h. Original payments processed must be kept and stored by vendor for 90 days per state records retention requirements.

i. Images of payments must be kept by vendor for state records retention. Read only access to images of payments for NDDOT MV is required for research and query reasons.

j. Vendor will FTP file to NDDOT MV of payment information and assigned reference number.

k. Vendor will provide read only access to NDDOT MV of mail tracking for research and query reasons.

3. Ensure accuracy of payments and other applicable information is entered correctly. Any errors in entry or imaging must be corrected by the vendor.

4. Maintain the confidentiality of private information in order to comply with Federal and State laws, rules, policies and procedures.

5. Turnaround time of payment processing and mail tracking is a maximum of 3 business days from the date it is received by the vendor.

6. Required to maintain quality control and reporting, and respond to inquiries from NDDOT MV within a timely manner.

The primary functions of the vendor manager is to:

1. Be responsible for all primary functions of the vendor's operations.

2. Maintain effective staff coverage, customer services, and workload balance. Manage the activities of staff providing leadership and guidance to ensure functions and activities are completed efficiently and effectively.

3. Provide technical assistance and/or information on the interpretation of statutes, rules, policies and procedures to co-workers including employees of the contracted office.

a. Responsible to correct errors in processing renewals and tracking mail in paperwork including payments, data entry or imaging.

b. Responsible to respond to inquiries from NDDOT MV within a timely manner.

c. Bismarck Central office will be a resource in response to the interpretation and implementation of North Dakota Century Code (NDCC), Federal Laws, and department policies.

B. QUALITY CONTROL

Offerors shall describe the quality control/quality assurance (QC/QA) program that is to be used for this contract. This QC/QA program shall identify the team members and the parts of the

contract for which they are to be responsible.

Offeror shall describe security and audit procedures used to identify and mitigate fraud risk.

The contract manager and the awarded contractor will meet during the contract to review progress and to monitor the performance of the contractor. If progress and performance are deemed unsatisfactory during a review, corrective measures with completion dates will be established. Continuing unsatisfactory performance may be grounds for contract termination.

All business records are subject to random review at any time by the NDDOT MV.

The awarded contractor may be subject to an annual audit by NDDOT Audit Division.

C. LOCATION OF WORK/TRAVEL

Neither NDDOT MV nor the State of North Dakota shall provide space for the contractor to perform scope of work. If travel is required throughout the term of the contract, the state will not be responsible for the cost.

The initial contractor training will be performed at the following location:

NDDOT Central Office, 608 East Boulevard Avenue, Bismarck, ND

The awarded contractor may be required to travel to the NDDOT MV Central Office for training purposes. NDDOT MV will not cover the vendors costs associated with training.

D. STATE-FURNISHED PROPERTY/SERVICES

The NDDOT MV will work extensively with the awarded contractor through all phases of the contract and will provide:

1. The necessary IT access to the software required to successfully perform the contract.
2. Training regarding procedures, forms, department operation, applicable laws and rules, etc.
3. Ongoing support to successfully implement the goals of this contract with the longer term goal of getting the awarded contractor trained in such a manner as to be able to operate relatively independently of NDDOT oversight.
4. Primary contract manager and other staff as needed.

Offerors shall describe in their proposals the level of NDDOT MV participation they expect will be required.

E. CONTRACTOR-FURNISHED PROPERTY/SERVICES

The awarded contractor will provide all equipment and materials necessary to accomplish the deliverables including:

1. IT Connectivity.
2. Equipment and Software Requirements including anti-virus protection.
3. Information Technology tech support.

Offerors shall describe in their proposals what they will furnish to accomplish the deliverables.

F. RISK MANAGEMENT

The contractor will take appropriate measures to ensure the safety of its employees, state employees, the public, and property. The contractor must identify any potential risks, issues and problems associated with the project and identify ways to mitigate those potential risks.

G. PROJECT MANAGEMENT PLAN

The contractor will be expected to use appropriate project management to ensure the work is accomplished on time, within budget, and meets quantity and quality standards.

1. The contractor will be required to collaborate with the NDDOT MV to agree upon the contract schedule, including a work breakdown, schedule of tasks and activities, and progress milestones.
2. The contractor will be required to coordinate with the State to develop a Human Resources plan for the contractor and the NDDOT MV staff assigned to the project.
3. The contractor will be required to coordinate with the NDDOT MV to develop a communication plan. Any problems or unforeseen events must be communicated timely to the NDDOT MV project manager, and any changes must be agreed upon between the parties and set forth in a written amendment to the contract. If the NDDOT MV requires corrective action, the contractor will be notified in writing.
4. When the contract is completed, the NDDOT MV and contractor will communicate regarding the contract closeout plan, including transition of any records as needed. A contract closeout debrief may be performed at the discretion of the procurement officer or project manager designated by the NDDOT MV. The debriefing time and location will be negotiated between the NDDOT MV and contractor. The contractor must collaborate in development a Project Closeout Report to include feedback regarding the project implementation and any lessons learned.

H. CONTRACT TERM, SCHEDULE AND DELIVERABLES

1. Contract Term

The NDDOT will enter into a two-year contract with an effective date beginning **March 25, 2020 and ending March 30, 2022**. This contract may be renewed upon satisfactory completion of the initial contract term. NDDOT MV reserves the right to execute up to three (3) options to renew this contract for a period of twelve (12) months each. Renewals will be documented by amendment.

NDDOT MV reserves the right to renegotiate price and terms provided that such negotiated price and terms fall within the original scope of work for this bid. Negotiations may be conducted annually or at such times that additional and unexpected services falling within the scope of the contract may occur. Such changes will be documented by amendment to the contract.

2. Schedule and Deliverables

The STATE has identified the following deliverables which are significant work products or milestones in the project. The STATE requires these deliverables to be addressed in the Contract Schedule, as a minimum. The contractor shall develop a schedule for accomplishing the Scope of Work, including these specific deliverables. The final schedule shall be agreed upon between the STATE and the successful offeror and incorporated into the contract. The approximate schedule for this contract is as follows:

- a. Contract start: March 25, 2020.
- b. "Kick off" Within 2 weeks of effective contract start date.
- c. Contractor begins requirements gathering/understanding meetings: Within 2 weeks of effective contract start date.
- d. Contractor submits first project progress report: April 24th, 2020.
- e. NDDOT MV provides contractor with feedback/comments for revision as needed: Approximately April 30th, 2020.
- f. Contractor submits monthly contract progress reports to the NDDOT MV: The last business day of each month for the first 24 months of the contract.
- g. Contractor begins lockbox and mail tracking software and file design no later than: May 8th, 2020.
- h. Contractor begins lockbox and mail tracking software testing and training: No later than June 1st, 2020.
- i. First successful live lockbox and mail tracking services to the NDDOT MV: No later than: June 26th, 2020, or a date agreed upon by the NDDOT MV and the awarded contractor.
- j. Informal debriefing: Within one month of successful implementation.

3.4 EXPERIENCE AND QUALIFICATIONS

In order for offers to be considered responsive, offerors shall meet the minimum qualifications and prior experience requirements. An offeror's failure to meet these items may cause its proposal to be considered non-responsive and its proposal will be rejected.

The minimum qualifications and prior experience requirements are as follows:

1. Company shall identify and explain any previous experience with comparable projects including the success of the projects.
2. Customer service experience.
3. The ability to research NDCC, ND Administrative Rules and other legal documents.
4. Experience in personnel training.
5. Business and Accounting experience.
6. Quickly learn practices, principles, standards, and guidelines as related to motor vehicle regulations, NDCC, general regulation, title and registration requirements of other governments, and familiarity with other state agencies.
7. Extensive online interface experience and IT capabilities appropriate to the contract requirements for at least one staff member who will provide IT support for the awarded contractor.
8. Contractor must assign a Project Manager who will coordinate the contract and project.
 - A. The assigned Project Manager must have at least three years' experience managing projects of a similar nature including application development, system integration and contract management. Preference will be given for those with Project Management Professional (PMP) certification.
9. Project Manager and assigned staff
 - A. Identify the principal supervisory and management staff, specialists, training and supporting staff who will be assigned to the contract.
 - B. Provide comprehensive information regarding the specifically assigned staff,
 - i. Qualifications, include Resumes
 - ii. Experience
 - iii. Indicate any certifications for each individual assigned to the contract.
 - iv. Contractor shall provide information on the project management experience of all assigned staff.
 - v. Both credit and criminal background screening of the apparent awardee and each personnel assigned to the project will be required. Expenses associated with screening will be paid by

the apparent awardee. The apparent awardee shall ensure that all vendor employees who will be working on the contract have had criminal and credit background checks. The pass/fail standard is to be determined in conjunction with the NDDOT MV Contract Manager. The background documents are to be retained by the apparent awardee. Awardee shall maintain a list of employees who have passed the background check and assure that the NDDOT MV has an updated copy similar to the following example:

BACKGROUND CHECKS

Background checks performed on January 3, 2020

First Name	Last Name	Hire Year	Date of Birth	Pass/Fail
John	Smith	2015	1/18/1979	Pass
Jane	Doe	2012	7/21/1976	Pass

10. Contractor Project Team Personnel

- A. The staff presented in the offeror’s proposal will remain intact during the term of the contract.
- B. The contractor must inform the NDDOT MV of any changes to the contractor’s project team members named in the proposal, in advance and in writing. The personnel changes of key contractor project team members that are not acceptable to NDDOT MV may be grounds for the NDDOT MV to terminate the contract.
- C. The NDDOT MV retains the right to approve or reject replacement personnel. The replacements must have substantially the same or better qualifications or experience.

SECTION FOUR – PROPOSAL INSTRUCTIONS

4.1 PROPOSAL PREPARATION

The STATE discourages overly lengthy and costly proposals. An offeror must prepare its proposal using the prescribed proposal format and provide all the requested information; this will enable the proposal to be evaluated fairly and completely. If an offeror submits more than one proposal, each proposal must be prepared in accordance with these instructions.

4.2 PROPOSAL SUBMISSION INSTRUCTIONS

FORMAT

Each proposal will include a technical proposal and a cost proposal prepared in accordance with these instructions. The technical proposal and cost proposal must be submitted as separate documents, clearly labeled with the name of the Offeror and marked “Technical Proposal” and “Cost Proposal.” Costs must not be revealed in the technical proposal. Options may be discussed in the technical proposal, but all cost information must be in the cost proposal only.

EMAILED OR FAXED SUBMISSION

Sealed proposals are required; therefore, proposals cannot be submitted by email or fax to the procurement officer. Offerors may email or fax proposals to a third party to place in a sealed envelope and deliver by the deadline for proposal submission.

SUBMIT IN PERSON, BY MAIL OR DELIVERY SERVICE

Offerors may submit proposals in person, by mail, or delivery service. Clearly address all envelopes or packages as follows:

RFP #: 915-28/920-20-050
RFP Title: Motor Vehicle Lockbox Receivable Processing and Mail Tracking Services
ATTN: Vanessa Brosten
N.D. Dept. of Transportation
Financial Management, Procurement
608 East Boulevard Avenue
Bismarck, North Dakota 58505-0700

COPIES OF TECHNICAL AND COST PROPOSAL

Offeror shall submit 5 copies of its Technical Proposal.

Offeror shall submit one (1) copy of its Cost Proposal in a separate, sealed envelope, clearly labeled "Cost Proposal."

Offeror shall submit its proposal in an electronic version (examples: Microsoft Word or .pdf format) on a USB flash drive with the Technical Proposal and Cost Proposal saved as separate files.

4.3 PROPOSAL FORMAT

Prepare the technical proposal and cost proposal in accordance with these instructions.

Technical Proposal – Format the proposal with the following labeled sections:

- Section 1 – Cover Letter
- Section 2 – RFP Amendments
- Section 3 – Scope of Work Strategy
- Section 4 – Experience and Qualifications
- Section 5 – Contract Provisions
- Section 6 – Open Records and Confidentiality
- Section 7 – Financials

Cost Proposal – The Cost Proposal must be a separate document. Format the cost proposal following the RFP instructions.

4.4 TECHNICAL PROPOSAL

SECTION A – COVER LETTER

Proposals shall include a cover letter that includes the following:

1. The name of the offeror, name of the person to contact regarding the proposal, email address, telephone number, and mailing address.
2. Offerors are instructed to review the "Conflict of Interest" provisions in RFP Section 1 "Instructions." If the firm, its employees or subcontractors working on the contract have an apparent or actual conflict of interest, provide a statement disclosing the circumstances of the apparent or actual conflict of interest. Otherwise, provide a statement that your firm, employees and subcontractors do not have a conflict of interest.
3. The cover letter must be signed by an individual with authority to bind the offeror. By signing the cover letter, an offeror certifies that it complies with:
 - a. All the requirements, terms and conditions as set forth in this RFP.
 - b. The requirement that the offeror's proposal accurately describes the goods and services being offered to the STATE, and the proposal will be held firm for the period specified.

- c. All local, state, and federal laws, rules, code laws, rules, code, regulation, and policies, including those relating to nondiscrimination, accessibility, civil rights and equal employment.
- d. The requirement that this proposal was prepared independently without collusion.

SECTION B – RFP AMENDMENTS

Provide signed copies of all Solicitation Amendments issued by the STATE that were required to be acknowledged by offerors.

SECTION C –SCOPE OF WORK STRATEGY

Offeror must review the requirements and deliverables provided in RFP Section 3, Scope of Work.

1. **Applicable Directives.** The Offeror must identify any state and federal requirements that apply to the contract.
2. **Strategy for Scope of Work Requirements.** The Offeror must provide narrative statements to demonstrate their understanding of the scope of work requirements. Explain the proposed strategy to accomplish the scope of work, meet all requirements, and provide the deliverables described in the scope of work within the STATE's project schedule.
3. **Value-Added Options.** Offerors may include any optional services or goods that are not required by the STATE, but are within the scope of work (e.g. an option for a higher level of service, equipment accessories, extended warranty options, etc.). Describe any value-added options being offered.
4. **Quality Control.** Offerors shall describe the quality control/quality assurance (QC/QA) program that is to be used for this contract. This QC/QA program shall identify the team members and the parts of the contract for which they are to be responsible. Describe security and audit procedures used to identify and mitigate fraud risk.
5. **Location of Work/Travel.** The proposal must respond to the STATE's Location of Work instructions within the RFP Scope of Work. Describe where the work will be performed and any proposed travel.
6. **State Furnished Property and Services.** Provide a detailed breakdown of the Offeror's expectations for STATE resources that will be needed for the project, including number of staff, qualifications, roles and responsibilities, and time requirements for the various phases of the project.
7. **Contractor Furnished Property/Services.** Provide a detailed breakdown of the equipment and materials necessary to accomplish the deliverables as described in the RFP.
8. **Risk Management.** Offerors must describe measures to be taken to ensure the safety of its employees, state employees, the public and property. Offerors must also identify any pertinent issues and potential problems related to the project, and describe how those potential issues and problems could be mitigated.
9. **Project Management Plan.** The proposal must describe how the contractor intends to manage the project to ensure the work is accomplished on time, within budget, and meet quantity and quality standards. Offerors may provide a narrative or organizational chart to illustrate the lines of authority and accountability.

10. **Proposed Schedule and Deliverables.** The proposal must provide a timeline for accomplishing the work, in consideration of the STATE's Contract Schedule within the RFP Scope of Work.

SECTION D – EXPERIENCE AND QUALIFICATIONS

Mandatory Requirements.

An offeror must provide information to demonstrate meeting the Offeror Experience and Qualifications Mandatory Requirement in RFP Section 3, Scope of Work, [Experience and Qualifications](#).

Experience and Qualifications of the Firm

Provide a brief history and describe the organization of the firm. Describe the number of years the offeror has provided the type of work requested in this RFP. Describe specific experience of their firm in completing similar projects. Provide a description of the project, approximate time frame of the project, and contact information for the customer. Offerors may provide letters of reference from customers.

Experience and Qualifications of the Project Team

Provide a narrative or organizational chart that describes the organization of the proposed project team. Provide information for key project team members, including:

1. Description of anticipated work they will perform and approximate estimated hours;
2. Resume or description of the relevant education, training, experience, skills and qualifications;
3. If the offeror has vacant positions, identify the job description and minimum qualifications for staff members to be recruited;
4. Subcontractors. If an offeror intends to use subcontractors, the offeror must identify in the proposal the names of the subcontractors and the portions of the work the subcontractors will perform. Provide a statement that the offeror will ensure that the subcontractor has or will obtain any required licenses and registrations, including registration with the North Dakota Secretary of State; and
5. Joint Venture. If submitting a proposal as a joint venture, provide narrative statements that describe the roles and responsibilities of each party to the joint vendor. If available, submit a copy of the joint venture agreement that identifies the parties involved and its rights and responsibilities

References

Provide three (3) reference letters from clients for whom similar work was completed. The reference letter must include the name of a contact person, address, email, and telephone number. The STATE may contact references provided for verification and to obtain additional information. Evaluation will be impacted if the STATE is unable to contact the reference or the reference does not timely provide the requested information.

SECTION E – CONTRACT PROVISIONS

Offeror shall review the RFP Section 6 and the STATE's Contract – Attachment 3.

The proposal must indicate whether or not the offeror accepts the terms and conditions in the STATE's Contract.

An offeror may state that they accept the STATE's Contract as written.

An offeror may state any objections or propose changes or additions to the STATE's Contract. Describe the changes to the Contract being proposed or provide a red-line of the STATE's

Contract. Offerors are not to submit their own contract or standard terms and conditions with their proposals. Offeror should address the specific language in the attached contract and submit any proposed changes.

North Dakota procurement statutes, rules, and policies allow some negotiation of the terms and conditions. No changes to the terms and conditions will be permitted without prior written approval from the STATE.

SECTION F – OPEN RECORDS AND CONFIDENTIALITY

All proposals and other material submitted become the property of the State and may be returned only at the State's option. The State of North Dakota has broad open records laws. Proposals received are exempt from open record requirements until an award is made, in accordance with [N.D.C.C. § 54-44.4-10\(2\)](#). After award, proposals are subject to the North Dakota open records laws. Proposals or portions of proposals may be confidential only if specifically stated in law.

Offerors are instructed not to mark their entire proposal as “confidential.”

Offeror must provide one of the following in their proposal:

- Provide a statement indicating that their proposal does not contain any confidential information; or

- Make a written request to hold confidential any trade secrets and other proprietary data contained in its proposal. Offeror must clearly identify the material considered confidential and explain why the material is confidential. See the North Dakota Office of the Attorney General website for additional information. <https://www.ag.nd.gov/OpenRecords/ORM.htm>

If the STATE receives a request for public information, the procurement officer, in consultation with the Office of the Attorney General, shall determine whether the information is an exception to the North Dakota open records laws, and the information shall be processed accordingly.

SECTION G – FINANCIALS

Financials

Offeror shall provide financial information in such a manner that the STATE can reasonably formulate a determination about the stability and financial strength of the organization. The STATE may request reports on financial stability from independent financial rating services in order to further substantiate stability

A. Firm. Provide a narrative with the following information:

1. Organization/date of incorporation;
2. Ownership;
3. Number of employees; and
4. Revenues for the last fiscal year.

B. Financials. Provide at least one of the following:

1. Audited financial statements for the most recent 3 years;
2. An Annual Report as verification of financial status provided it contains at a minimum a Compiled Income Statement and Balance Sheet verified by a Certified Public Accounting firm (The STATE reserves the right to contact the accounting firm if questions arise); or
3. Tax returns and financial statements including income statements and balance sheets for the most recent 3 years, and any available credit reports.

Financial information may be kept confidential if it falls under the definition of such found at [N.D.C.C. § 44-04-18.4\(2\) \(b\)](#). Offerors must contact the procurement officer with questions related to the confidentiality of financial documents.

Financials may be provided in a separate file or sealed envelope clearly labeled with the offeror's name and "Financials."

- C. Disclosure. Disclose any and all judgements, pending or expected litigation, or other real potential financial reversals, which might materially affect the viability or stability of the offeror's organization; or certify that no such condition is known to exist.

4.5 COST PROPOSAL

Total Cost. Cost proposals must provide the total proposed cost for completing the RFP requirements.

Itemized Costs. Include a detailed itemization of the cost proposal, including all direct and indirect costs:

- One time or startup costs (Software Implementation)

Monthly Rate to include but not limited to the following:

- Ongoing/Lifecycle Costs (For example, consumables, maintenance and support, etc.)
- Commodities/Equipment/Supplies
- Total labor, including a breakdown of the number of hours at the various hourly rates.
- Subcontractor costs
- Overhead
- Etc.

Value-Added Options. Offeror may include pricing for any value-added options that are described in the offeror's proposal as options, but not included in the total cost. Any options must be within the scope of work. (e.g. an option for a higher level of service, equipment accessories, extended warranty options, etc.). Provide details related to initial cost, reoccurring costs, and options. The STATE shall not consider these costs as part of cost evaluation scoring.

All costs must be stated in U.S. currency. Any commodities being imported must be identified, and the price must include any applicable shipping and handling, customs, brokerage agency fees, and duties.

Offeror should describe any discount terms for prompt payment. Discounts for prompt payment will not be considered in evaluating costs.

4.6 BONDS

The NDDOT MV will require the awarded contractor to obtain a surety bond to be evaluated annually. The contractor will be responsible for protecting public funds and is liable for the loss of funds because of embezzlement, theft, or misappropriation by the contractor or any person employed by the contractor. The surety bond must be executed by the contractor as principal, executed by a surety company licensed and qualified to do business within the state of North Dakota, and under which NDDOT MV is an obligee.

The bond form is included in Attachment 7 and shall be completed by the awarded vendor prior to contract activation.

SECTION FIVE – AWARD AND PROPOSAL EVALUATION

5.1 AWARD

The STATE intends to award a contract to the responsible offeror whose proposal is determined to be responsive to the requirements of the solicitation and is determined to be most advantageous in consideration the RFP evaluation criteria.

5.2 RESPONSIVENESS

All proposals will be evaluated to determine if they are responsive to the requirements of the solicitation. The STATE reserves the right to waive minor informalities in accordance with [N.D.A.C. chapter 4-12-10](#). Minor informalities are insignificant omissions or nonjudgmental mistakes that are matters of form rather than substance, evident from RFP document, with a negligible effect on price, quantity, quality, delivery, or contractual conditions that can be waived or corrected without prejudice to other offerors. Responsive proposals will be evaluated by the procurement officer or evaluation committee using the evaluation criteria stated in the RFP.

5.3 RESPONSIBILITY – SUPPLEMENTARY INVESTIGATION

The STATE reserves the right to contact references, other customers, including state and local government agencies, regarding past experience with the offeror. Prior experience of the state agency or institution with any prospective offeror may also be taken into consideration during evaluation.

The STATE may, at any time, may make a supplementary investigation as to the responsibility of any offeror in accordance with [N.D.A.C. § 4-12-11-04](#). This investigation may include, but is not limited to, financial responsibility, capacity to produce, sources of supply, performance record, or other matters related to the offeror's probable ability to deliver if a contract is awarded to the offeror. If it is determined that an offeror appears not to be sufficiently responsible, the proposal will be rejected.

5.4 EVALUATION CRITERIA

Proposals will be evaluated using a 100 point scale. The evaluation committee will award points based on the questions in the Technical Proposal Evaluation Worksheet – Attachment 1. The technical proposal evaluation score and cost proposal evaluation score will be added together to determine the total evaluation score. After the initial evaluation, the evaluation committee may determine which proposals are reasonably susceptible for award and continue the evaluation process with only those offerors. Offerors whose proposals are not selected for further evaluation may request a debrief from the procurement officer after an award notice is issued. The final evaluation score will consider information received by the State, including but not limited to, discussions with offerors, demonstrations, presentations, site visits, reference checks, and best and final offers.

The evaluation criteria and relative weight is as follows:

Technical Proposal Evaluation: 75 Points

- A. Scope of Work Strategy – 20 Points
- B. Quality Control – 15 Points
- C. Experience and Qualifications – 20 Points
- D. Project Management Plan, Proposed Schedule and Deliverable – 20 Points

Cost Proposal Evaluation: 25 Points

5.5 COST PROPOSAL EVALUATION – RECIPROCAL PREFERENCE

The STATE will calculate evaluation points awarded to cost proposals. Any prompt payment discount terms proposed by the offeror will not be considered in evaluating cost.

The cost amount used for evaluation may be affected by the application of North Dakota preference laws in accordance with [N.D.C.C. § 44-08-01](#). The preference given to a resident offeror will be equal to the preference given or required by the state of the nonresident offeror (i.e. reciprocal preference). For more information, refer to [Guidelines to North Dakota Purchasing Preference Laws](#).

The cost amount used for evaluation may also be affected by the application of other costs required to implement the proposed solution to determine the total cost of the solution (i.e. cost for NDIT connectivity setup).

After applying any reciprocal preference, the lowest cost proposal will receive the maximum number of points allocated to cost. Cost proposals will be evaluated using the following formula.

$$\frac{\text{Price of Lowest Cost Proposal}}{\text{Price of Proposal Being Rated}} \times \text{Total Points for Cost Available} = \text{Awarded Points}$$

5.6 CLARIFICATIONS OF PROPOSALS – DISCUSSIONS

In order to determine if a proposal is reasonably susceptible for award, communications by the procurement officer or evaluation committee are permitted with an offeror to clarify uncertainties or eliminate confusion concerning the contents of a proposal and determine responsiveness to the RFP requirements. Discussions will be limited to the specific section of the RFP or proposal indicated by the STATE. Discussions are generally conducted by telephone or internet-based conference.

In conducting discussions, there may be no disclosure of any information derived from proposals submitted by competing offerors. Clarifications may not result in material or substantive change to the proposals. Evaluation scores may be adjusted based in consideration of information obtained through discussions.

5.7 RIGHT OF REJECTION

The STATE reserves the right to reject any proposals, in whole or in part. Proposals received from suspended or debarred bidders will be rejected. Proposals determined to be nonresponsive to the requirements of the RFP will be rejected. The STATE reserves the right to reject the proposal of an offeror determined to be not responsible. The STATE reserves the right to refrain from making an award if determined to be in its best interest.

5.8 PRESENTATIONS AND ON-SITE VISITS

After the initial evaluation, the evaluation committee may determine which proposals are reasonably susceptible for award and continue the evaluation process with only those offerors. These offerors will be required to provide a presentation for the evaluation committee. Offerors shall be responsible for all associated costs, including any travel and per diem. Offerors whose proposals are not selected for further evaluation may request a debrief from the procurement officer after an award notice is issued.

Location: 608 East Boulevard Avenue, Bismarck, ND or via internet-based conference.

Schedule: March 2, 2020 through March 6, 2020

On-Site Visit.

The STATE may conduct an on-site visit to the offeror's facility or facility of offeror's customer where the offeror is performing similar work to evaluate the offeror's capacity to perform the contract. An offeror must agree, at risk of being found nonresponsive and having its proposal rejected, to provide the STATE reasonable access to relevant portions of its work sites. Individuals designated by the STATE shall conduct the site inspection at the STATE's expense. The STATE will coordinate the date and time of the on-site visit with the offeror.

5.9 BEST AND FINAL OFFERS

The STATE is not obligated to request best and final offers; therefore, offerors should submit their best terms (technical and cost) in response to this RFP.

If the STATE determines there is a need for any additional information, substantial clarification or changes to the RFP or proposals, the STATE may request for best and final offers from offerors that have submitted proposals determined to be reasonably susceptible for award. The best and final offer request will describe the additional information, clarification, or change being requested.

A date and time will be established for receipt of revised proposals. If an offeror does not submit a best and final offer, the STATE shall consider its original proposal as its best and final offer.

Best and final offers will be evaluated using the evaluation criteria stated in the RFP. The STATE may request more than one Best and Final Offer.

5.10 NEGOTIATIONS

Contract negotiations will be conducted in accordance with [N.D.A.C. § 4-12-12](#). The STATE may enter into negotiations with one or more offeror whose proposals received the highest scores and are reasonably susceptible for award. During negotiations, the STATE and offeror may agree to alter or otherwise change the terms and conditions and price of the proposed contract. Negotiation, if held, will be within the scope of the RFP and limited to those items that would not have an effect on the ranking of proposals.

Each offeror will be responsible for all costs it incurs as a result of negotiations, including any travel and per diem expenses. Contract negotiations will be conducted primarily by email, conference calls, or internet-based conference. Any on-site negotiation, if needed, will be held in Bismarck, North Dakota.

The STATE may terminate negotiations, reject a proposal as nonresponsive, and continue or commence negotiations with other offerors reasonably susceptible for award, if the offeror:

- fails to provide necessary information for negotiation in a timely manner,
- fails to negotiate in good faith,
- is unable to successfully negotiate contract terms that are acceptable to the STATE, or
- indicates that it cannot perform the contract within the budgeted funds.

5.11 NOTICE OF INTENT TO AWARD

After proposals have been evaluated and the successful offeror selected, notice of intent to award will be promptly issued to all offerors that submitted proposals. Upon issuance of this notice, the procurement file becomes an open record.

The successful offeror named in the Notice of Intent to Award is advised not to begin work, purchase materials, or enter into subcontracts until the successful offeror and the STATE sign the contract.

5.12 CONTRACT APPROVAL

This RFP does not, by itself, obligate the STATE. The STATE's obligation shall commence when the STATE signs the contract. Upon written notice to the contractor, the STATE may set a different starting date for the contract. The STATE shall not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date set by the STATE.

5.13 EVALUATION DEBRIEFING

After the notice of intent to award is issued, offerors may contact the Procurement Officer to schedule an evaluation debrief. The debrief will provide information about the evaluation process and proposal scores.

SECTION SIX – CONTRACT INFORMATION

6.1 NORTH DAKOTA CONTRACTUAL REQUIREMENTS – BACKGROUND

As a public institution and government entity of the State of North Dakota (the STATE), there are a number of statutes, rules, and policies (Requirements) that may restrict or prevent the STATE from entering into certain types of contracts or certain contractual terms and conditions, some of these Requirements are non-negotiable.

While these Requirements occasionally make the process of negotiating a contract with the STATE more challenging than negotiating with a private industry business, these are not unique to any one agency of the State of North Dakota. These Requirements apply to all public institutions and government entities of the State of North Dakota. Although some are unique to North Dakota, the majority of these Requirements are common to public institutions and government entities throughout the United States.

6.2 STATE CONTRACT TERMS AND CONDITIONS – OFFEROR’S PROPOSED CHANGES

The STATE intends to execute a contract substantially similar to the Contract – Attachment 3. The offeror will be required to sign the Contract attached to this RFP and must comply with the terms and conditions. The STATE may deem any failure to object to a contract provision as the offeror’s acceptance of that provision.

North Dakota procurement statutes, rules, and policies allow some negotiation of the terms and conditions. No changes to the terms and conditions will be permitted without prior written approval from the STATE.

Pursuant to [N.D.A.C. § 4-12-11-06](#), proposals subject to conditions imposed by the offeror may be rejected as nonresponsive, as determined by the STATE. Proposed terms and conditions that conflict with those contained in the attached contract or that diminish the STATE’s rights under the contract shall be considered null and void. The terms and conditions in the attached contract shall prevail in the event a conflict arises between a term or condition in the proposal and a term or condition in the attached contract.

Part or all of this RFP and offeror’s proposal may be incorporated into the attached contract.

The STATE may deem any failure to object to a contract provision as the offeror's acceptance of that provision.

6.3 CONTRACT PROVISIONS

A. Contract Type.

The contract type will be as follows:

Firm Fixed Price with Adjustment. The contractor will be required to hold the price firm during the 12 months except as otherwise provided in the contract. During this period, no price increases will be allowed, and the contractor must notify the STATE immediately of any price decreases. After the completion of the firm fixed period, the contractor may make a written request to the STATE for a price increase. The request must include the basis for the cost increase, such as evidence that the price increase applies to all customers. The STATE must approve, deny, or negotiate the requested price increase within 30 days. Any price changes will be set forth in a written amendment to the contract.

B. Payment Procedures

Compensation and payment terms will be set forth in the contract based upon the successful offeror's proposal. The NDDOT MV will not make any advanced payments before performance by the contractor under this contract.

The NDDOT MV will make a single payment when the interface is complete all of the deliverables are received, and the contract is completed and approved by the contract manager designated by the NDDOT MV.

C. Contract Personnel

The project manager designated by the NDDOT MV must approve any change of the contractor's project team members named in the proposal, in advance and in writing. Personnel changes that are not approved by the NDDOT MV may be grounds for the NDDOT MV to terminate the contract.

The NDDOT MV contract manager assigned to this contract is:

Pam Nemeth, Support Operations Manager
Office Phone - 701-328-3469
pjnemeth@nd.gov

D. Inspection & Modification

The contractor is responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and approval by the NDDOT MV. The NDDOT MV may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract.

Should the NDDOT MV determine that corrections or modifications are necessary in order to accomplish its intent, the STATE may direct the contractor to make changes. The contractor will not unreasonably withhold changes.

Substantial failure of the contractor to perform the contract may cause the STATE to terminate the contract. In this event, the STATE may require the contractor to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

E. Contract Changes – Unanticipated Amendments

During the course of the contract entered as a result of this solicitation, the contractor may be required to perform additional work due to a legitimate unforeseen circumstance. That work will be within the general scope of the initial contract. When additional work is required, the STATE shall provide contractor a written description of the additional work and request contractor to submit proposal for accomplishing the scope of work. CONTRACTOR will not commence additional work until all parties agree in writing.

F. Purchasing Card

NDDOT may make payments under this contract using a state purchasing card. See the contract related to payments using the STATE purchasing card.

6.4 CONTRACTUAL TERMS AND CONDITIONS – NO MATERIAL CHANGES

A. Indemnification and Insurance

[N.D.C.C. § 32-12.2-17](#) requires that the Office of Management and Budget establish guidelines for indemnification and insurance provisions in state contracts. The indemnification and insurance requirements contained in the attached contract are pursuant to those guidelines. The STATE shall not be deemed to have accepted any alteration of these provisions without prior written approval to offeror from the STATE acting in consultation with the North Dakota Risk Management Division.

B. Indemnification

Indemnification is a contractual clause by which one party to a contract asks the other party to defend it against any claims of third parties who might be injured as a result of something that occurs while the parties are performing their duties and obligations under the contract. Without specific authority to do so, the STATE agencies cannot enter into agreements indemnifying contractors, or any other entity, against third party claims.

Any clause that has the intent of seeking indemnification from the STATE, whether or not the clause contains the words “indemnity” or “indemnify,” are not clauses to which the STATE may agree.

The STATE will also not agree to clauses to indemnify a contractor “to the extent permitted by law.” This is because the STATE knows that the extent to which the law permits it to indemnify contractors is no extent whatsoever, and as a result would be disingenuous for the STATE to imply in a contract that there might be some set of circumstances under which the STATE would defend the contractor against a third party claim(s). Simply put, the STATE is not going to agree to something it knows it cannot do. In this circumstance an “extent” clause is merely an invitation to litigate the matter in the event a third party claim(s) arises, and the STATE does not enter into agreements that invite litigation. Do not ask the STATE to indemnify you against third party claims because it is a contractual obligation to which the STATE cannot agree.

C. Insurance

Upon receipt of the Notice of Intent to Award, the successful offeror must obtain the required insurance coverage and provide the procurement officer with proof of coverage prior to contract approval. The coverage must be satisfactory to the STATE, in consultation with the North Dakota Risk Management Division. The successful offeror’s failure to provide evidence of insurance coverage is a material breach and grounds for withdrawal of the award or termination of the contract.

D. Limitation of Liability

[N.D.C.C. § 32-12.2-15](#) establishes that the STATE is prohibited from limiting direct damages, including those resulting from property damage or personal injury. Any request by an offeror for the STATE to limit direct damages is a request to which the STATE cannot agree. The law provides the STATE some discretion to limit liability for indirect damages, but that discretion may only be exercised: a) in contracts for the purchase or lease of, or services related to, software, communication, or electronic equipment and economic forecasting; and b) after consultation with the Office of the Attorney General and Risk Management.

E. Waivers of Jurisdiction and Venue; Alternative Dispute Resolution

The North Dakota Attorney General is the STATE's attorney for all purposes, including management of litigation and claims against the state. The STATE may not usurp the Attorney General's authority by agreeing in advance to control the way litigation may be managed in the event of a dispute. The STATE cannot, without specific authority, agree to the jurisdiction or the laws of another state or federal courts, nor can it contractually agree to participate in any form of alternative dispute resolution.

Although the STATE cannot contractually agree to such terms, this does not mean that in the event of a dispute, the STATE would not agree to participate in alternative dispute resolution. It simply means that this is a decision that must be made by the Attorney General and is a decision that is made at the time a dispute arises.

F. Confidentiality

All state agencies of North Dakota are subject to North Dakota public records laws. The STATE cannot agree to contractual terms that attempt to prevent it from having to disclose records that are declared public records under applicable statutes. Although some confidentiality and exemptions are allowed under the public records laws, the STATE may not agree to more restrictive obligations concerning its records. Under North Dakota public records laws, contracts are records that are open to the public and may be reviewed at the request of the public.

G. Unliquidated Expenses (i.e., attorney's fees, add-ons, cost increases)

Because the STATE may only obligate those funds that have been appropriated to it by the Legislative Assembly and may only obligate those funds for the purposes for which the funds were appropriated, the STATE may not agree to clauses which may obligate it to pay for claims that might exceed its current funding appropriation. Certainly, this is one of numerous reasons why the STATE cannot indemnify a contractor against third party claims, but it may also be said for clauses that purport to obligate the STATE to pay a contractor's attorneys' fees, unknown cost increases during the life of the contract, add-ons that were not contemplated or priced in the contract.

6.5 SCOPE OF WORK

The Scope of Work agreed upon by the parties will be incorporated into the attached contract

6.6 CONTRACT TERM

The contract term will be set forth in the contract, including any options for extension, renewal, and renegotiation.

6.7 RIGHT TO INSPECT PLACE OF BUSINESS

At reasonable times, the STATE may inspect those areas of the contractor's place of business that are related to the performance of a contract. If the STATE makes an inspection, the contractor must provide reasonable assistance.

ATTACHMENT 1 TECHNICAL PROPOSAL EVALUATION WORKSHEET

Proposals that are determined to be responsive to the requirements of the RFP will be evaluated by the Evaluation Committee using the evaluation criteria stated in the RFP. For assistance with RFP evaluations, contact the State Procurement Office at infospo@nd.gov or 701-328-2740.

- If a group evaluation is conducted, the Evaluation Committee will produce one worksheet that summarizes the comments and scores. If individual scores are being compiled, each member of the Evaluation Committee will prepare an evaluation worksheet with their comments and scores.
- Evaluation Committee members must read the Request for Proposal and have a clear understanding of the requirements and evaluation criteria before attempting to evaluate proposals.
- Evaluators should read all proposals twice. First, read all proposals for a general understanding without scoring. Next, read proposals with the intent to complete the evaluation worksheet which includes taking notes and documenting any questions/clarification needed.
- Each evaluation criterion is assigned a specific number of points. The questions under each evaluation criterion help Evaluators measure the quality of the Offeror's response. Do not assign points to individual questions, instead, award a total score for each evaluation criterion.
- Evaluators will assign an initial score for each evaluation criterion and provide comments which explain their scores.
- Evaluation documents become an open record upon award.

RATING SCALE FOR TECHNICAL PROPOSAL SCORING

The rating scale provided is intended help Evaluators perform evaluations. Evaluators are exercising independent judgement so variation in scoring is normal. However, the Procurement Officer may question scoring that appears to be unsupported. Evaluators may assign any value for a given evaluation area from 0 to the maximum number of points allowed per evaluation criterion. A zero value typically constitutes no response or an inability of the Offeror to meet the criteria. In contrast, the maximum value should constitute a high standard of meeting the criteria. For example: "Experience and Qualifications" is an evaluation area weighted at 25% of the total possible points on a 100 Point Scale, so any value between 0 and 25 points can be awarded. An example of the rating scale is below:

Experience and Qualifications Rating Scale (25 Point Maximum)	
Point Value	Explanation
0-5	Poor. Not addressed or response of no value
6-10	Fair. Limited applicability
11-15	Good. Some applicability
16-20	Very Good. Substantial applicability
21-25	Excellent. Total applicability

COST PROPOSAL

Cost proposals are normally scored by the Procurement Officer or selected evaluators, and cost proposals are given to the Evaluation Committee after technical proposals have been evaluated. Remember to check if reciprocal preference applies to out of state offerors. Prompt payment discounts are not considered in evaluating cost.

ADJUSTMENT OF INITIAL EVALUATION SCORES

After the initial scoring, the Evaluation Committee should meet to discuss proposals and identify areas where clarification or more information is needed. Evaluation scores may be adjusted as a result of discussions with offerors, clarifications, demonstrations, presentations, reference check results, Best and Final Offers, and further due diligence within the evaluation process.

TECHNICAL PROPOSAL EVALUATION WORKSHEET

Offeror Name _____

RFP Title/Number _____

Evaluator Name _____

Evaluator Certification. I have reviewed the Request for Proposal Evaluators Guide, and I certify that neither I nor my immediate family members have a conflict of interest with regard to this offeror, in accordance with [N.D.A.C. § 4-12-04-04.](#)

Evaluator Signature _____ **Date** _____

THE TOTAL NUMBER OF POINTS USED TO SCORE THIS PROPOSAL IS 100

SCOPE OF WORK STRATEGY RATING SCALE (20 Point Maximum)	
Point Value	Explanation
0 – 4	None. Not addressed or response of no value
5 – 8	Fair. Limited applicability
9 – 12	Good. Some applicability
13 – 16	Very Good. Substantial applicability
17 – 20	Excellent. Total applicability

IMPORTANT. Proposals will be evaluated against the questions set out below. Do not assign points to individual questions, instead, award a total score for each evaluation criterion. Evaluators must provide comments to support scoring.

a. How well has the Offeror followed the proposal preparation instructions? Does the proposal contain all the requested information?

EVALUATOR NOTES:

b. Has the Offeror identified any additional directives that apply to the contract?

EVALUATOR NOTES:

c. How well does the offeror provide narrative statements to demonstrate their understanding of the scope of work requirements, as described in section 3 of the RFP?

EVALUATOR NOTES:

d. How well has the Offeror described their strategy for accomplishing the scope of work requirements? What are the strengths of the proposed strategy?

EVALUATOR NOTES:

e. Are there aspects of the proposed Scope of Work strategy of concern or that requires clarification or further information?

EVALUATOR NOTES:

f. How well does the proposal address where the work will be performed and any travel?

EVALUATOR NOTES:

g. Does the offeror provide a detailed breakdown of the offeror's expectations for NDDOT MV resources that will be needed for the project, including number of staff, qualifications, roles and responsibilities, and time requirements for the various phases of the project?

EVALUATOR NOTES:

h. Does the offeror provide a detailed breakdown of the offeror's equipment and materials necessary to accomplish the deliverables as described in the RFP?

EVALUATORS NOTES:

i. How well has the offeror addressed risk management? Did they identify any potential risks, issues or problems?

EVALUATOR NOTES:

j. Does the offeror identify any state and federal requirements that apply to the contract?

EVALUATOR'S NOTES

INITIAL EVALUATION SCORE FOR SCOPE OF WORK STRATEGY: _____

Additional/overall comments related to the offeror's proposed strategy for accomplishing the work.

EVALUATOR NOTES

QUALITY CONTROL RATING SCALE (15 Point Maximum)	
Point Value	Explanation
0-3	None. Not addressed or response of no value
4-6	Fair. Limited applicability
7-9	Good. Some applicability
10-12	Very Good. Substantial applicability
13-15	Excellent. Total applicability

Proposals will be evaluated against the questions set out below. Do not assign points to individual questions; instead, award a total score for each evaluation criterion.

a. How strong is the offerors quality control/quality assurance (QC/QA) program that is to be used for this contract?

EVALUATOR'S NOTES:

b. Does the offerors QC/QA program identify the team members and the parts of the contract for which they are to be responsible?

EVALUATOR'S NOTES

c. Does the offeror provide security and audit procedures used to identify and mitigate fraud risk?

EVALUATOR'S NOTES:

d. Does the offeror identify any potential risks, issues and problems associated with the project and identify ways to mitigate those potential risks?

EVALUATOR'S NOTES

INITIAL EVALUATION FOR QUALITY CONTROL _____

Additional/overall comments related to the offeror's proposed strategy for quality control.

EVALUATOR NOTES

EXPERIENCE AND QUALIFICATIONS RATING SCALE (20 Point Maximum)	
Point Value	Explanation
0-4	None. Not addressed or response of no value
5-8	Fair. Limited applicability
9-12	Good. Some applicability
13-16	Very Good. Substantial applicability
17-20	Excellent. Total applicability

IMPORTANT. Proposals will be evaluated against the questions set out below. Do not assign points to individual questions, instead, award a total score for each evaluation criterion. Comments to support scoring are required, and will be helpful when performing offeror evaluation debriefs after award.

MINIMUM EXPERIENCE OR QUALIFICATIONS

a. If the RFP required a minimum amount of experience or qualifications, has the offeror provided information to demonstrate meeting this requirements? Does the offeror exceed the minimum experience or qualifications?

EVALUATOR NOTES:

EXPERIENCE AND QUALIFICATIONS OF THE FIRM

b. Has the offeror provided historical information to demonstrate the firm is well established in this field?

EVALUATOR NOTES:

c. How extensive is the firm’s experience in this type of work? How well does the information about similar projects demonstrate the firm’s experience work related to this RFP?

EVALUATOR NOTES:

d. If the offeror provided letters of reference or the Evaluation Committee contacted the customer contacts, what information did the offeror’s customers provide related to the offeror’s past performance?

EVALUATOR NOTES:

EXPERIENCE AND QUALIFICATIONS OF THE PROJECT TEAM

e. Has the offeror provided information about the organization of the project team and proposed work project team members will perform, and estimated hours? Does the proposed project team and work breakdown seem appropriate to accomplish the requirements of the RFP?

EVALUATOR NOTES:

f. Are resumes complete and do they demonstrate education and experience that would be desirable for individuals engaged in the work the RFP requires?

EVALUATOR NOTES:

g. How extensive is the experience of the project team members on similar projects?

EVALUATOR NOTES:

h. If a subcontractor will perform work on the project, has the offeror provided the requested information? How extensive is the experience and qualifications of the subcontractor?

EVALUATOR NOTES:

REFERENCE CHECK RESULTS

i. Did the references provide information to verify the satisfactory performance of the vendor?

EVALUATOR NOTES:

j. Did references identify any areas of concern?

EVALUATOR NOTES:

k. Did references identify any particular strengths of the vendor?

EVALUATOR NOTES:

FINANCIALS

l. Did the Offeror provide information to demonstrate financial sustainability?

EVALUATOR NOTES:

m. Did the offeror provide any information related to judgements, litigation, or potential financial reversals?

EVALUATOR NOTES:

INITIAL EVALUATION SCORE FOR EXPERIENCE AND QUALIFICATIONS: _____

Additional/overall comments related to the offeror's experience and qualifications.

EVALUATOR NOTES

PROJECT MANAGEMENT PLAN, SCHEDULE & DELIVERABLES RATING SCALE (20 Point Maximum)	
Point Value	Explanation
0-4	None. Not addressed or response of no value
5-8	Fair. Limited applicability
9-12	Good. Some applicability
13-16	Very Good. Substantial applicability
17-20	Excellent. Total applicability

Proposals will be evaluated against the questions set out below. Do not assign points to individual questions; instead, award a total score for each evaluation criterion.

a. Does the offeror's proposed timeline demonstrate the ability to meet the contract schedule and deliverables?

EVALUATOR'S NOTES:

b. Has the offeror described their project management to accomplish the work on time, within budget, and meet quantity and quality standards?

EVALUATOR NOTES:

c. How well does the proposed timeline demonstrate the offeror's ability to meet the contract schedule and deliverables?

EVALUATOR NOTES:

d. Has the offeror described their project management to accomplish the work on time, and meet quantity and quality standards?

EVALUATOR'S NOTES:

EVALUATOR'S POINT TOTAL FOR MANAGEMENT PLAN, PROPOSED SCHEDULE AND DELIVERABLES: _____

Additional/overall comments related to the offeror's experience and qualifications.

EVALUATOR NOTES

ATTACHMENT 2
COST PROPOSAL

Total Cost. Cost proposals must provide the total proposed cost for completing the RFP requirements.

Itemized Costs. Include a detailed itemization of the cost proposal, including all direct and indirect costs:

- One time or startup costs (Software Implementation)

Monthly Rate to include but not limited to the following:

- Ongoing/Lifecycle Costs (For example, consumables, maintenance and support, etc.)
- Commodities/Equipment/Supplies
- Total labor, including a breakdown of the number of hours at the various hourly rates.
- Subcontractor costs
- Overhead
- Etc.

ATTACHMENT 3

**CONTRACT
(SAMPLE)**

NDDOT Contract No. \${FIELD:CONTRACT_NUMBER}

**NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
CONTRACT FOR PROCUREMENT**

REQUEST FOR PROPOSAL TITLE:

REQUEST FOR PROPOSAL NO.:

This agreement is entered into between the state of North Dakota, acting by and through its Director of Transportation, hereinafter referred to as NDDOT, whose address is 608 East Boulevard Avenue, Bismarck, North Dakota, and _____, hereinafter referred to as the Contractor, whose address is _____.

In consideration of the mutual covenants herein set forth, NDDOT and the Contractor agree as follows:

1. That in consideration of the payments to be made by NDDOT, the Contractor agrees to provide the services and/or goods in accordance and in conformity with this contract, the Contractor's proposal, dated _____, NDDOT's request for proposal issued on _____, and any purchase orders issued as a result of this contract. The Contractor's proposal, NDDOT's request for proposal, and any purchase orders are incorporated by reference herein. If discrepancies exist between the Contractor's proposal, and NDDOT's request for proposal, or this contract, NDDOT's request for proposal, and this contract shall govern.
2. NDDOT agrees to pay the Contractor for the work, when completed and accepted in accordance with this contract.

Payments are to be made upon presentation of an invoice by the Contractor, and by the terms of this contract.

3. The work shall be done pursuant to this contract, to the laws of the state of North Dakota, and to the satisfaction of NDDOT, in accordance with the rules and regulations made pursuant to state and federal law.
4. The Contractor, in employing and maintaining labor, shall do so in conformity with state and federal law and this contract.
5. Payments by NDDOT beyond the current state biennium shall be contingent on sufficient funds being appropriated by the Federal Government or State Legislature for the Department. In the event of insufficient appropriations in future bienniums, NDDOT may give a minimum of 30 days notice to terminate this agreement/contract and have no further obligation to the Contractor.
6. All work products and copyrights of the contract which result from this contract are the exclusive property of NDDOT.
7. Notwithstanding any rules regarding the choice of law or venue, it is agreed by the parties that this contract shall be governed by and construed in accordance with applicable Federal Law and the laws of the state of North Dakota, at the time this contract was executed. All disputes arising from this agreement shall be brought in the South Central District Court of the state of North Dakota.
8. This agreement constitutes the entire agreement between the parties. No waiver, consent, modification, or change of terms of this agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification, or change, if made, shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this agreement. The Contractor, by the signature below of its authorized representative, hereby acknowledges that the Contractor has read this agreement, understands it, and agrees to be bound by its terms and conditions.

9. The terms of this agreement shall not be waived, altered, modified, supplemented, or amended, in any manner whatsoever, except by written instrument signed by the parties.
10. The Contractor shall not assign any portion of the work under this agreement, execute any contract, or obligate itself in any manner with a third party with respect to its rights and responsibilities to this agreement without written consent of NDDOT. Any agreement with a subcontractor does not create a contractual relationship between the NDDOT and the subcontractor.
11. The Contractor shall not assign nor transfer the contractor's interests or duties under this agreement without the express written consent of the state.
12. The Contractor agrees to comply with all applicable laws and rules, including, but not limited to, those relating to nondiscrimination, accessibility, and civil rights.
13. The Appendices A and E of the Title VI Assurances, attached, are hereby incorporated into and made a part of this agreement.
14. Termination
 - a. This contract may be terminated by mutual consent of both parties, or by either party upon 30 days' notice, in writing and delivered by certified mail or in person.
 - b. In addition, NDDOT may terminate this contract effective upon delivery of written notice to the Contractor, or at such later date as may be established by NDDOT, under any of the following conditions:
 - i. If NDDOT funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the indicated quantity of services. The contract may be modified by agreement of the parties in writing to accommodate a reduction in funds.
 - ii. If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this contract or are no longer eligible for the funding proposed for payments authorized by this contract.
 - iii. If any license or certificate required by law or regulation to be held by the Contractor to provide the services required by the contract is for any reason denied, revoked, or not renewed.

Any such termination of this contract under (i), (ii), or (iii), above, shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

- c. NDDOT, by written notice to the Contractor, may terminate the whole or any part of this agreement.
 - i. If the Contractor fails to provide services called for by this contract within the time specified herein or any extension thereof; or
 - ii. If the Contractor fails to perform any of the other provisions of this contract, or so fails to pursue the work as to endanger performance of this contract in accordance with its terms, and after receipt of written notice from NDDOT, fails to correct such failures within ten days or such longer period as NDDOT may authorize.
15. The Risk Management Appendix, attached, is hereby incorporated into and made a part of this agreement.

16. This agreement becomes effective when all parties have signed and it shall terminate on \${FIELD:TERMINATION_DATE}.

EXECUTED the date last below signed.

WITNESS:

NAME (TYPE OR PRINT)

SIGNATURE

To be signed by **Owner; Partner; Corp. Pres., Vice Pres., or other authorized Corp. Officer.** (If signed by other authorized Corp. Officer, please attach copy of Power of Attorney or other documentation showing authority to sign.)

WITNESS:

NAME (TYPE OR PRINT)

SIGNATURE

CONTRACTOR:

NAME (TYPE OR PRINT)

SIGNATURE

TITLE

DATE

NORTH DAKOTA
DEPARTMENT OF TRANSPORTATION

DIRECTOR (TYPE OR PRINT)

SIGNATURE

DATE

APPROVED as to substance by:

DIVISION DIRECTOR (TYPE OR PRINT)

SIGNATURE

DATE

CLA 1043 (Div. 50)
L.D. Approved 2-17-05; 10-14

ATTACHMENT 4

Risk Management Appendix

Service Contracts with Private Individuals, Companies, Corporations, Etc.:

Contractor agrees to defend, indemnify, and hold harmless the state of North Dakota, its agencies, officers and employees (State), from and against claims based on the vicarious liability of the State or its agents, but not against claims based on the State's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct. The legal defense provided by Contractor to the State under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary. Contractor also agrees to defend, indemnify, and hold the State harmless for all costs, expenses and attorneys' fees incurred if the State prevails in an action against Contractor in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this agreement.

Contractor shall secure and keep in force during the term of this agreement, from insurance companies, government self-insurance pools or government self-retention funds authorized to do business in North Dakota, the following insurance coverages:

- 1) **Commercial general liability** and **automobile liability** insurance – minimum limits of liability required are **\$250,000 per person** and **\$1,000,000 per occurrence**.
- 2) **Workers compensation** insurance meeting all statutory limits.
- 3) The State of North Dakota, its agencies, officers, and employees (State) shall be endorsed as an **additional insured** on the commercial general liability and automobile liability policies. The State of North Dakota shall have all the benefits, rights and coverages of an additional insured under these policies that shall not be limited to the minimum limits of insurance required by this agreement or by the contractual indemnity obligations of the Contractor.
- 4) Said endorsements shall contain a **"Waiver of Subrogation"** in favor of the state of North Dakota.
- 5) The policies and endorsements may not be canceled or modified without **thirty (30) days prior written notice** to the undersigned State representative.

Contractor shall furnish a certificate of insurance evidencing the requirements in 1, 3, and 4, above to the undersigned State representative prior to commencement of this agreement.

The State reserves the right to obtain complete, certified copies of all required insurance documents, policies, or endorsements at any time. Any attorney who represents the State under this contract must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under N.D.C.C. Section 54-12-08.

When a portion of a Contract is sublet, the Contractor shall obtain insurance protection (as outlined above) to provide liability coverage to protect the Contractor and the State as a result of work undertaken by the Subcontractor. In addition, the Contractor shall ensure that any and all parties performing work under the Contract are covered by public liability insurance as outlined above. All Subcontractors performing work under the Contract are required to maintain the same scope of insurance required of the Contractor. The Contractor shall be held responsible for ensuring compliance with those requirements by all Subcontractors.

Contractor's insurance coverage shall be primary (i.e., pay first) as respects any insurance, self-insurance or self-retention maintained by the State. Any insurance, self-insurance or self-retention maintained by the State shall be excess of the Contractor's insurance and shall not contribute with it. The insolvency or bankruptcy of the insured Contractor shall not release the insurer from payment under the policy, even when such insolvency or bankruptcy prevents the insured Contractor from meeting the retention limit under the policy. Any deductible amount or other obligations under the policy(ies) shall be the sole responsibility of the Contractor. This insurance may be in a policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and be placed with insurers rated "A-" or better by A.M. Best Company, Inc. The State will be indemnified, saved, and held harmless to the full extent of any coverage actually secured by the Contractor in excess of the minimum requirements set forth above.

RM Consulted 2007
Revised 11-19

**NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
APPENDIX A OF THE TITLE VI ASSURANCES**

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the Contractor) agrees as follows:

1. Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, the Federal Highway Administration, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. Non-discrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
3. Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the Contractor's obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.
4. Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the Federal Highway Administration to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a Contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Recipient or the Federal Highway Administration as appropriate, and will set forth what efforts it has made to obtain the information.
5. Sanctions for Noncompliance: In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to:
 - a. withholding payments to the Contractor under the contract until the Contractor complies; and/or
 - b. cancelling, terminating, or suspending a contract, in whole or in part.
5. Incorporation of Provisions: The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Recipient or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

**NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
APPENDIX E OF THE TITLE VI ASSURANCES**

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the Contractor) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Pertinent Non-Discrimination Authorities:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 *et seq.*), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 *et seq.*).

**ATTACHMENT 5
SAMPLE NOTICE OF INTENT TO AWARD**

**STATE OF NORTH DAKOTA
NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
608 EAST BOULEVARD AVENUE
BISMARCK, NORTH DAKOTA 58505**

NOTICE OF INTENT TO AWARD

March 11, 2020

Solicitation Number and Title: 915-28/920-22-20-050, Motor Vehicle Lockbox Processing and Mail Tracking Services

Opening Date and Time: February 19, 2020

A response to the solicitation was submitted by:

[Insert name of bidder or offeror](#)
[Insert name of bidder or offeror](#)

Responses were evaluated according to the criteria stated in the solicitation. We announce our intent to award a contract to:

[Insert name\(s\) of bidder or offeror](#)

We would like to thank you for your time and efforts in preparing a response to this solicitation. We invite you to contact the Procurement Officer if you would like additional information or have any questions about the evaluation process.

Option: You are invited to contact the Procurement Officer to schedule an evaluation debrief. The debrief will provide information about the evaluation process and proposal scores.

You are reminded that any protests of this decision must be submitted to the Procurement Officer within seven (7) calendar days after the issuance of this notice. The protest must be in writing, clearly identify the solicitation number and title, and detail the nature of the protest.

The successful company is instructed not to begin work, purchase materials, or enter into subcontracts relating to the project until both the recipient and state sign the contract.

We appreciate your interest in doing business with the State of North Dakota.

Sincerely,

Vanessa Brosten
Purchasing Agent II
E-mail: vbrosten@nd.gov
Telephone: 701-328-4466
TTY Users call: 7-1-1

ATTACHMENT 6

CHECKLIST FOR OFFERORS

- ❑ Offeror must clearly and properly address its proposal and submit it to the purchasing agency to arrive not later than the deadline for receipt of proposals.
- ❑ Offeror must submit **five copies** of its proposal in a sealed envelope or package.
- ❑ Offeror must complete the cost proposal attached to this RFP or prepare a cost proposal following an identical format. Cost proposals must be submitted in a separate sealed envelope or package, clearly labeled "cost proposal".
- ❑ Submit all questions, comments, or requests for clarification to the procurement officer by the deadline for submission of questions.
- ❑ Review the proposal document and attachments. State any objections to any of the provisions in the proposal, Contract Forms or Appendices prior to the deadline for submission of questions/objections.
- ❑ Offeror must follow the format set out in this RFP and provide all information requested.
- ❑ Be sure an Individual authorized to bind the offeror to the provisions of the RFP signs the proposal.
- ❑ Comply with the North Dakota Secretary of State and the North Dakota State Procurement Office Registration requirements prior to the deadline stated in the RFP.
- ❑ Offeror must disclose any instances where the firm or any individuals working on the contract has a possible conflict of interest and, if so, the nature of that conflict.
- ❑ Offeror must provide comprehensive narrative statements that illustrate their understanding of the requirements of the contract, deliverables, contract schedule, and contract terms and conditions Offeror must also identify any pertinent Issues and potential problems related to the contract.
- ❑ Offeror must provide comprehensive narrative statements that set out the methodology it intends to employ.
- ❑ Offeror must provide comprehensive narrative statements that set out the management plan it intends to follow.
- ❑ Provide the information about the qualifications of the firm and individuals that will be working on the contract. Offeror must describe the experience of their firm in completing similar projects.
- ❑ Offeror must provide descriptive narrative or an organizational chart that describes the organization of the contract team.
- ❑ Identify and label and sections of the proposal you feel contain confidential information.
- ❑ Proposals must include the complete name and address of offeror's firm and the name, mailing address, and telephone number of the person the State should contact regarding the proposal.
- ❑ Proposals must confirm that the offeror will comply with all provisions in this RFP. If subcontractors are used, the subcontractors must also confirm that they will comply.
- ❑ If an offeror intends to use subcontractors, the offeror must Identify in the proposal the names of the subcontractors and the requested information from the "Subcontractors" section

ATTACHMENT 7
(Sample Document)

LOCKBOX PROCESSING & MAIL TRACKING SERVICES PROVIDER

Bond Form

Next 2 pages

LOCKBOX PROCESSING & MAIL TRACKING SERVICES PROVIDER

North Dakota Department of Transportation, Motor Vehicle

MOTOR VEHICLE DIVISION
ND DEPT OF TRANSPORTATION
608 E BOULEVARD AVE
BISMARCK ND 58505-0780
Telephone (701) 328-2725
Website: <https://dot.nd.gov>

Bond Number

PRINCIPAL

Name			
Mailing Address	City	State	ZIP Code

SURETY

Name			
Mailing Address	City	State	ZIP Code

We, the above named PRINCIPAL and SURETY are bound to the State of North Dakota in the penal sum of \$ _____ thousand dollars (\$ _____), for the payment of which we bind ourselves, jointly and severally by this document.

The condition of this obligation is as follows: The Principal is the vendor for Lockbox Processing & Mail Tracking Services engaged in the collection of public monies. The terms of the Lockbox Processing & Mail Tracking Services Agreement between the Principal and the North Dakota Department of Transportation (NDDOT) specify the Principal is responsible for any loss of public monies as a result of embezzlement, theft, or misappropriation by the Principal or any person employed by the Principal.

The terms of the bond shall be continuous for the term of the Lockbox Processing & Mail Tracking Services Agreement and shall indemnify NDDOT against any loss of public monies by the Principal doing business under the terms of a Lockbox Processing & Mail Tracking Services Agreement; provided, however, the aggregate liability of the Surety, regardless of the number of years the bond remains in force, shall in no event exceed the amount set forth above.

This bond may be canceled by the Surety, as to future liability, by giving written notice by Certified Mail, addressed to the Principal at the address stated in this bond, and to the Department of Transportation, Motor Vehicle Division, Bismarck, North Dakota. Thirty (30) days after the mailing of said notice, this bond shall be null and void as to any liability thereafter arising. The Surety remains liable, however, subject to all the terms, conditions, and provisions of this bond for any and all acts covered by this bond up to the date of such cancellation.

Effective This Date
Principal
By (Sign before a Notary Public or Authorized Officer)
Title
Surety
By (Sign before a Notary Public or Authorized Officer)
Title

NOTICE: This bond must be executed for the Principal and Surety only by a person having apparent legal authority, such as owners, partners, or corporate officers unless power of attorney is attached. no other attachments other than power of attorney will be accepted.

Acknowledgement of Principal	
State of	
County of	
Signed and sworn to (or affirmed) before me on this day (month, day, year)	
Name of Notary Public or other Authorized Officer (Type or Print)	Affix Notary Stamp
Signature of Notary Public or other Authorized Officer	
Commission Expiration Date (if not listed on stamp)	

Acknowledgement of Surety	
State of	
County of	
Signed and sworn to (or affirmed) before me on this day (month, day, year)	
Name of Notary Public or other Authorized Officer (Type or Print)	Affix Notary Stamp
Signature of Notary Public or other Authorized Officer	
Commission Expiration Date (if not listed on stamp)	

ATTACHMENT 8
SAMPLE DOCUMENTS
NEXT 3 PAGES

SAMPLE

If changes have been made to the information above, return ENTIRE page. If no changes have been made, please detach and return the bottom portion of this form. If not renewing all vehicles at this time, please make a copy for your records.

To receive Renewal notices by email ONLY
Go online to mve@mail.nd.gov

Display Tabs By
01-Jul-2020



By submitting this registration renewal, the owner certifies that liability insurance will be maintained in accordance with North Dakota law. Failure to maintain required insurance could result in criminal and civil penalties.

Amount Due: 93.00
Amount Enclosed: _____
(If different than amount due)

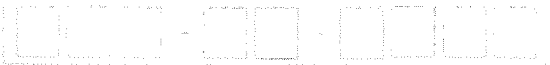
DO NOT
SEND CASH

Check if address correction is needed for all vehicles on invoice

Coupon sent in by the customer with payment

JANE DOE TESTING,
JOHN DOE TESTING
PO BOX 1234
BISMARCK ND 58502-1234

JOHN DOE TESTING ND Driver License No.



V0669920077 0009300

VEHICLE REGISTRATION RENEWAL INVOICE

North Dakota Department of Transportation, Motor Vehicle Division
(REV. 2-17)

608 E BOULEVARD AVE
BISMARCK ND 58505-0780
Telephone: (701) 328-2725
Website: https://dot.nd.gov
L0216083277

Generated Date: 25-Apr-2020

This is the ONLY notice being issued for the Registration Renewal on the vehicle(s) listed below.
New decal(s) **MUST BE DISPLAYED BY 01-Jul-2020 (ALLOW FOUR WEEKS FOR DELIVERY IF RENEWING BY MAIL)**

RENEW VEHICLES ONLINE: mvrenewal.nd.gov

Invoice No V0669920077

Title No.	VIN	Year	Make	Reg. Weight	Plate No.	Unit No.	Reg. County	Amount
ND573344589	1FTEW1CG7GKD45124	2016	FORD	7974	595AAA		BURLEIGH	93.00

Test

Amount Due: 93.00

*IRS FORM 2290, Schedule 1, stamped by the IRS, is REQUIRED on vehicles with a registered weight of 55,000lbs and greater.

Please make any necessary corrections to vehicle and/or address or county information, line out vehicle(s) no longer owned or not being registered, and adjust the Total Due. Additional instructions on reverse side.

If changes have been made to the information above, return ENTIRE page. If no changes have been made, please detach and return the bottom portion of this form. If not renewing all vehicles at this time, please make a copy for your records.

To receive Renewal notices by email ONLY
Go online to mvemail.nd.gov

Display Tabs By
01-Jul-2020



Amount Due: 93.00
Amount Enclosed: _____
(If different than amount due)

**DO NOT
SEND CASH**

By submitting this registration renewal, the owner certifies that liability insurance will be maintained in accordance with North Dakota law. Failure to maintain required insurance could result in criminal and civil penalties.

Check if address correction is needed for all vehicles on invoice

Address change indicated by the customer.

JANE DOE TESTING,
JOHN DOE TESTING
~~PO BOX 1234~~ 444 N 4th St
BISMARCK ND ~~58502-1234~~ 58501

JOHN DOE TESTING ND Driver License No.
[]-[]-[]-[]-[]

V0669920077 0009300

VEHICLE REGISTRATION RENEWAL INVOICE

North Dakota Department of Transportation, Motor Vehicle Division
(REV. 2-17)

608 E BOULEVARD AVE
BISMARCK ND 58505-0780
Telephone: (701) 328-2725
Website: https://dot.nd.gov
L0783362893

Generated Date: 25-Jul-2020

This is the ONLY notice being issued for the Registration Renewal on the vehicle(s) listed below.
New decal(s) **MUST BE DISPLAYED BY 01-Oct-2020 (ALLOW FOUR WEEKS FOR DELIVERY IF RENEWING BY MAIL)**

RENEW VEHICLES ONLINE: mvrenewal.nd.gov

Invoice No **V1426434893**

Test

Title No.	VIN	Year	Make	Reg. Weight	Plate No.	Unit No.	Reg. County	Amount
ND1647086413	1FTEW1EB9JKE49039	2018	FORD	7794	596AAA		BURLEIGH	93.00
ND953165	1FTEW1EG9GFC74837	2016	FORD	7974	597AAA		BURLEIGH	93.00
ND1074694989	1FTEW1E56KKC39221	2019	FORD	8256	598AAA		BURLEIGH	93.00

Customer crossed out vehicle they no longer own.

no longer own

Amount Due: **279.00**

*IRS FORM 2290, Schedule 1, stamped by the IRS, is REQUIRED on vehicles with a registered weight of 55,000lbs and greater.

Please make any necessary corrections to vehicle and/or address or county information, line out vehicle(s) no longer owned or not being registered, and adjust the Total Due. Additional instructions on reverse side.

If changes have been made to the information above, return ENTIRE page. If no changes have been made, please detach and return the bottom portion of this form. If not renewing all vehicles at this time, please make a copy for your records.

To receive Renewal notices by email ONLY
Go online to mvemail.nd.gov

Display Tabs By
01-Oct-2020



By submitting this registration renewal, the owner certifies that liability insurance will be maintained in accordance with North Dakota law. Failure to maintain required insurance could result in criminal and civil penalties.

Amount Due: 279.00
Amount Enclosed: 186.00
(If different than amount due)

DO NOT SEND CASH

Check if address correction is needed for all vehicles on invoice

JANE DOE TESTING,
JOHN DOE TESTING
PO BOX 1234
BISMARCK ND 58502-1234

amount invoiced is different than amount sent in by the customer

V1426434893 0027900

Amendment No. 1

To: ALL INTERESTED SUPPLIERS
From: Vanessa Brosten, Financial Management Division, Procurement Office
North Dakota Department of Transportation
Date: February 5, 2020
Re: RFP 915-28/920-22-20-050, Motor Vehicle Lockbox Processing and Mail Tracking Services

RFP Section 1.9 of the solicitation established a deadline for receipt of questions. The responses to these questions are provided as addenda to the solicitation. When necessary, the solicitation has been amended.

The RFP schedule in Section 1.4 has changed as indicated herein:

- Deadline for Receipt of Proposals by 2:00 PM, CT: **February 19, 2020**
- Oral Presentations of the proposed solution: Individually scheduled **March 9 – 12, 2020**
- Proposal Evaluation completed by approximately: **March 18, 2020**
- Notice of Intent to Award issued approximately: **March 18, 2020**
- State Issues Contract approximately: **March 26, 2020**
- Contract start approximately: **April 1, 2020**

VENDOR 1:

Q1) 3.1 Scope of work - In a wholesaler lockbox environment, reassociation of processed items (imaged) back to the original documents is a manual process. Would NDDOT MV be open to receiving copies of scanned work that would include image of envelope, coupon, check and other envelope contents?

A1) Any items to be returned to NDDOT MV must be original items (not images) except for their associated payments. Original documents are necessary for us to process on site at NDDOT because some items are required by law to be on secure paper and must be verified by our staff as such and not on copied documents. Photocopies of payments should be attached to the items that are being returned to us, not the original payments or images. NDDOT could be open to the option of having copies of the original envelopes attached to the enclosed items.

Q2) 3.1 Since all items imaged are available same day via a web portal, does the vendor need to return the original documents?

A2) Yes, original documents are necessary for any returned items to NDDOT MV. Some items are required by law to be on secure paper and that must be verified by our staff and we cannot verify that from copies or images.

Q3) 3.1 Regarding the daily deposit, is there a specific time the ND DOT expects the ACH funds to be in your account each day?

A3) Prior to 3pm CST each day.

Q4) 3.1 Are any funds expected to be held overnight in the contractor's account?

A4) Any funds collected after the ACH time sent daily may be held overnight.

Q5) 3.1 Would the State be open to Earnings Credit or Interest Bearing DDA proposals to hold these deposits for any amount of time?

A5) Not at this time.

Q6) 3.1 Over the course of a year what are the peaks and average daily balances collected by the contractor prior to sending them to the NDDOT MV account?

A6) The average daily balance collected is anywhere from \$71,730 to \$117,500. The peak balance collected so far has been \$819,315.

Questions in this section are related to 3.3 Requirements/Description of Specific, Results-Oriented Tasks

A. Deliverables

Q7) 3.3, A.6 - Is the requirement to implement a mail receipt dating processes or to stamp each envelope with the date received?

A7) NDDOT would like each envelope date stamped and tracked within a software system as well.

The primary functions of the vendor is:

Q8) 1.e & 2.f - Would it be acceptable for un-processable items be forwarded to NDDOT MV business office?

A8) At this time this would not be possible as one of the main goals of this RFP is for payment items to only be processed by the vendor so that NDDOT MV does not physically take each payment. Sending everything to NDDOT MV with intentions to return to the customer, including the payment, would defeat the purpose and puts NDDOT MV at risk. If vendor has other solutions, NDDOT MV may be open to them.

Q9) 1.g & 2.h - If original documents and envelopes are returned to NDDOT MV, how can the vendor retain them for 90 days? Original checks are retained based on Check 21 clearing guidelines.

A9) The renewal invoices and any payments that the vendor is able to process should be stored by the vendor. Only special handling items and other original mail (ex. title work) will be returned to NDDOT MV, and as such, the vendor would not be expected to physically retain those items.

Q10) 2.a - What is the volume of non-renewal mail with and without payment?

A10) Each business day, 95% of non-renewal mail (approx. 380 envelopes) is with payment and 5% (20 envelopes) is without payment.

Q11) 2.a - For tracking, the status is requested. How would a vendor know the status of other non-renewal documents and payments?

A11) The status from the vendor should either show processed (for invoices and payments that they were able to process) or mailed/sent on the other special handling or non-renewal documents and payments sent to NDDOT or returned to customers.

Q12) 2.c - Would NDDOT MV consider working from online images instead of having physical documents returned?

A12) No, original documents are necessary. Some items are required by law to be on secure paper this must be verified by our staff, we cannot verify that from copies or images.

Questions in this section are related to Section D – EXPERIENCE AND QUALIFICATIONS

Q13) References. Provide three (3) reference letters - Can you clarify exactly what you are looking for in a reference letter? For current clients who would prefer to provide contact information and be available to talk

would it be acceptable to provide just their name and contact information, along with a brief statement on the services the contractor provides the entity?

A13) Yes, it would be acceptable for them to provide just their name and contact information, along with a brief statement on the services the contractor provides the entity.

VENDOR 2:

Q14) Is North Dakota DOT open to the vendor delivering their payments to North Dakota DOT's bank account via ICL instead of ACH?

A14) NDDOT MV could be open to this if our financial institution (Bank of North Dakota) can accept this method, and it doesn't cause any other issues with processing.

Q15) Location of work and travel – Would North Dakota DOT be open to the vendor processing their payments at one of our processing sites? The closest locations to North Dakota are our Detroit and Kansas City locations, we also have processing sites in Minneapolis and Chicago.

A15) Yes, NDDOT MV could be open to this.

Q16) What mail tracking software does North Dakota DOT currently use?

A16) NDDOT MV is currently tracking items manually in Excel.

Q17) Would North Dakota DOT be open to selecting a Vendor who does **not** provide the service stated on Page 11 of the RFP, section "e" – "the vendor will track the envelope and its contents and return them to the customer's address it was sent from along with correspondence as specified by NDDOT." Our company typically returns payments back to the Client (i.e. North Dakota DOT).

A17) At this time this would not be ideal as one of the main goals of this RFP is for payment items to only be processed by the vendor so that NDDOT MV does not physically take each payment. Sending everything to NDDOT MV with intentions to return to the customer, including the payment, would defeat the purpose and puts NDDOT MV at risk. If vendor has other solutions to help achieve this goal, NDDOT MV may be open to them.

Q18) With regards to section "a" on Page 11 of the RFP - a. Vendor will FTP files to NDDOT MV for renewal processing, including payment information and assigned reference number. Files will need to follow NDDOT Interface specifications that will be provided to the awarded vendor." – Could North Dakota DOT please provide us with file specifications to review?

A18) Specifications are not available. But it will be a delimited flat file with information regarding money separated from the mail and deposited. Some of the information expected to be contained will be dollar amount and a random generated reference number to tie money to mail. We do not think much more information will be required, but at this time the exact specifications have not been created.

VENDOR 3

Q19) Is the vendor going to be getting title work that needs to be imaged and payments processed? If so, about how many total documents would need to get imaged of the 400-title daily paperwork received?

A19) Yes, the vendor will receive title work and other documents for titling that may have payments associated with them. The vendor is required to image the payment that they process. NDDOT MV is not requiring the

vendor to image the title work, however, the vendor should have its own quality controls in place to ensure they know what they all have specifically received as proof in case anything gets lost in the mail when it is sent back to NDDOT MV.

Q20) What percentage of mail for special handling is going to be mailed back to NDDOT central office?

A20) Special handling for renewal invoice mail is approximately 5% normally each month but increases to about 13% in November and December because of 2290 required vehicle renewals.

Q21) What is the preference NDDOT would have to send mail back? Does it have to have tracking information? Is there a turnaround time they need to have it sent back to the central office?

A21) NDDOT MV would prefer the mail be sent back with postal tracking information so that we can track when the package(s) was sent from the vendor to when it arrives at NDDOT MV. NDDOT MV does not need to receive items from the vendor within the 3 business days of when the vendor first receives it, but the vendor should put items in the mail to NDDOT MV within 3 business days of receiving it.

Q22) On items that are being sent back to the customers for incomplete information. How are those sent back to the customer? Are tracking #'s required? What is the current % of renewals that are sent back to the customer's daily?

A22) Less than 1% of renewals are sent back to customers for incomplete information. A preprinted correspondence letter would be included with all the items sent back to the customer. No postal tracking number is required for items returned to customers; however, the information about the items received should be tracked by the vendor in the mail tracking software so that if we get questions, we can see when the item was received and that it was sent back to the customer.

Q23) Is the vendor going to need access to STARS system?

A23) The vendor will not have access to the STARS system.

Q24) It states that paperwork needs to be kept for 90 days. What does the vendor do with the paperwork after 90 days? Do they destroy it or is all paperwork sent back to NDDOT central office

A24) The vendor should securely destroy the items after 90 days.

Q25) It states that the vendor will have 3 days to complete paperwork. Does that mean 3 days to complete the 1,700 pieces of mail or 3 days to get incomplete documents back to the central office?

A25) The vendor should process and track all mail within 3 business days of receiving it. NDDOT MV does not need to receive items from the vendor within the 3 business days of when the vendor first receives it, but the vendor should put items in the mail to NDDOT MV within 3 business days of receiving it. NDDOT MV would prefer to have the mail sent back with postal tracking information so that we can track when the package was sent from the vendor and when it arrives at NDDOT MV.

VENDOR 4

Q26) Section 3.1, page 6 - Please define incoming mail tracking services, including the point at which incoming mail would be considered trackable.

A26) the incoming mail must be tracked at the time it is received by the vendor. We would like every piece of mail that is received by the lockbox vendor be tracked within a software that NDDOT MV can

access daily to be able to search as we get inquiries and update the status. Items to be entered as applicable would be date received, carrier (USPS, UPS, etc.), tracking number (if applicable), customer name, number of pages, payment type (including check number if applicable), payment amount, reference number assigned by vendor (batch number, item number, sequence number), vehicle identification number, date sent to NDDOT MV and current status (processed, returned to customer, mailed to NDDOT, received by NDDOT, etc.).

Q27) Section 3.1, page 6 - Please describe your current process as it relates to tracking incoming mail, including the point at which incoming mail is considered trackable.

A27) NDDOT MV tracks the mail the same day that the mail is received into our office. We currently track information from each mail item manually in an Excel spreadsheet.

Q28) Section 3.1, page 6 - In lieu of returning paper for your manual process, are you open to online access to data and images including the ability to save and print?

A28) Any items to be returned to NDDOT MV must be original items (not images) except for their associated payments. Original documents are necessary for us to process on site at NDDOT MV because some items are required by law to be on secure paper and must be verified by our staff as such and not on copied documents. Photocopies of payments should be attached to the items that are being returned to us, not the original payments or images. NDDOT could be open to the option of having copies of the original envelopes attached to the enclosed items.

Q29) Section 3.1, page 6 - Please describe your current process for returning payments that cannot be processed to the sending party including the delivery method and the point at which the return mail is considered trackable.

A29) Currently we track the incoming mail item, we then send back pre-printed correspondence instructions to the customer and enclose that with their returned items.

Q30) Section 3.1, page 6 - Do you require balancing (ensuring the check amount matches the invoice amount/amount due)?

A30) Yes, we require balancing.

Q31) Section 3.1, page 6 - Do you require weekend processing?

A31) No, weekend processing is not required.

Q32) Section 3.1, page 6 - Would you consider re-designing remittance advices / coupons / advices in order to improve automation?

A32) Our preference would be to not redesign any documents.

Q33) Section 3.1, page 6 - Must the deposits for check payments to your account be in the form of ACH?

A33) NDDOT MV could be open to other methods if our financial institution (Bank of North Dakota) can accept it, and it doesn't cause any other issues with processing or timeframe.

Q34) Section 3.1, page 6 - What percentage of the incoming mail includes a check only (no documents) in an average month?

A34) Approximately 1%.

Q35) Section 3.1, page 6 - What percentage of the incoming mail requires “special handling” in an average month?

A35) Special handling for renewal invoice mail is approximately 5% each month but increases to about 13% in November and December because of 2290 required vehicle renewals. 100% of the rest of the incoming mail (besides renewals) would have the payments separated and processed, and the original documents, envelope and copy of check sent to NDDOT MV for manual processing.

Q36) Section 3.3, 1 (b), page 8 - What is the volume (# and/or %) of work that requires ‘special handling’ for vehicle invoice renewals?

A36) Special handling for renewal invoice mail is approximately 5% each month but increases to about 13% in November and December because of 2290 required vehicle renewals.

Q37) Section 3.3, 1 (e), page 8 - What is the volume (# and/or %) of work that contains a payment that cannot be processed for vehicle invoice renewals and for non- renewal documents? Please provide samples of the NDDOT correspondence accompanying the returned item.

A37) Less than 1% of renewals are sent back to customers for incomplete information. Sample correspondence will be provided to the awarded vendor.

Q38) Section 3.3, 1 (h), page 8 - What is the minimum requirement for image retention by the vendor?

A38) Minimum image retention of invoice renewals and checks is after current fiscal year plus 3 years.

Q39) Section 3.3, 2 (a), page 8 - What are the required capture fields for the vehicle invoice renewals?

A39) Anticipated capture fields include the invoice number, payment amount, and a reference ID to tie the payment back to the paperwork which is to be mailed back to NDDOT. The invoice number is randomly generated by NDDOT and applied to the renewal. The reference ID will be generated by the awarded vendor during processing. Final capture fields are subject to change after award and during the developmental and testing phases to accommodate for unforeseen circumstances.

Q40) Attachment 8, page 1-4 - Is there any opportunity to redesign the documents for more efficient processing?

A40) Our preference would be to not redesign any documents.

Q41) Attachment 8, page 1-4 - Can the documents submitted by remitters be printed from NDDOT MV website or are they always original documents mailed to the remitter by NDDOT MV (i.e. original vs facsimile)?

A41) Some documents submitted by remitters can be printed or copied (i.e. from NDDOT MV website). When it comes to renewal invoices, most are original documents mailed to the remitter by NDDOT MV.

Q42) Attachment 8, page 1-4 - Are any ‘special handling’ invoices returned with corrections on back of invoice? Or are the special handling instructions always on the face of the remittance?

A42) Almost all invoices requiring special handling would have corrections visible on the front or an additional separate sheet, but there could be a possibility of things appearing on the back, but that should be very rare.

Q43) Attachment 8, page 1-4 - Are window envelopes provided for remittances?

A43) Yes, NDDOT MV will provide envelopes to the vendor for those items that the vendor will be sending back to the customer.

Q44) Section 4.6, Bonds, page 18 - If all public funds are swept daily from our institution to the Bank of North Dakota, is a Surety Bond required for this proposal?

A44) Yes, please see section 4.6 on page 18 and Attachment 7 in the RFP.

Q45) Section 4.3, Proposal Format, page 18 - Technical Proposal – 4.3 instructs us to label the sections in the Technical Proposal numerically 1 – 7. However, the sections are labelled alphabetically in 4.4 (e.g. Section A – Cover Letter, etc.). Please confirm if we should label 1-7 or A-G

A45) Please label the sections numerically (1-7).

Q46) Section 4.8 Technical Proposal, Section C – Scope of Work Strategy - Would the STATE like us to include Section 3 in our proposal with responses to each subsection to ensure a thorough understanding of our solution?

A46) Yes, please include each subsection in responses.

VENDOR 5

Q47) Section 3.1 (page 6) - You describe the process for sending original documents and envelopes back to the State after they have been opened, imaged and processed in the lockbox. Why does the State need originals back once it has electronic copies archived on its system? Can you elaborate on what manual process is being performed once original documents, copies of payments, and envelopes are received back at DMV?

A47) Only special handling items and other original mail (ex. title work) will be returned to NDDOT MV. We process new title and title transfer work and any special handling renewals (ex. 2290 required) by hand in our office. Some items are required by law to be on secure paper or originals and they must be verified by our staff and we cannot verify that from copies or images.

Q48) Section 4.4 D (page 16) - The State wants reference letters, but the description of what is requested looks like contact information from references. Does the State actually want a letter of reference or does it want to contact the bank's customers that are provided as a reference? If you want a letter of reference, what do you want it to include?

A48) It would be acceptable for them to provide their name and contact information, along with a brief statement stating their experience with similar services and if performance is satisfactory. NDDOT may contact references if they want additional information on services performed.

Q49) Section 4.5 (page 18) - Cost Proposal. Is there a spreadsheet or cost proposal form that you want us to use to submit the cost proposal in order to make it easier for you to compare costs across vendors?

A49) There is no spreadsheet or cost proposal form to use. Please submit the cost proposal using the proposal format referenced in section 4.5 in the RFP.

Q50) Section 5.5 (Page 20) - Reciprocal preference rule. Can you explain how that works? If the bank has maintained offices in North Dakota, but the lockbox is in another state, can we consider the bank a resident bidder?

A50) The reciprocal preference law must be applied when evaluating the cost of bids or proposals received from nonresident bidders. A "resident" North Dakota bidder, offeror, seller, or contractor is one who has maintained a bona fide place of business within North Dakota for at least one year prior to the date on which a contract was awarded (ref. N.D.C.C. § 44-08- 02).

Q51) Item 1. b. (Page 8) - Any that require "special handling" (ex. 2290 required, address changes, crossed off vehicles, incorrect amount submitted, etc.) must be electronically tracked (invoice and payment info, reference number, etc.), payment separated and processed, reference number assigned, and then the original invoice,

original envelope and copy of payment be bundled and forwarded to the Motor Vehicle Division's central office for manual processing.

The RFP references manual processing at DMV after the items have been received and scanned into a lockbox. Can you describe the special handling and manual process that you want to take place outside of the lockbox environment?

A51) Special handling items (ex. 2290 required vehicles, address changes, crossed off vehicles, incorrect amount submitted, etc.) are things that will be sent back to NDDOT MV and manual processing/data entry will be done by NDDOT MV of those items in our system.

Q52) Page 8 Item 2 - Requirement to track all other non-renewal documents and their payments received by mail into an electronic format which will be available for the NDDOT MV daily.

a. Items to track are date received, carrier (USPS, UPS, etc.), tracking number (if applicable), customer name, number of pages, payment type (including check number if applicable), payment amount, reference number assigned by vendor, vehicle identification number, date sent to NDDOT MV and current status.

b. Payment will be separated from paperwork and processed by vendor.

c. After data has been entered into the **mail tracking software**, the physical paperwork including the original documents, assigned reference number, original envelope and copy of payment, will be bundled appropriately and sent to the NDDOT MV to be **manually processed**.

The mail is delivered by the postal service to the lockbox, and it is not tracked by the USPS. Can you help us understand what you mean by mail tracking software?

A52) We wish that every piece of mail that is received by the lockbox vendor be tracked within a software that NDDOT MV can access daily to be able to search as we get inquiries.

Q53) You refer to electronically tracking items several times in the RFP including item 2 on page 8 as outlined above. Can you clarify what you mean by electronically tracking given the following process that typically occurs in a lockbox environment:

- Incoming mail is batched and assigned a batch number
- An item number is assigned for each item processed
- Envelopes are assigned a sequence number

Using batch numbers, item processed number and envelop sequence numbers plus data captured after the incoming times are scanned, the state would be able to view the payments and other items scanned online. Can you help us understand the tracking that you want to achieve? Do you want to track the mail or track the items processed once the mail is opened and run through the lockbox equipment? Can you describe what information you want to receive through tracking?

A53) We wish that every piece of mail that is received by the lockbox vendor be tracked within a software that we can access daily to be able to search and update the status. Items to be entered as applicable would be date received, carrier (USPS, UPS, etc.), tracking number (if applicable), customer name, number of pages, payment type (including check number if applicable), payment amount, reference number assigned by vendor (batch number, item number, sequence number), vehicle identification number, date sent to NDDOT MV and current status (processed, returned to customer, mailed to NDDOT, received by NDDOT, etc.).

Q54) Functions of the vendor - page 8 item 1e - In the cases where the payment cannot be processed (check incomplete, not signed, starter check, etc.), the vendor will track the envelope and its contents and return them to the customer's address it was sent from along with correspondence as specified by NDDOT.

Can the State clarify what notifications that need to be sent for correspondence for incomplete and missing information? Again, reference is made to tracking the envelope. What is the purpose of tracking the envelope and would the process outlined previously allow the state to access the information that it needs online?

A54) NDDOT MV will provide the vendor specific printed correspondence that can be enclosed with those items that will be returned to the customer. We wish to have the information on and inside the envelope tracked so that if a customer calls us, we can search the mail tracking software and let them know if/when their item was received and what was done with it.

Q55) Page 8 item 1. g. - Original invoices and payments processed must be kept and stored by vendor for 90 days per state records retention requirements.

Given the high volume of work processed at a large lockbox, a 90 day retention policy seems longer than typical requirements. Would the state accept a shorter time for retention of original documents or return of original documents to the state? Can you direct us to the state statute or internal policy that requires retention of records for 90 days?

A55) Here is our NDDOT record retention requirement for source documents:

720154	SOURCE DOCUMENTATION	This series contains a variety of documents that are used to create or verify records/data of the Department of Transportation. These records will be automatically deleted every 90 days.	Transportation, Department of	DOT General Schedule	90 days	Landfill/Delete backups	General
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Q56) page 9 Item 2 f. - In the cases where the payment cannot be processed (check incomplete, not signed, starter check, etc.), the vendor will track the envelope and its contents and return them to the customer's address it was sent from, along with correspondence as specified by NDDOT.

Payment not processed refers to a remittance reject like the examples given (check incomplete, not signed, starter check, etc.) Since the items were not processed, there is no reporting information to be provided. Correspondence – Does NDDOT MV define this as any item devoid of a check that comes into box? What is the state looking to see if the item was not processed through the lockbox?

A56) No we do not consider every item without a check to be one that would require correspondence to be sent back to the customer. We wish to have the information on and inside the envelope tracked so that if a customer calls us, we can search the mail tracking software and let them know if/when their item was received and what was done with it. Items to be entered as applicable would be date received, carrier (USPS, UPS, etc.), tracking number (if applicable), customer name, number of pages, payment type (including check number if applicable), payment amount, reference number assigned by vendor (batch number, item number, sequence number), vehicle identification number, date sent to NDDOT MV and current status (processed, returned to customer, mailed to NDDOT, received by NDDOT, etc.).

Q57) Page 9 Item 4. - Maintain the confidentiality of private information in order to comply with Federal and State laws, rules, policies and procedures.

As a regulated national bank, we have customer confidentiality standards to which we must comply. Are there specific state of North Dakota laws that you believe to be more stringent than the regulations under which banks must comply relative to customer confidentiality?

A57) Not that we are aware of. Please reference N.D.C.C. 44-04.

Q58) Page 12 Item 2 f - Contractor submits monthly contract progress reports to the NDDOT MV: The last business day of each month for the first 24 months of the contract.

Are you trying to track activity at the lockbox site? What are the items that the State wants to see in the report?

A58) Monthly progress reports should include but are not limited to status updates, processing numbers/stats and any concerns or questions that need to be addressed.

Q59) Page 12 Item 2 g. - Contractor begins lockbox and mail tracking software and file design no later than: May 8th, 2020.

Again, reference is made to mail tracking software. Since the mail arrives at the lockbox via USPS, please clarify what you want tracked.

A59) We wish that every piece of mail that is received by the lockbox vendor be tracked within a software that we can access daily to be able to search and update the status. Items to be entered as applicable would be date received, carrier (USPS, UPS, etc.), tracking number (if applicable), customer name, number of pages, payment type (including check number if applicable), payment amount, reference number assigned by vendor (batch number, item number, sequence number), vehicle identification number, date sent to NDDOT MV and current status (processed, returned to customer, mailed to NDDOT, received by NDDOT, etc.).

Q60) Attachment 8: Sample Remittances - *One of the examples shown has a box checked for an address change. Lockbox applications exist that will the checked box, but what do you want the lockbox provider to do with the address change once it is flagged? For example, a lockbox could place an identifier on each transaction (Y or N) to identify if a box was checked and then the state could receive all those notices that were flagged "Y"*

What would you like the lockbox provider to do with the invoices that have crossed out vehicles? For example, would you like the provider to put them in their own batch range?

A60) Those with address changes and crossed out vehicles should be returned to NDDOT MV for manual processing. Sometimes customers don't write their new address on the invoice itself and we would need to take the information from the return address label from the envelope it arrived in. If vendor could provide us the address notice flag and what the new address is supposed to be from invoice or envelope, then NDDOT MV could be open to receiving address change notices that were flagged.

Vendors are instructed to acknowledge receipt of and compliance with this amendment by signing below and returning this acknowledgement with your bid or proposal.

Any questions regarding this amendment must be submitted in writing to the undersigned Procurement Officer.

Vanessa Brosten, Procurement Officer
PHONE: 701-328-4466
E-MAIL: vbrosten@nd.gov

By my signature below, I hereby acknowledge receipt of and compliance with this amendment to the above referenced solicitation.

COMPANY NAME	
PRINTED NAME OF BIDDER OR OFFEROR <u>and</u> TITLE	
SIGNATURE	DATE



**STATE OF NORTH DAKOTA
NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
MOTOR VEHICLE DIVISION**

**Motor Vehicle Lockbox Receivable Processing and Mail
Tracking Services Proposal**

RFP Number: 915-28/920-22-20-050

February 19, 2020

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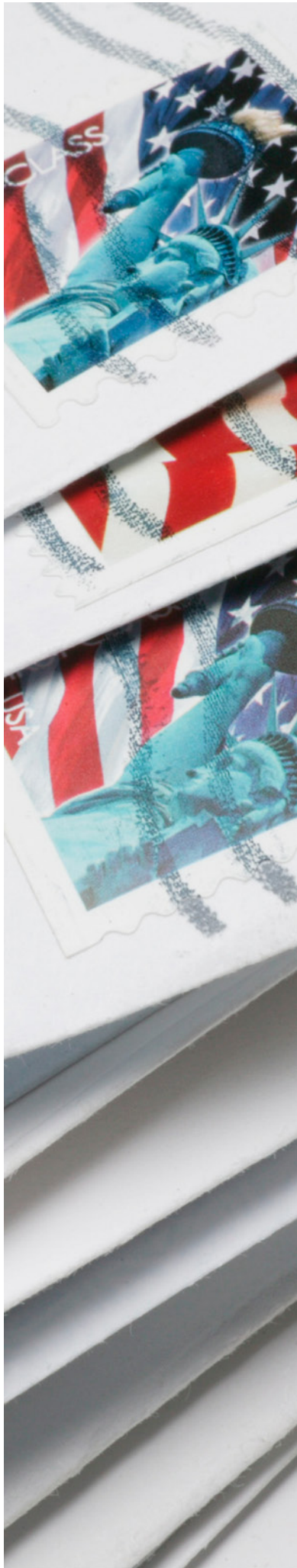
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Appendices

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Appendix 3.	Sample Proposed Problem Report
Appendix 4.	Sample Proposed Change Request Form
Appendix 5.	Sample Implementation Plan

J.P. Morgan's technology innovation and investment has directly resulted in tools such as Receivables Online and Decision Manager. These tools provide the North Dakota Department of Transportation with complete transparency into your vehicle registration mail, renewal invoices and payments.



Nancy Dorsa
Relationship Executive
J.P. Morgan



Section 1 – Cover letter

February 19, 2020

Vanessa Brosten
North Dakota Department of Transportation Financial Management, Procurement
608 East Boulevard Avenue
Bismarck, North Dakota 58505-0700

RE: Request for Proposal for Motor Vehicle Lockbox Receivable Processing and Mail Tracking Services RFP Number: 915-28/920-22-20-050

Dear Ms. Brosten:

JPMorgan Chase Bank, N.A. (“J.P. Morgan”) is pleased to submit our proposal for lockbox receivable processing and mail tracking services in response to the North Dakota Department of Transportation Request for Proposal (the “STATE”). The STATE has been highly valued by J.P. Morgan for more than 20 years and our broad experience and investment in lockbox and mail processing services make us an ideal candidate to meet and exceed your requirements.

We want to put the most sophisticated technology tools and advanced business processes at your disposal:

- J.P. Morgan’s Receivables Online portal provides an easy-to-use storage and search engine. Your document images and history can be archived for up to 10 years, allowing North Dakota to improve research capabilities and move away from inefficient paper storage.
- J.P. Morgan can apply North Dakota-defined exception criteria such as missing data or unbalanced payments to your mail. We will follow your instructions to return documents to the STATE or to your customers when required but can also image and present them electronically same day through the Receivables Online portal.
- J.P. Morgan will capture all your required payment and remittance information, deliver this data to you in an electronic posting file to update your STARS system, and work with you to eliminate manual processes whenever possible.
- From post office pickup through all stages of processing, each day’s work is logged and tracked. As work moves through the various steps (e.g., opening, sorting, scanning, data capture, etc.), detailed workflow monitoring maintains tracking controls from start to finish.
- We offer a 6-month waiver of fees to ease the transition to J.P. Morgan.

Our reputation for delivering technical innovations along with solid financial services, combined with our dedication to customer service, makes us a perennial leader in the industry. We are confident that by collaborating with the J.P. Morgan team the STATE will realize improvements in efficiency, business continuity and customer satisfaction.

In accordance with your RFP requirements we note the following:

1. ***The name of the offeror, name of the person to contact regarding the proposal, email address, telephone number, and mailing address.***

JP Morgan Chase Bank, N.A.
Nancy Dorsa
nancy.a.dorsa@jpmorgan.com
(317) 767-8344
1 East Ohio Street, 4th Floor
Indianapolis, IN 46277

2. ***Offerors are instructed to review the “Conflict of Interest” provisions in RFP Section 1 “Instructions.” If the firm, its employees or subcontractors working on the contract have an apparent or actual conflict of interest, provide a statement disclosing the circumstances of the apparent or actual conflict of interest. Otherwise, provide a statement that your firm, employees and subcontractors do not have a conflict of interest.***

To the knowledge, information and belief of the undersigned after reasonable inquiry, there is no known conflict of interest with this RFP. For disclosure purposes, note that J.P. Morgan and its affiliates have banking and other business relationships in the normal course of business with various persons or entities, which may include employees, officers, directors, etc. of the State. Such relationships are governed by our usual and customary terms and conditions. The J.P. Morgan Code of Conduct prohibits any employee in general from acting on behalf of the bank in any transaction or business relationship involving such employee, members of his/her family, or other persons or organizations with which such employee or his/her family have any significant personal connection or financial interest.

3. ***The cover letter must be signed by an individual with authority to bind the offeror.***

Your relationship manager, Nancy Dorsa, has the authority to bind the bank and contract with the STATE for this Proposal for Motor Vehicle Lockbox Receivable Processing and Mail Tracking Services RFP Number: 915-28/920-22-20-050.

By signing the cover letter, an offeror certifies that it complies with:

- a. ***All the requirements, terms and conditions as set forth in this RFP.***

J.P. Morgan agrees to comply with the terms and conditions, except where indicated in Section 5 – Contract Provisions where we have included a list of requested modification of terms for your review. We will meet all requirements as described in Section 3.

- b. ***The requirement that the offeror’s proposal accurately describes the goods and services being offered to the STATE, and the proposal will be held firm for the period specified.***

J.P. Morgan’s proposal accurately describes the goods and services offered. Our proposal will be held firm for 180 days from the date of this proposal.

- c. **All local, state, and federal laws, rules, code laws, rules, code, regulation, and policies, including those relating to nondiscrimination, accessibility, civil rights and equal employment.**

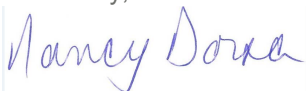
J.P. Morgan is subject to regulation under various state and federal laws in the United States, as well as the applicable laws of each of the various jurisdictions outside the U.S. where the firm does business. J.P. Morgan has a comprehensive set of internal policies and procedures to address compliance with relevant regulatory and legal requirements applicable to the bank as provider of the services that are the subject of this RFP. These internal policies and procedures are also subject to review through an ongoing internal audit program and oversight from external regulators.

- d. **The requirement that this proposal was prepared independently without collusion.**

JPMorgan Chase Bank, N.A. has prepared this Proposal independently without collusion.

With this proposal we hope to demonstrate our ability to meet your current lockbox and mail tracking needs, improve on the STATE's existing manual processes through document imaging and electronic posting files, and free North Dakota staff for more productive activities. We ask for your business and look forward to presenting our solutions. Should you have any questions, please contact me at (317) 767-8344 or Witness Yi at (312) 732-6750.

Sincerely,



Nancy Dorsa

Relationship Executive

(317) 767-8344

nancy.a.dorsa@jpmorgan.com

Customer needs are what gets our attention. We believe that in a hyper-competitive world (from competitors known and unknown), the best strategy – both offensive and defensive – is to give the customer more: something better, faster or more efficiently. We are always on a quest to improve our products and services, and, for the most part, this is done with enhancements in technology and through the continual training of our people. Most fundamental of all is doing the right thing for our customers – in all cases.



Jamie Dimon

Chairman and CEO

JPMorgan Chase & Co.

2019 Annual Letter to Shareholders

0000 0000

Payment Coupon

Account number

Balance

Payment due date

MINIMUM P.



Executive Summary

The State of North Dakota (“the STATE”) seeks a qualified and experienced banking provider who can provide lockbox receivables processing services and incoming mail tracking. We are appreciative of the opportunity to examine your current structure and transform your treasury processes as the STATE considers shifting its payment processing to an outside vendor. We trust that our proposal will convey not only our technical capabilities but also give insight into how we distinguish ourselves from our peers.

ECONOMIC VALUE

BENEFITS TO THE STATE



Cost Effective

In today’s environment, public entities like the STATE must effectively use limited resources, budget and staff while providing increased value to constituents. We understand these challenges and would like to offer the following benefits:

- Six (6) month fee waiver
- Two (2) free scanners for unexpected items remitted to STATE facilities

IMPLEMENTATION

BENEFITS TO THE STATE



Change Management

We view the implementation process as a pivotal phase in our relationship and an opportunity to demonstrate the value of our expertise and consultative capabilities to help ease the burden of transition. We deliver tailored solutions to meet your needs and provide a dedicated resource to fully support your onboarding journey.

- Robert Carson will be the STATE’s dedicated Program Manager who will establish and oversee the implementation and manage all change control processes.
- We will work closely with the STATE to understand its operating environment and provide best practices for efficiencies and cost savings.
- We invite the STATE to visit our lockbox facility to see the end-to-end processing of payments.
- In the spirit of continuous improvement, we will take action on feedback to enhance the implementation process for the next agency being onboarded, and where applicable, to the current implementation project.

CUSTOMER SERVICE

BENEFITS TO THE STATE



Dedicated Team

Our Government Banking team is a specialized group within J.P. Morgan that is dedicated to delivering solutions to our public sector clients. The STATE will be supported by an experienced relationship team that understands the nuances of State government that is supported by our national industry experience.

- The STATE will be provided a dedicated relationship team with deep expertise in all things related to your lockbox processing. Detailed information on the relationship team has been provided within this proposal.
- A recent survey shows 94% of clients provided top overall satisfaction ratings with our Commercial Banking Client Service.

FINANCIAL STABILITY

BENEFITS TO THE STATE



Reliability

In times of uncertain market conditions, it is imperative that governments are able to operate without disruption. Choosing a vendor with a proven track record of stability is an important consideration. J.P. Morgan's disciplined approach to risk has yielded the following results as of December 31, 2019:

- Market capitalization of more than \$429.9 billion.
- Total equity of \$261.3 billion.
- Deposits of more than \$1.6 trillion.
- Loans of more than \$959.8 billion.

The following also highlights our lockbox processing experience:

- Over 14,000 active lockboxes
- More than 11 million items processed monthly
- Over \$50 billion of payments processed at our lockboxes

Summary of processing workflow

The STATE's customers will send their remittance checks to unique ZIP codes used exclusively for our lockbox mail. We pick the mail up directly from the post office multiple times during the day, beginning early in the morning.

We bring the mail to our processing facilities where high-speed machines sort it by lockbox number and separate it into batches. In a matter of minutes, your receivables are ready for our highly trained lockbox associates to process the STATE's payments according to your specific instructions.

We work with you to develop tailored, STATE-specific instructions so our associates can process your remittances according to your requirements. Our associates extract the contents of the envelopes and separate checks with remittance documents from checks without remittance documents and other materials.

Once scanned, our high-speed recognition software reads the numeric and written amounts on the check images and compares them to the amounts keyed. Discrepancies are routed to a special team for final verification.

When OCR check scanning and data entry is complete, the STATE's checks are encoded and funds availability is assigned. Data files are prepared according to your specifications and uploaded to your accounts receivables system. Checks are expedited to maximize the amount of same-day deposit into your account.

The STATE can access your images and data directly from your desktop, in real time via our advanced Receivables Online browser. We can also alert you via Receivables Online the moment an important transaction is posted.

J.P. Morgan Wholesale Scannable Lockbox workflow

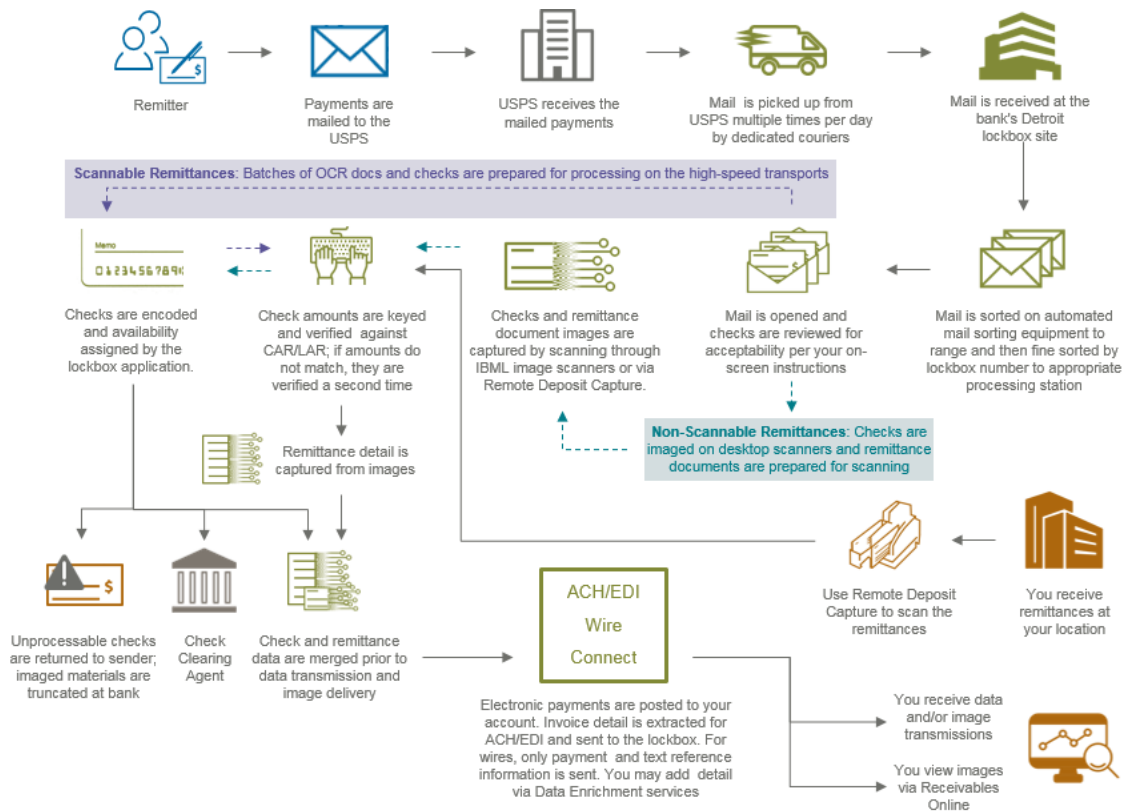


Figure 1

Reporting

Our web-based lockbox image browser application, Receivables Online, can help the STATE efficiently manage your receivables. Through this single portal, the STATE can access images and information related to payments received in your J.P. Morgan lockbox, as well as electronic payments received via ACH or wire. Easy navigation, advanced queries, payment alerts and workflow tools give your accounts receivable, credit and client service staff the ability to make informed business decisions quickly.

Updating client records

Data files are prepared according to your specifications to facilitate automated updates to client records in your accounts receivables system. J.P. Morgan can send you remittance data in standard file formats:

- ANSI X.12 823 and 820 formats
- All standard variations of the 80-character-per-record lockbox BAI2 format accepted by major accounts receivable software vendors such as Oracle, SAP (their lockbox BAI1 and BAI2 formats) and PeopleSoft (their 102-character variation)

Decision Manager

A further illustration of our innovative approach to lockbox is Decision Manager, a Receivables Online product offering that enables you to achieve near real-time decisioning and data entry by integrating lockbox exception items into Receivables Online. The service allows you to identify different types of exceptions based on your processing instructions and route those transactions to Receivables Online. This will help reduce or eliminate unprocessed items being sent back to the customer. The lockbox can be programmed to send transactions to Decision Manager based on specific rules you define. The STATE can determine the length of time for transactions to be suspended for decisioning in intervals of 24 hours up to 72 hours. Accepted transactions and supplemental information will be provided in the next data transmission to you. A rejected transaction will be returned to the customer as an unprocessable item per the STATE's instructions.

Benefits of outsourcing your lockbox processing

J.P. Morgan offers one of the most sophisticated and cost-effective remittance collection (lockbox) services available in the banking industry today. This service can provide you with the following benefits:

- **Efficient processing:** Each of our processing centers is fully automated and actively monitored by our Network Command Center. We pick up your mail from the post office multiple times throughout the day, with the exception of major holidays. Our processing centers are staffed to mirror the availability of mail so funds can be deposited on a timely basis. .
- **Integration of electronic and paper:** You can consolidate most incoming payments, both paper (lockbox checks) and electronic (ACH, wire and EDI transactions), into a single data file, to simplify the posting of payments in your accounts receivable system.
- **Competitive funds availability:** As each check is processed in our network sites, our systems automatically assign the day the funds will become available to you, based on our competitive check clearing schedules. We assign availability regardless of any transit or processing delays that may subsequently occur.
- **Centralized client service:** All your inquiries are handled through your designated Client Service Professional, Kimberly Pickett, who has primary responsibility for any day-to-day inquiries or problems with your account.
- **Mail tracking:** Our Receivables Online platform allows for the STATE to efficiently manage its receivables via an Internet-based service. Images and information related to your payments are all available through this single portal.

With respect to the underlying infrastructure supporting these solutions, we have continued to invest in advanced processing equipment to sort, extract and accelerate image capture of checks and documents accurately, efficiently and with a higher degree of automation.

Conclusion

Collaborating with J.P. Morgan has many benefits that extend beyond dollars and cents. Our consultative approach, experience, and people provide strong value when building a relationship with a client as complex and nuanced as the STATE.

Choosing the right provider requires a thorough assessment of their capabilities, delivery and its people. As you review our response, we ask you to consider the following:

- **The people and the experience:** Implementation and service should be nothing short of outstanding at all times. The vendor you choose should exceed your expectations in planning, operational accuracy, troubleshooting, communication, sense of urgency, and care.
- **Thought-leadership:** The vendor you select should employ the very best people in the industry that have the experience and expertise to bring you industry updates and best practices on a regular basis.
- **New and different technology:** When you select an institution, you are committing to a long-term strategic relationship, and you are investing in that institution's technology of the future. It is important to understand their budget and roadmap. You should feel confident they have the resources and vision to stay ahead of the rapidly changing technologies.
- **Understanding of culture and vision:** The STATE deserves a highly experienced team of treasury experts that understand your culture, vision for the future and the goals of your department, both individually and as a whole.

We understand the State of North Dakota Department of Transportation is working to achieve an efficient and optimized future state. We know it's all in the details. We have experienced that the smaller details will naturally become more meaningful over time, and we encourage the STATE to consider the differentiators that we have outlined throughout our response.

In selecting J.P. Morgan as the STATE's lockbox provider, you are choosing a proven and dependable institution focused on aligning your objectives with solutions to meet and exceed your goals. We have the experience, the solutions and the people to effectively support the STATE's objectives. We appreciate the opportunity to bid on your business, and thank you for your consideration.

Section 2 – RFP Amendments

Provide signed copies of all Solicitation Amendments issued by the STATE that were required to be acknowledged by offerors.

We have included the signed Acknowledgement Page of Amendment #1 on the following page as required by the RFP.

Q59) Page 12 Item 2 g. - Contractor begins lockbox and mail tracking software and file design no later than: May 8th, 2020.

Again, reference is made to mail tracking software. Since the mail arrives at the lockbox via USPS, please clarify what you want tracked.

A59) We wish that every piece of mail that is received by the lockbox vendor be tracked within a software that we can access daily to be able to search and update the status. Items to be entered as applicable would be date received, carrier (USPS, UPS, etc.), tracking number (if applicable), customer name, number of pages, payment type (including check number if applicable), payment amount, reference number assigned by vendor (batch number, item number, sequence number), vehicle identification number, date sent to NDDOT MV and current status (processed, returned to customer, mailed to NDDOT, received by NDDOT, etc.).

Q60) Attachment 8: Sample Remittances - *One of the examples shown has a box checked for an address change. Lockbox applications exist that will the checked box, but what do you want the lockbox provider to do with the address change once it is flagged? For example, a lockbox could place an identifier on each transaction (Y or N) to identify if a box was checked and then the state could receive all those notices that were flagged "Y"*

What would you like the lockbox provider to do with the invoices that have crossed out vehicles? For example, would you like the provider to put them in their own batch range?


A60) Those with address changes and crossed out vehicles should be returned to NDDOT MV for manual processing. Sometimes customers don't write their new address on the invoice itself and we would need to take the information from the return address label from the envelope it arrived in. If vendor could provide us the address notice flag and what the new address is supposed to be from invoice or envelope, then NDDOT MV could be open to receiving address change notices that were flagged.

Vendors are instructed to acknowledge receipt of and compliance with this amendment by signing below and returning this acknowledgement with your bid or proposal.

Any questions regarding this amendment must be submitted in writing to the undersigned Procurement Officer.

Vanessa Brosten, Procurement Officer
PHONE: 701-328-4466
E-MAIL: vbrosten@nd.gov

By my signature below, I hereby acknowledge receipt of and compliance with this amendment to the above referenced solicitation.

COMPANY NAME JPMorgan Chase Bank, N.A.	
PRINTED NAME OF BIDDER OR OFFEROR <u>and</u> TITLE Nancy Dorsa, Authorized Officer	
SIGNATURE 	DATE 2/14/2020

Collaborating with J.P. Morgan has many benefits that extend beyond dollars and cents. Our consultative approach, experience and people provide strong value when building a relationship with clients as complex and nuanced as State governments.



Witness Yi
Treasury Management Officer
J.P. Morgan

Section 3 – Scope of Work Strategy

Offeror must review the requirements and deliverables provided in RFP Section 3, Scope of Work.

1. ***Applicable Directives. The Offeror must identify any state and federal requirements that apply to the contract.***

J.P. Morgan is subject to regulation under various state and federal laws in the United States, as well as the applicable laws of each of the various jurisdictions outside the U.S. where the firm does business. J.P. Morgan has a comprehensive set of internal policies and procedures to address compliance with relevant regulatory and legal requirements applicable to the bank as provider of the services that are the subject of this RFP. These internal policies and procedures are also subject to review through an ongoing internal audit program and oversight from external regulators.

2. ***Strategy for Scope of Work Requirements. The Offeror must provide narrative statements to demonstrate their understanding of the scope of work requirements. Explain the proposed strategy to accomplish the scope of work, meet all requirements, and provide the deliverables described in the scope of work within the STATE's project schedule.***

Scope Of Work 3.3 Requirements

DESCRIPTION OF SPECIFIC, RESULTS-ORIENTED TASKS

A. DELIVERABLES

The primary criteria for establishing and maintaining a lockbox receivable (payment) processing and/or mail tracking service is:

1. ***Adequate NDDOT MV need, interest, and available budget.***

J.P. Morgan looks forward to developing a solution that meets the STATE's needs in a cost-effective manner.

2. ***Adequate office staff to service the NDDOT MV in a timely manner.***

Capacity and scale

Lockbox operations are nationwide, including both wholesale and retail operations. J.P. Morgan has existing capacity to process the STATE's work without any need for additional physical build-out.

Our lockbox operations are staffed and equipped to handle significant amounts of data entry. We employ skilled data entry associates and use intelligent character recognition tools to achieve cost-effective and accurate data capture.

When we gain new business that has significant data entry requirements, we determine the staffing needs

LOCKBOX INNOVATIONS

- J.P. Morgan processes payments for more than 14,400 active lockboxes.
 - J.P. Morgan lockbox departments handle an average monthly volume of more than 10 million items totaling over \$51 billion.
 - Our lockbox provides data capture for over 6,200 clients.
-

and adjust our resources as necessary. The adjustment may take the form of expanding hours of our part time staff or hiring additional data capture associates. This decision would be made based on a multitude of variables including machine availability, labor needed, and volume patterns.

3. *Contact and/or support available during normal hours of operation at Central Office (7:30am CT to 5:00pm CT).*

The STATE will have a designated day-to-day contact with J.P. Morgan, Client Service Professional, Kimberly Pickett, who will be available during normal business hours in Central Time.

4. *Full compliance with the Americans with Disabilities Act (ADA) and Title VI of Civil Rights Act.*

JPMorgan Chase & Co. agrees to make all reasonable efforts to comply with Title VI of the Civil Rights Act of 1964.

J.P. Morgan is committed to meeting the banking and financial service needs of all of its customers, and will work to provide customers equal access to and the opportunity for equal enjoyment of its products, services, and facilities. We continue to improve accessibility to our online services and will address concerns from a customer with disabilities who reports difficulties accessing information or documents related to the services provided under this agreement. Further information regarding our commitment to accessibility can be found at <https://www.chase.com/digital/resources/accessibility>.

5. *Accurately review and process the mailed in vehicle registration renewal invoices and their payments.*

STATE's customers will send their remittance checks to unique ZIP codes used exclusively for our lockbox mail. We pick the mail up directly from the post office multiple times during the day, beginning early in the morning.

We bring the mail to our processing facilities where high-speed machines sort it by lockbox number and separate it into batches. In a matter of minutes, your receivables are ready for our highly trained lockbox associates to process STATE's payments according to your specific instructions.

We work with you to develop tailored, STATE-specific instructions so our associates can process your remittances according to your requirements. Our associates extract the contents of the envelopes and separate checks with remittance documents from checks without remittance documents and other materials. Scannable items are batched and delivered to the high-speed scanner, OCR scanlines and MICR are captured and imaged at a rate of 6,000 per hour.

Once scanned, our high-speed recognition software reads the numeric and written amounts on the check images and compares them to the amounts keyed. Discrepancies are routed to a special team for final verification.

When OCR, check scanning and data entry is complete, STATE's checks are encoded and funds availability is assigned. Data files are prepared according to your specifications and uploaded to your accounts receivables system. Checks are expedited to maximize the amount of same-day deposit into your account.

STATE can access your images and data directly from your desktop, in real time via our advanced Receivables Online browser. We can also alert you via Receivables Online the moment an important transaction is posted.

National Wholesale Lockbox – Overall

JPMorgan Chase Critical Quality Indicators	Previous Years (Full Year)	YTD 2019	Previous Three Months
Deposit Accuracy Rate * (Deposit Error Rate) Definition: Measures customer impact errors that occur in the handling of deposits, such as crediting the entire deposit to the wrong account or other errors on the part of JPMorgan Chase which result in the non-posting of the entire deposit to the intended customer's demand deposit account. <ul style="list-style-type: none"> • Performance MAP+: 0.31 Errors/1,000 • Performance Target: 0.11 Errors/1,000 	2018: 0.138 2017: 0.154 2016: 0.192	0.145	Oct. 19: 0.013 Sep 19: 0.17 Aug 19: 0.13
Item Processing Accuracy Rate* (Item Processing Error Rate) Definition: Measures number of checks that are not processed in accordance with customer specifications, which do result in a financial adjustment to the customer's demand deposit account (e.g., wrong payees, live checks, encoding errors, etc.). <ul style="list-style-type: none"> • Performance MAP+: 13.55 Errors/100,000 • Performance Target: 9.88 Errors/ 100,000 	2018: 2.171 2017: 2.277 2016: 2.209	2.458	Oct. 19: 2.38 Sep 19: 2.21 Aug 19: 2.19
Procedural Accuracy Rate* (Procedural Error Rate) Definition: Measures number of checks that are not processed in accordance with customer specifications for remittance handling and preparation of remittance packages, which do not require a financial adjustment to the customer's demand deposit account. <ul style="list-style-type: none"> • Performance MAP+: 8.09 Errors/100,000 • Performance Target: 5.39 Errors/ 100,000 	2018: 0.493 2017: 0.671 2016: 0.883	0.633	Oct 19: 0.53 Sep 19: 0.60 Aug 19: 0.65
*BAI Standard Quality Indicators +Minimum Acceptable Performance			
LBXNWQualityMetrics-Overall 10/31/2019			

Integrating receivables sources into a single remittance data file

To further automate your remittance processing, NDDOT can integrate receivables from a variety of other sources into a single remittance posting file, including lockbox payments, payments sent to STATE offices, payments received over the counter in STATE offices, payments sent via ACH or wire transfer, and online payments.

Remote capture service

For items that customers send to the STATE's facilities, we propose that the STATE consider use of Remote Lockbox Capture to most effectively shift check processing, data capture, payment application, data archival and reporting functions from your staff to ours, enabling NDDOT staff to focus on more valuable tasks such as providing faster service in STATE offices. Remote Lockbox Capture items flow into the same data capture, archival and reporting flow as items mailed to the lockbox. The STATE staff simply scans the remittance document and the check, and J.P. Morgan provides consolidated remittance data, images and reporting for remote capture and lockbox items.

Our remote capture service is designed to help the STATE streamline your collections process via the Internet. Collecting and transporting checks from your office to lockbox is a paper-intensive, costly process. The result is often delayed access to your funds and application of cash. Our fully integrated remote capture solution is built on our advanced receivables management service, Receivables Online.

Intuitive and easy to use, our remote capture service provides a solution for checks and full-page and/or scannable documents. Scanning of checks and documents is accomplished through a single scanning device installed and managed in your office, or captured through a mobile device. Scanned checks and documents feed directly into the lockbox process flow, or are deposited directly to your account. The STATE can use Receivables Online, our web-based image browser application, to view and display deposits, settlements and optional data capture. The STATE has the option to include this activity in your daily transmissions to automate cash posting.

Primary benefits of using remote capture services include minimizing cost associated with manual check processing, and expediting deposits that results in increased available funds. In addition, the option of bank or client data capture to be included with the remote captured checks and remittance documents results in straight through processing as it reduces the manual effort associated with posting items in-house separate from the deposit of the check.

The mobile capabilities of Remote Lockbox Capture are accessible through the Integrated Receivables Collect module. This solution offers you the ability to take pictures of checks and/or documents, and stores the images and data online through Receivables Online. The transactions can be sent through the lockbox process flow or deposited directly to the STATE's account. You may opt to include this activity in your daily transmissions to automate cash posting.

6. *Accurately track the mailed in documents, including payment specific information and location of those documents, from when they are first received in the mail until the transaction processing is completed, and process their associated payments. All mail received must be date stamped.*

The powers and duties of the Director and the Department of Transportation are outlined in the North Dakota Century Code (Sections 24-02-01.2 and 39-02-03). The Department of Transportation shall continue its effort to be a servant of the people and to improve and enhance its services. The vendor must be a responsible partner to ensure its success.

The vendor will be self-sustaining as to all costs and expenses in its operation. The vendor shall be responsible for payment of all costs of the network and device connections, including any updates, necessary to communicate on the State NDDOT network. The vendor will also be responsible for payment of all costs incurred to add or replace any software and/or equipment, including computers and printers, which are determined by NDDOT to be necessary for the continued operation of the lockbox receivable (payment) processing and/or mail tracking service.

Daily mail through the lockbox

Processing schedule

Because the mail pick-up process is under the direct control of the lockbox production staff, J.P. Morgan can control and modify our schedule to meet changes in the U.S Postal Service’s drop schedules.

Our processing sites are frequently monitored to help validate an optimal pick-up schedule based on:

- Incoming mail patterns
- Volume
- Internal processing requirements

Below are the pick-up schedules for wholesale lockbox mail. All times are local.

Wholesale lockbox pickup		
Monday through Friday	Saturday	Sunday
Detroit		
7:15 a.m.	None	None
11:15 a.m.		
4:15 p.m.		

Ledger cutoff time

The end-of-day general ledger cutoff time for lockbox deposits processed at any of our network sites is 4:00 p.m. CT at each site. J.P. Morgan does not provide holiday processing.

Courier/messenger packages

Any courier or messenger package delivered to domestic lockbox sites by 12:00 p.m. CT of the lockbox site will be deposited for same-day ledger credit, assuming you have no conflicting deposit or information reporting deadlines.

- A minimum of four hours between courier/messenger package receipt and your deposit-reporting deadline is required.
- A minimum of four hours is required when manually data keyed information (e.g., invoice number, remitter name) is to be included in the scheduled report.
- J.P. Morgan may not be able to process all items for same-day ledger if the data capture volume received by courier package exceeds 10,000 keystrokes.
- J.P. Morgan may not be able to process all items for same-day ledger if there are more than 75 payments in a single courier/messenger package.

Daily workflow controls

From post office pickup through all stages of processing, each day's work is logged and tracked for processing according to the daily cutoff times, generally on a first-in/first-out (FIFO) basis.

Trays of mail are counted and logged at the post office and verified upon arrival at the lockbox site. Once mail is sorted and staged for processing, each tray is labeled with its "work of" date. As work moves through the various steps (e.g., opening, extraction, sorting, batching, scanning, data capture, encoding, etc.), detailed workflow monitoring maintains tracking controls from start to finish.

Using these controls, the site can verify completion of incoming work throughout the day.

Data capture capabilities

Our remote capture services include data entry capabilities to facilitate efficient posting of transactions in addition to the expedited deposit benefits.

With Remote Lockbox Capture, the items submitted are handled like paper remittances delivered directly to your lockbox. We will apply the same processing instructions to items submitted via mail/courier or remote deposit. For lockbox remittances the STATE may request the capture of virtually any data field, which is easily identifiable. The most frequently requested fields included customer number, invoice number, net invoice amount and remitter name.

Capturing coupon data and images

The Utility Company
111 Main St
Dallas, TX 12345-1233

Account Number: 4421-542-032-481

Please return this portion with payment

Customer Service: 1-866-619-3060

Payment Amount \$244.54
Payment must be received by 3/15/07

Send Payment To

UCC Service Cent
PO Box 55555
Dallas, TX 12345-1233

After 3/16 please pay \$251.88

Joe Smith
111 Whitewater Dr.
Dallas, TX 76001-1234

00442154203248100000244549031520070000025188

<<<<<< OCR DATA

Account Amount Due Date Late Amt

Figure 2

The STATE can choose how to receive the remittance data from items submitted to your lockbox via remote capture services. They can be fully integrated with your paper lockbox remittances or provided in a separate transmission. In either option, the data entry fields will be applied to all items processed via Remote Lockbox Capture and integrated with the end-of-day lockbox file transmission.

Alternatively, with Remote Deposit Capture (non-lockbox) solution, the items bypass the lockbox processing and are deposited directly to your account. The STATE may request your users to data capture specific data fields at the time of scanning. The data fields will be available for viewing on Receivables Online or provided in a transmission.

Capture critical information via technology and data entry

Automated data capture tools

J.P. Morgan's image-based lockbox system provides optimal processing efficiency and accuracy. Intelligent character recognition (ICR) technologies are used to reduce processing time and improve accuracy; edit and balance routines can further refine data accuracy, resulting in improved cash application rates. Approximately 60% of all characters captured are assisted by ICR. The remaining component is keyed manually.

Data entry

We capture the following fields for use in our standard Receivables Online queries:

- Check amount
- Check number
- Remitter's bank transit routing number

- Remitter's bank account number
- Lockbox number
- Credit date (business day deposit is posted to your account)
- Process date (calendar on which item is processed; will differ for clients contracting for weekend processing; items processed on Saturday will have a Saturday process day and a Monday credit date; this would be considered the "receipt date")
- Bank-assigned processing batch number
- Item number within the batch

Optional query fields include:

- Remitter name
- As many as 20 additional references fields as captured, such as customer number, invoice number, net invoice amount and post mark date.

Workflow overview

J.P. Morgan's Detroit lockbox sites operates 10 hours a day, 5 days a week:

J.P. Morgan Wholesale Lockbox workflow

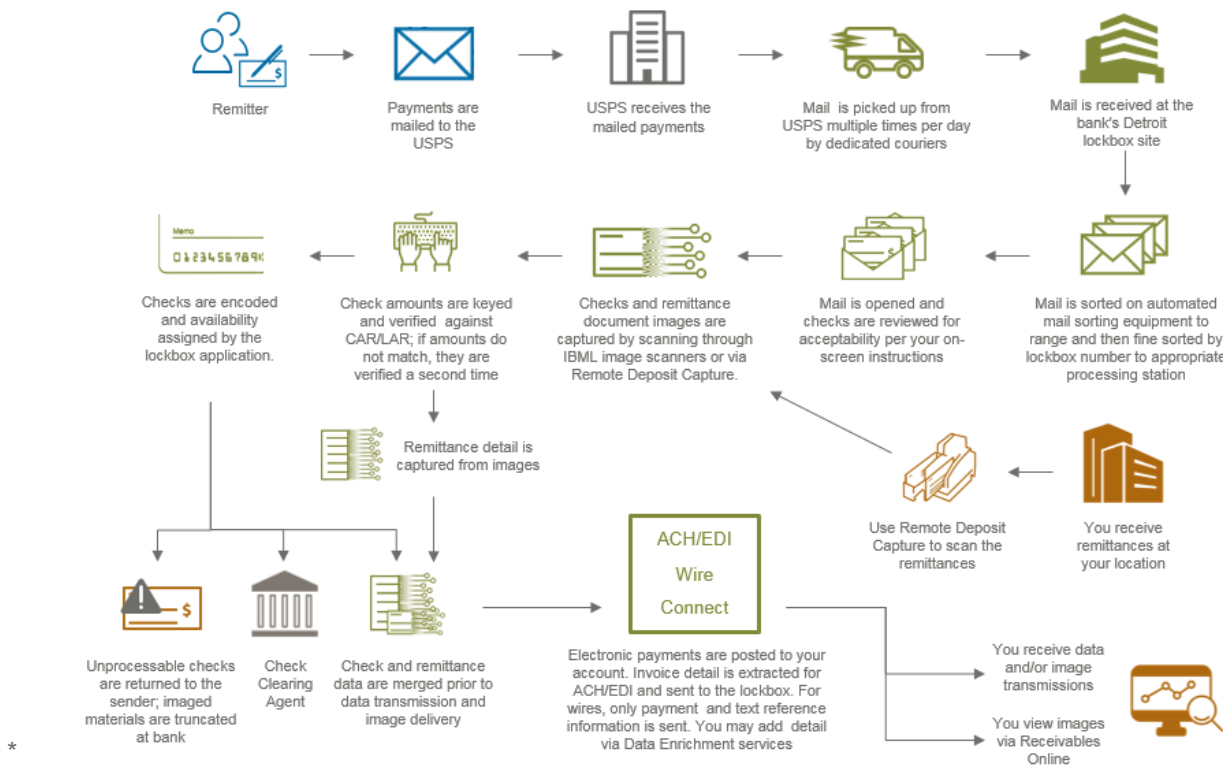


Figure 3

Remittances are delivered to the work group, where the following steps are taken:

- Extraction associate opens the envelope, determines the transaction type and separates transactions by wholesale and scannable.
- A complete review of negotiability is completed for all transactions.

For wholesale and check-only items:

- Extraction associate enters the lockbox number.
- Lockbox processing instructions appear on the page.
- A unique processing batch number is applied to the group of work.
- Extraction associate for high-speed scanning prepares both checks and remittance documents.
- Each full-page transaction, which can contain multiple payments, is associated with a transaction separator ID via barcode reader to maintain the integrity of the payment.
- Scanner associate scans prepared batches on high-speed scanners.
- Check image and MICR line information is captured from the check.
- Documents returned to workflow coordinator, who routes mail to be stored for 14 days prior to destruction.
- Data entry associates repair MICR lines where required.
- Data Entry associates key the check amount, which is verified by the system via intelligent character recognition (CAR/LAR) software.
- Completed batches are virtually or physically endorsed and encoded.
- Data entry associates begin keying information from the imaged remittance documents.
- Upon batch completion, images are available for delivery to the STATE.
- All outputs are automatically generated (fed to the online browser, direct image transmissions, and/or data transmissions).
- Unprocessable checks and related materials are forwarded to clients via client preferred delivery method.

Return item handling

Check returns

J.P. Morgan maintains a comprehensive database that details your return item handling instructions.

The Receivables Online check return service provides timely notification of return activity for U.S. lockboxes, allowing the STATE to follow up promptly with delinquent customers and update your accounting records.

- Both redeposited items and final returns are available on the business day following a return item's processing date.
- For all final returns, the original item is updated with a status marker to indicate that the item was returned. This information is available for 10 years, including long-term storage.

- The Return Item Summary report helps the STATE analyze patterns and trends of delinquent payers.
- An email alert can be setup to automatically notify the STATE of return activity.

The primary functions of the vendor is to:

1. ***Oversee the vehicle invoice renewals submitted by mail and will ensure that all invoices are remitted with proper documentation and fees. The vendor would provide Lockbox or Clearinghouse services for renewal payment processing.***

We offer a full range of lockbox services that will allow the STATE to streamline your remittance processing and accelerate your revenue stream with a fast, cost-efficient, around-the-clock lockbox solution. We own and operate our own full-service nationwide wholesale lockbox network of processing sites to offer the STATE fully automated wholesale and scannable wholesale lockbox services. We offer optimal availability, funds concentration and full information reporting.

We propose the Detroit lockbox processing site for the STATE's lockbox needs. The Detroit site currently processes over 9.1 million items annually for our clients including various public sector clients, such as states, cities and municipalities.

Our wholesale lockbox service allows the STATE to eliminate costly, labor-intensive and paper-based receivables processes. Our services will help you to reduce costs and expedite the crediting of deposits to your accounts, thereby improving your bottom line.

The STATE will authorize us to collect, process, deposit and report remittances mailed to a post office box in the STATE's name. Our collection service improves funds availability, reduces costs associated with processing payments and reduces fraud risk by redirecting mailed payments to the bank.

Payments are processed according to the STATE's specifications within 24 hours of receipt. Using a lockbox also accelerates posting of payment detail, which allows you to update account records faster and with greater accuracy.

- a. ***Vendor will FTP files to NDDOT MV for renewal processing, including payment information and assigned reference number. Files will need to follow NDDOT Interface specifications that will be provided to the awarded vendor.***

The STATE can receive posting information via a website or delivery of electronic files via transmission. J.P. Morgan has great experience interfacing with clients. Additionally, you will have a full suite of imaging products available to you for efficient handling of exception cash posting, credit/collection and client service.

LOCKBOX INNOVATIONS

- As the originator of the lockbox, we have offered lockbox services since 1947
 - Our nationwide lockbox operations process payments for approximately 14,000 active lockboxes. We handle an average monthly volume of more than 11.1 million items totaling over \$50 billion.
 - Our Receivables Online browser provides same-day decisioning and an account reconciliation tool to combine advanced image and data capture technology. It delivers the information you need in a single, online repository.
-

File download facility: Our lockbox can deliver the STATE's data and/or image transmission, determined at implementation, through:

- Our centralized telecommunication utility that supports secure FTP and other sophisticated Host-to-Host protocols and security mechanisms.
- The Receivables Online file download service that allows for a human-initiated download that uses the same web browser and Internet security protocol you use for image viewing.

The STATE's transmission is delivered to the Receivables Online repository at a scheduled time each day. You simply download the file from the Receivables Online portal and store the file on your local network for subsequent import to your accounts receivable system or image repository. Files are retained on the system for 14 days and then automatically purged.

We recommend our host-to-host file transmission option for delivery of files larger than five megabytes. This limit generally restricts the use of the download service to data files only. Image files would be limited to very small daily files (fewer than 250 average-sized image pages).

To facilitate updating the STATE's Client records, J.P. Morgan can send you remittance data in standard file formats:

- ANSI X.12 823 and 820 formats
- All standard variations of the 80-character-per-record lockbox BAI2 format
- Typically, a lockbox client receives a single transmission per day of all lockbox activity.

- b. *Any that require "special handling" (ex. 2290 required, address changes, crossed off vehicles, incorrect amount submitted, etc.) must be electronically tracked (invoice and payment info, reference number, etc.), payment separated and processed, reference number assigned, and then the original invoice, original envelope and copy of payment be bundled and forwarded to the Motor Vehicle Division's central office for manual processing.***

All documents (checks, remittances, envelopes and correspondence) that are mailed to the lockbox are imaged and 'tracked' in Receivables Online for authorized STATE users to access online. J.P. Morgan agrees to process the payment, assign a reference number and forward the original unprocessable items directly to NDDOT's central office for manual processing as requested above.

Special handling

At U.S. processing locations, our standard practice is not to inspect checks for dates (e.g. postdating or stale dating) or restrictive notations (e.g., "paid in full"). J.P. Morgan can tailor the STATE's lockbox procedures for processing checks marked "paid-in-full," post-dated checks, stale dated checks, checks missing a payee and checks missing a drawer's signature, on a commercially reasonable basis, and send these unprocessed items back to the remitter.

Out-of-balance handling

During the implementation process, we will discuss how the STATE would like certain out-of-balance conditions handled. Once implemented, we will follow your processing instructions.

For example, if during implementation the STATE states the check amount must exactly match the amount of the accompanying list bill, we can create a customer program that matches the check amount to the total remittance amount. If the amounts don't match, we can reject those items back to the STATE as an unprocessable item. We can also create procedures to force-balance unbalanced transactions if desired.

Exception Management

The STATE can also choose to use Decision Manager in our Receivables Online system to view these exception items and make deposit decisions on the same day to provide any missing data required to post the transaction. You are able to add or delete additional rows of remittance data as part of the decision process.

If you choose not to have us deposit a specific transaction, your staff will indicate a "reject" decision and that transaction will be mailed back to you unprocessed.

More information about Decision Manager is in our Value-Added section below.

- c. ***Payments must be reconciled daily.***

Maximizing posting to update STATE client records

The change to paperless

The move to a paperless environment, where your cash application staff retrieves remittance images via the Internet versus working with hard copy of checks and documents, will naturally require a change in procedures. However, the benefits of an image-based environment (anytime/anywhere access to remittance information; simultaneous multi-person access; speedier customer service resolution due to on demand image access; reduction of paper transport and storage costs) are quickly realized.

Based on our knowledge of the STATE's current processing, we have presented a number of ideas for your consideration.

Integrated Receivables Reconcile

The STATE can use Integrated Receivables Reconcile to view exception items via Receivables Online and add remittance details to payments already present in the payment repository via manual entry.

Receivables Online Reconcile provides the ability to associate remittance information to payments via email, browser upload and data entry.

Payments received without the remittance detail necessary for successful payment posting become cash application exceptions. Receivables Online provides online tools to augment payment-only transactions with remittance data via online entry, resulting in more timely and automated cash posting.

Decision Manager

Decision Manager is a solution that will allow the STATE to configure rules that will stop payments from being processed through the lockbox if they meet your defined criteria.

How Decision Manager works

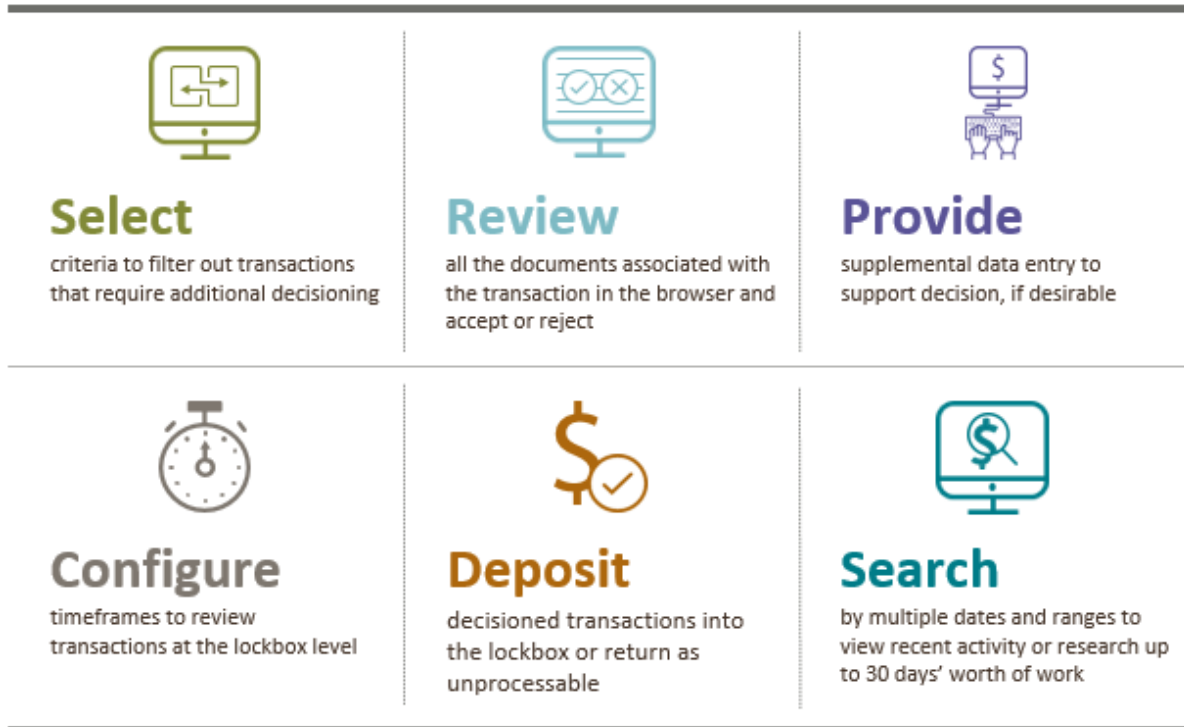


Figure 4

Decision Manager criteria could include:

- Check only transaction
- Missing data
- Unbalanced amounts
- Stop/Go file exceptions

The STATE can view these exception items and make deposit decisions on the same day to provide any missing data required to post the transaction. You are able to add or delete additional rows of remittance data as part of the decision process.

If you choose not to have us deposit a specific transaction, your staff will indicate a “reject” decision and that transaction will be mailed back to you unprocessed.

Decision Manager will display a notification if another authorized user is already working the transaction. The notice will indicate which user and allow for the transaction to be unlocked to override access.

Decision Manager exception process

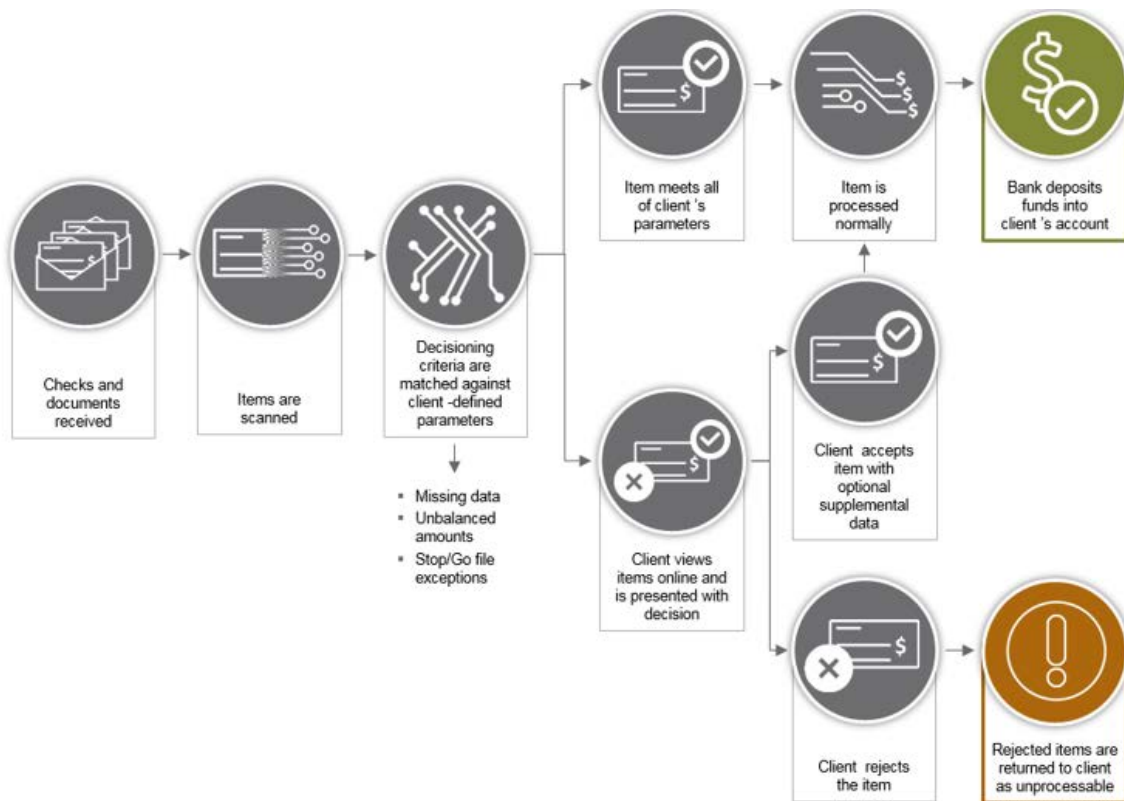


Figure 5

Exceptions are managed within Receivables Online allowing the STATE to review and decision exception items that would otherwise be forwarded as unprocessed work. We identify exception items during lockbox processing and then present to you same-day on Receivables Online. The STATE can use this online tool to determine if the payment should be accepted or rejected and mailed back to you. You have up to 72 hours from capture to provide instructions to our lockbox team.

As part of our Decision Manager solution, we offer an invoice balancing feature. For all transactions captured with both check and remittance documents the decision screen displays the Invoice Balancing Calculator to assist you in data entry and balancing of your transactions.

If your organization requires all transactions to be balanced, the system will validate your invoice amount entry before you submit the transaction.

Receivables Online Remittance Association

Our Report offering includes a solution for matching electronic payment activity to the corresponding remittance information.

Through this product offering, called Remittance Association, the STATE can instruct your customers to direct the remittance information intended for an incoming electronic payment to the bank via email.

Using intelligent character recognition, we capture the relevant information from email bodies and/or attachments and systematically match them to incoming ACH and wires. This process results in an improved, more highly efficient and straight-through cash posting experience for you.

ADVANTAGES FOR NDDOT

Improve your straight-through cash posting with our Remittance Association solution.

Remittance Association automatically associates electronic payment activity to corresponding remittance information sent via email.

Receivables Online Remittance Association process flow

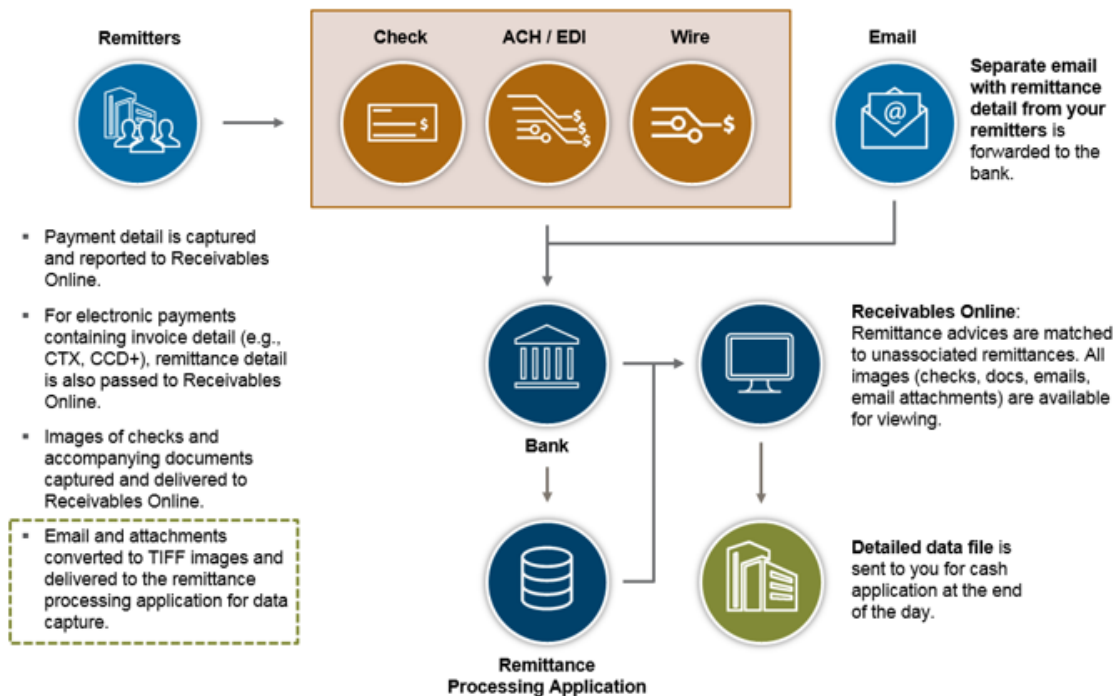


Figure 6

On the STATE's behalf we receive separately delivered remittance information, translate the remittance detail to data and match the electronic remittance advice to a payment.

To provide our Remittance Association Bank solution we:

- Assign unique email address that they can use to forward or redirect remittance emails

- Interrogate and index the eRemit by unique remitter identifiers, such as name or Customer ID to help ensure successful match
- Image and store BOTH the eRemit and email message for future exception management and research
- Capture of billing specific remittance detail (e.g., invoice numbers and amounts) that corresponds to the posting requirements of the proprietary accounts receivable system
- Balance transactions and provide online, intraday exception management for repair and edit of captured remittance detail
- Index the captured payment and remittance details for ease of online search and query function

Deposit and balance reporting

Same-day lockbox information is available on the Internet through the Access Online Balance and Transaction Location Report or through Receivables Online. The STATE also has the option of receiving daily item-by-item detail through direct transmission to your internal systems.

The Access Online Location Report provides deposit totals with a float breakdown, a sub-total by lockbox and a grand total for the account. This report is available in PDF, MS Excel, BAI2, CSV, or MT942 format.

Receivables Online

Receivables Online is an Internet-based service that can help the STATE efficiently manage receivables. You can access images and information related to payments received in your J.P. Morgan lockboxes, as well as remote deposit captured checks and electronic payments received via ACH or Fedwire—all through a single portal. Easy navigation, advanced queries, payment alerts and workflow tools give your accounts receivable, credit and customer service staff the ability to make informed business decisions quickly without handling paper documents.

Receivables Online lets the STATE view transaction data and images that are stored on a server at the bank. You access the server via the Internet, using a standard web browser. Your lockbox images are available shortly after lockbox processing is completed. Further, electronic payments are available on a scheduled basis. Images are retained in a high-speed, online storage archive for more than a month. The STATE may also choose to use our 10-year archive solution, on the same web browser, for your long-term retention needs.

Receivables Online is accessible via Access Online, which allows Access Online to act as your one-stop shop for all of your reporting needs.

Access Online reporting

J.P. Morgan Access Online provides all deposit types, including the following for both current day and prior day:

- Lockbox, Controlled Disbursement, Cash Letter and Image Cash Letter
- Cash, Vault and Teller

- ACH and electronic data interchange (EDI) transactions
- Book Transfer, Fed, CHIPS, and SWIFT payments

Additional features include:

- Provides full wire payment and ACH/EDI descriptive text
- Reports Lockbox and deposit float
- Identifies activity by type (e.g., Lockbox versus ACH credits) and can be reported on a same-day and/or previous-day basis

d. *Vendor will initiate ACH of state funds to the NDDOT MV account daily.*

All processed payments are deposited into the customer's account(s) with JPMorgan Chase Bank, N.A. Checks drawn on U.S. accounts and processed by a Wholesale Lockbox site are cleared via Image Cash Letter. J.P. Morgan posts the entire value of your deposit into your account, along with associated float. The available balance will be automatically transferred at the close of business on a daily basis to the Bank of North Dakota using our Standing Order Funds Transfer Initiation (SOFTI) capability.

SOFTI allows the STATE to select a preset calculation formula, request customized formulas, add peg balance amounts, select specific transaction times, select multiple daily transactions and select final settlement of the amount by either wire transfer or ACH.

e. *In the cases where the payment cannot be processed (check incomplete, not signed, starter check, etc.), the vendor will track the envelope and its contents and return them to the customer's address it was sent from along with correspondence as specified by NDDOT.*

J.P. Morgan will image all documents that come through the lockbox and make the image available to the STATE via Receivables Online, whether the payment is processable or not. In cases where the payment is unprocessable, J.P. Morgan agrees to return the envelope and all its contents, including correspondence as specified by the STATE to the original sender per the STATE's instruction.

f. *Must have options to run reports and research items with discrepancies.*

Online tools

Receivables Online

Receivables Online provides item-by-item remittance detail, deposit totals, and document images.

J.P. Morgan feeds balance reporting on a scheduled basis, including all completed batches, even if they are completed prior to the actual deposit time. Therefore, we will continue processing until the earlier of DMV's final reporting time or the ledger credit deadline. An early deposit-reporting deadline may affect your processing cutoff for same-day ledger credit, depending on the volume of remittances and the complexity of your processing requirements.

By using Access Online, our Internet-based reporting service, you can retrieve deposit total and availability breakdown information throughout the day. We report updated lockbox deposit information 10 times throughout the day:

- 8:00 a.m. ET
- 9:00 a.m. ET
- 10:00 a.m. ET
- 12:00 p.m. ET
- 1:00 p.m. ET
- 2:00 p.m. ET
- 3:00 p.m. ET
- 4:00 p.m. ET
- 6:00 p.m. ET
- End of day

The updates include all batches completed no later than 30 minutes prior to the stated update time, even if the update time precedes one of your scheduled deposit times. Updated information should be presented on Access Online within 15 minutes of the update time. For clients receiving weekend deposits, separate weekend feeds are made on Monday morning.

Any balance, float and transaction information reported intraday is subject to final verification.

Reports

Online reports: Receivables Online provides lockbox information in formatted reports to facilitate the STATE's daily balancing and cash application and to help you analyze patterns and trends. These dynamically generated reports may be viewed online or downloaded in HTML (web compatible) or CSV (spreadsheet compatible) format. Your users can request all reports for a single lockbox or for all of your lockboxes. If you subscribe to the Transmission Reporting service, electronic payment data may also be included.

Several reports are included in the Receivables Online standard service; additional reports are included with some select service offerings as noted. All reports include a time and date stamp determined by the global time zone that is designated by each user on the My Settings page in Receivables Online.

Receivables Online reports			
Report name	Description	Usage	Conditions
Standard reports			
Activity Summary I	Deposit totals (items and dollars) by credit date and lockbox for 1 to 31 days.	Balance lockbox totals to bank deposit reports and/or accounts receivable.	Included.
Batch Recap	Batch totals for a single credit date.	Balancing by batch.	Included.
Payment Detail	List of payments received in one or all lockboxes for a single credit date. Payment data may be sorted two ways: by processing date and lockbox number or by remitter name. You can specify subtotal by lockbox or batch.	Cash application.	Included.

Receivables Online reports

Report name	Description	Usage	Conditions
Assigned-to Summary	Transaction totals (items and dollars) by user and workflow status for 1 to 31 days.	Monitor completion of cash application or exception review assignments.	Included; you must use the workflow status field for this report to be meaningful.
Exception Reason Summary	Transaction totals (items and dollars) by exception reason for 1 to 31 days.	Monitor cash application exception reasons to identify trends requiring review.	Included; your security administrator must define and use the exception reason table for this report to be meaningful.
User Audit Report	A list that identifies all active and inactive user IDs and their respective security status.	Track users security events.	Included as part of the Security Administration tools.
Optional reports			
Activity Summary II	Deposit totals by credit date and lockbox for 1 to 31 days; includes separate totals for weekend days.	Balancing lockbox totals to bank deposit reports and/or accounts receivable.	Included if you subscribe to weekend lockbox processing.
Group Recap	Totals by assigned group code within lockbox for a single credit date.	Monitoring composition of lockbox receipts.	Included if special grouping is performed for your lockboxes.
Extended Detail	List of payments received in one or all lockboxes for a single credit date. Payment data may be sorted two ways: by processing date and lockbox number or by remitter name. You can specify subtotal by lockbox or batch. Includes 1 to 9,999 lines of reference (invoice) details per payment. Reference lines include up to four additional invoice-related fields.	Cash application.	Optional report.
CSV+ Detail	A delimited file containing all Receivables Edge transaction data elements for a single credit date.	Cash application or import to an external application for further analysis or reporting.	Companies needing a report with more than four supplemental data fields reported.
Check Return Summary	Return totals (items and dollars) by return reason and disposition for 1 to 31 days.	Monitor return activity to identify trends requiring review.	Included if you subscribe to Check Return service.

Downloadable reports: Receivables Online provides for delivery of reports produced by other systems and containing data not provided via the online dynamic reporting tool. These optional reports include Lockbox Deposit Advices, Lockbox Transmission Journals, Electronic Payment Detail Reports and our Custom Report.

- g. Original invoices and payments processed must be kept and stored by vendor for 90 days per state records retention requirements.**

J.P. Morgan agrees to keep and store original documents for 90 days.

- h. Images of invoices and payments must be kept by vendor for state records retention. Read only access to images of invoices and payments for NDDOT MV is required for research and query reasons.**

Data when you need it

Lockbox imaging options

We offer two wholesale lockbox imaging services:

- **Receivables Online:** An Internet-based online service
- **Image Transmission:** An image file that can be imported into an in-house image system

Most of our image clients have not invested in an in-house image application and, therefore, have elected to use the online service. For those clients with an in-house image system, receiving a daily file of images and an associated index file that is then incorporated into their internal system has made the image transmission method a better alternative.

Online image storage and retrieval

Receivables Online is an Internet-based service that provides electronic images of checks, remittance documents and even envelopes, if required, to the STATE. Through this single portal, you can access images and information related to payments received in your J.P. Morgan lockboxes. Easy navigation, advanced queries, payment alerts and workflow tools give your accounts receivable, credit and service staff the ability to make informed business decisions quickly without handling paper documents.

Our Receivables Online browser provides 45 days of instant online access and 10 years of indexed data and images in our long-term archive for convenient retrieval and audit control. We also offer the option for online storage for as long as 10 years, which provides faster retrieval of images for a fully outsourced image storage solution.

Receivables Online welcome page

J.P.Morgan

Log Out | Help | My Settings | Change Password

3/4/15

Home Search Alerts Upload Files Reports Remitter Admin Service Capture

Karl Lamer
WIZARD ELECTRONICS (02)
Your session is SSL-protected

Home
Home

Action Items	Workflow Items	New Notifications	Quick List
Payments Received Today	Assigned To Me	Payments	Saved Queries Select...
Payments Received Previous Day	New Remitters	Returns	
Payments By Batch Today	Enrichment Required	Archive Requests	
Payments By Batch Previous Day	Ready For Transfer	Events	
Returns Received Previous Day	Requires User Action	Capture	
	Rejected		
	Saved		
	Expired		

Quick Tips & Product Guides

[Product Guides](#)

Quick Tip - Express Password Reset
Have you ever forgotten your password and needed to call the Help Desk to get it reset? You can save time by setting up your user account for Express Password Reset.

Simply go to **My Settings** in the upper right corner of the screen and click on the link for **View/Maintain Challenge Questions**. Answer a few simple questions and next time you need to reset your password, you can do it yourself online!

For technical support, please contact your local Help Desk. An up to date list of numbers by region can be found on the Login Page.

Figure 7

Online features

Home page quick links: After logging on to Receivables Online, the STATE users are presented with a home page that provides single-click access to the most common search requests. This eliminates the need to use the detailed search engine unless a unique or detailed query is needed. The home page also provides access to user-specified Saved Queries and New Alert notifications that include payment notifications, return notifications and archive requests with subscription to any or all of these alert services.

Receivables Online home page

5/24/19

J.P.Morgan Receivables Online [Log Out](#) | [My Settings](#) | [Change Password](#)

[Home](#) [Search](#) [Alerts](#) [Upload](#) [Files](#) [Reports](#) [Remitter](#) [Admin](#) [Service](#) [Capture](#) [Decision](#)

WIZARD ELECTRONICS
Your session is SSL-protected

Home
Home

Action Items	Workflow Items	New Notifications	Quick List
Payments Received Today	Assigned To Me	Payments	You currently have no Saved Queries. Search queries can be saved on the Search page.
Payments Received Previous Day	New Remitters	Returns	
Payments By Batch Today	Enrichment Required	Archive Requests	
Payments By Batch Previous Day	Ready For Transfer	Events	
Returns Received Previous Day	Requires User Action	Capture	
HC FOB Exceptions	Rejected	Remittance Advices	
	Saved	Decisions	
	Expired		
	Decision Required		

Quick Tips & Product Guides

[Product Guides](#)

Quick Tips

Remote Capture Resource Center
Please visit our Resource Center for access to Remote Capture user guides, FAQs, scanner purchasing, scanner driver installation, online demos and more.
[Remote Capture Resource Center](#)

Figure 8

Flexible queries: A robust search engine lets the STATE quickly retrieve what you need. Transaction search criteria include bank transaction identifiers, payment data, supplemental invoice fields captured from your remittance documents, and workflow status and notation fields that you have previously assigned. Some typical queries let you retrieve:

- A single transaction with a specific check number or check amount
- A single transaction containing a specific invoice number
- All transactions for a given remitter name for a selected period of time
- All items which you have previously flagged as cash application exceptions

Transaction level queries display images of checks and related remittance documents—plus any workflow status or notations added by you or your staff.

The Saved Queries feature retains queries that you may make on a regular basis. For example, the STATE users may wish to periodically view all payments from a specific remitter. Up to 20 saved queries can be created by each user. The queries are not shared between users.

Same-Day Viewing: Lockbox images are viewable on Receivables Online following your first deposit time. Additional items become available as work is completed throughout the day. The number and timing of incremental deliveries may vary based on your processing requirements and volume. For most lockboxes, batches are delivered within 30 minutes after processing is completed. Deliveries will occur at subsequent deposit times if the STATE has any special lockbox grouping or batch requirements.

Fast Retrieval: Images and data are retained using online storage that provides instantaneous retrieval for any user with a high-speed Internet connection. Standard service includes 45 days of online storage. The STATE may subscribe to additional months of online disk storage if you require immediate access to older transactions.

Easy image viewing: Images are presented on Receivables Online in a PNG format that can be viewed using browser software alone. The entire transaction is displayed for easy viewing and scrolling. Documents of normal size and quality are clear when viewed on monitors of recommended size (see Technical Information in Appendix 1 for details on optimal monitor size). Receivables Online images can be downloaded to TIFF or PDF formats.

Receivables Online comes equipped with a built-in image viewer (iViewer) that is accessed by clicking on the related PNG-formatted image. The iViewer displays a single page in full screen width; arrow buttons allow for navigation to other pages within the transaction. Features include:

- Single image presentment to aid in user data entry from image
- On-screen ruler to aid in reading tabular data
- Magnifying tool to enlarge sections within a transaction for close-up evaluation
- Contrast tool to switch background from white to black and vice versa
- One-click printing of images of a single page, transaction or a group of transactions
- One-click saving of images of a single page, transaction or a group of transactions

Receivables Online check image

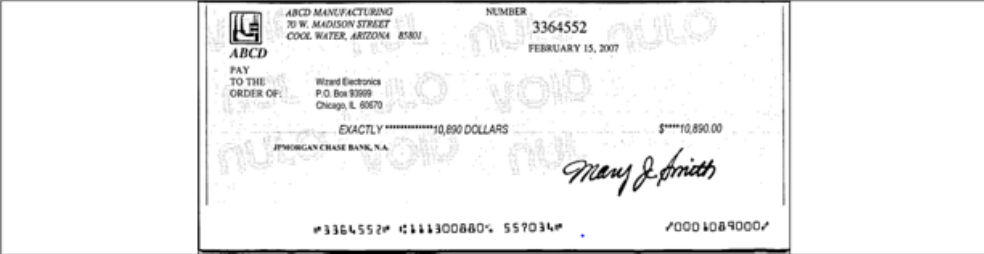

Transaction Results		Hide Transaction			Previous Transaction 32 of 198 Next																																															
Type	Payment Status	Transaction Total	Credit Date	Process Date	Lockbox	Site	Batch	Item	Group	Pages																																										
LBX	Deposited	USD 10,890.00	2/17/17	2/17/17	9399902	Chicago	432	2	1	3																																										
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Figure 9

User-defined presentation options: With Receivables Online, the STATE users can customize their transaction query results and transaction views to match their preferred work methods. For example, users can specify the number of items to be displayed on screen, select a default view for daily receipts (batch summary or transaction list), select an image-viewing format and select a default sort order for transaction lists. In addition to these user-defined defaults, single-click operations let you change the sort order of transaction lists and let you hide or display certain regions of some transaction screens.

Workflow and notation tools: Receivables Online provides the STATE staff with tools to manage the completion of cash posting activities and to record pertinent information regarding a payment's disposition.

At the individual transaction level, users with the appropriate entitlements can update the following fields:

- **Exception flag:** Typically used to note cash application exceptions or other conditions that require further follow up; once an exception has been resolved, the exception flag may be toggled off.
- **Exception reason code:** Select from a reason code table that you create.
- **Assigned to:** Select another Receivables Online user who should follow up on a transaction. That user would subsequently query for items assigned to them; once the follow-up action is complete, he or she could mark it as unassigned, add a note, exception reason and/or turn off the exception flag, depending on entitlements.
- **Workflow status:** Automatic assigned and reviewed status updates are based on user assignment or review by assignee; closed status requires explicit action.
- **Multiple notes:** As note fields are added to a transaction; a user ID and date are recorded with each. The note field allows 1,024 characters of free-form text per note. You may want to use this field to record resolution of cash application discrepancies or to record making a customer phone call related to the item. The field has copy and paste text capabilities.

These workflow fields are used in various query, update and report functions in Receivables Online to support various workflow scenarios:

- For agencies performing manual cash application, easy-to-use workflow tools can be used to distribute work among cash appliers and monitor progress through completion. For example, a supervisor executes a home page quick link to display current day batches and assigns users to each batch. Then cash appliers execute the home page quick link, "Assigned To Me", to retrieve the items assigned to them. As each item is viewed by the assignee, the workflow status automatically changes from "assigned" to "reviewed." Further updates can be made by the cash applier to change the workflow status to closed, set an exception flag, add an exception reason code, assign a transaction to another user and/or add a note. The supervisor can monitor the progress of cash appliers through the Workflow Status Summary Report.
- Agencies using an automated cash application process will only review items that were not automatically applied. Users retrieve individual transactions on Receivables Online, research the reason, manually apply the item and reflect the resolution in a note and reason code. For any item that requires further action, the exception flag can be set and/or the item can be assigned to another user.

- To speed the retrieval of automated cash application exceptions, Receivables Online includes a file upload tool that can integrate exception results from your external accounts receivable system of record. After uploading some or all of the workflow fields, the selected items are automatically presented for further action. Using the exception flag as a search filter, any user can subsequently retrieve the individual transactions and complete the cash application process.

Optional services

Transmission reporting: If some of the STATE's customers pay you electronically, you may elect to have ACH and wire payments presented via Receivables Online. No images are associated with these transactions, but payment data and selected invoice information are provided. Transactions are assigned to an "electronic lockbox" and can be included in any query or report. Separate Electronic Payment Detail Reports can also be included with this service. Transmission Reporting is available only for electronic payments received into a U.S. account.

For ACH payments in CTX or CCD+ format, we map seventeen standard ANSI X12 820 fields into the Receivables Online database (e.g., invoice number, invoice amount, discount amount, government contract number). For reference, you will have access to a complete list of data elements from the Receivables Online FAQ. For wire payments, payment transaction level information is available for reporting purposes, including remitter, originating bank RTN, originating bank account number, date, transaction dollar amount, payee and the free-form payment reference field.

For lockbox transactions, images of checks and remittance documents provide the full remittance details needed for cash application and exception resolution. Receivables Online provides the equivalent detail for ACH and wire payments in the form of an Electronic Payment Detail Report that is available as a downloadable report. The report provides details for multiple electronic payments for a single date. The report is purged from Receivables Online after 14 calendar days; it is not included in the long-term archive.

ACH and wire data files are delivered to the Receivables Online repository on a scheduled basis. Payments processed after the final feed are reported with the next day's work. Detail reports are delivered after 9:00 p.m. CT. This service is available from both Receivables Online and the electronic payment systems. Receivables Online Transmission Reporting requires information reporting via direct transmission with client connectivity.

A separate lockbox service allows ACH and wire payments to be included in the daily lockbox transmission. Note that if the STATE chooses to receive electronic payments via both Receivables Online and transmission, the same payment types must be included in both. For example, if you have ACH and wire transactions viewable on Receivables Online, you could not have only ACH transactions included on your transmission.

Check Returns: The Receivables Online check return service provides timely notification of return activity, so that the STATE can follow up promptly with delinquent customers and correct your accounting records. Both redeposited items and final returns are available on the business day following a return item's processing date. Further, for all final returns, the original item is updated to indicate that the item was returned. This information is available for the life of the transaction, including long-term storage.

Automatic notifications (alerts): Receivables Online can be set up to send the STATE timely notification of important events, such as payment receipt, returned checks, rejected remotely captured items and newly created remittance advices. The system scans all new transactions

and sends the matched items to your Receivables Online Alert inbox based on your pre-established criteria. In addition, you can elect to receive an email notification and/or designate other registered users to receive a copy of the notification. Clicking a link in the email provides the STATE with immediate access to the related transactions upon successful log on. Alerts can be designated as one-time or recurring.

Scenarios where you may want to use a notification include:

- You may want to receive notification of exceptionally large payments to optimize working capital. A recurring payment alert could be used to notify you any time a payment over a specific dollar threshold is received.
- You need timely notification of check returns to follow up promptly with remitters. If you subscribe to the Check Return service, you can set up a recurring return notification alert for all returns with a disposition of “chargeback”.

The alert feature is an optional service and a fee may be assessed for each payment flagged by an alert. Up to twenty alerts can be created by each authorized user.

Continuous operation

System availability: Receivables Online is available 24/7. We broadcast an advance notice to users on the infrequent occasions when the system is taken down for maintenance.

Business continuity: Receivables Online features advanced disaster recovery, long-term storage and retrieval of archived images, and provides two independently located archives. Each system mirrors the other and offers multi-tiered redundancy; replications at the hardware, server and facility level occur every 15 minutes so that if a disaster occurs at one facility, the same information is retrievable from the other.

2. *Track all other non-renewal documents and their payments received by mail into an electronic format which will be available for the NDDOT MV daily.*

We agree to all the requirements in 2 a-k below. As previously mentioned, all documents and their associated payments will be captured and provided electronically via our Receivables Online platform. Receivables Online will allow the STATE to research items and their images for up to 10 years. Please refer to our responses to the prior questions in #1 above for more details.

a. *Items to track are date received, carrier (USPS, UPS, etc.), tracking number (if applicable), customer name, number of pages, payment type (including check number if applicable), payment amount, reference number assigned by vendor, vehicle identification number, date sent to NDDOT MV and current status.*

Please refer to our response in Section 6 above for our data capture and data entry capabilities.

b. *Payment will be separated from paperwork and processed by vendor.*

Please refer to our response in Section 1.b above.

- c. *After data has been entered into the mail tracking software, the physical paperwork including the original documents, assigned reference number, original envelope and copy of payment, will be bundled appropriately and sent to the NDDOT MV to be manually processed.***

Please refer to our response in Section 1.b above.
- d. *Payments must be reconciled daily.***

Please refer to our response in Section 1.c above.
- e. *Vendor will initiate ACH of state funds to the NDDOT MV account daily.***

Please refer to our response in Section 1.d above.
- f. *In the cases where the payment cannot be processed (check incomplete, not signed, starter check, etc.), the vendor will track the envelope and its contents and return them to the customer's address it was sent from, along with correspondence as specified by NDDOT.***

Please refer to our response in Section 1.e above.
- g. *Must have options to run reports and research items with discrepancies.***

Please refer to our response in Section 1.f above.
- h. *Original payments processed must be kept and stored by vendor for 90 days per state records retention requirements.***

Please refer to our response in Section 1.g above.
- i. *Images of payments must be kept by vendor for state records retention. Read only access to images of payments for NDDOT MV is required for research and query reasons.***

Please refer to our response in Section 1.h above.
- j. *Vendor will FTP file to NDDOT MV of payment information and assigned reference number.***

Please refer to our response in 1.a above.
- k. *Vendor will provide read only access to NDDOT MV of mail tracking for research and query reasons.***

Please refer to our response in 1.h above.
- 3. *Ensure accuracy of payments and other applicable information is entered correctly. Any errors in entry or imaging must be corrected by the vendor.***

Capturing remittance detail

J.P. Morgan's image-based lockbox system provides optimal processing efficiency and accuracy. Checks and remittance documents are captured as the first step in our automated transaction processing, then electronically routed to operators. The operators perform amount entry and verification as well as capture of supplemental remittance details. Intelligent character

recognition (ICR) technologies are used to reduce capture costs and improve accuracy; edit and balance routines can further refine data accuracy, resulting in improved cash application rates.

Data capture does not delay the deposit of payments. J.P. Morgan processes checks and assigns availability at the automated workstation in the Lockbox department. Checks are sent electronically for collection prior to data capture to meet clearing deadlines. Subsequent manual data capture is completed using an online check image.

4. *Maintain the confidentiality of private information in order to comply with Federal and State laws, rules, policies and procedures.*

J.P. Morgan takes its responsibility to protect the privacy and confidentiality of all client information very seriously. The firm maintains physical, electronic and administrative safeguards that comply with applicable legal standards to store and secure client information from unauthorized access and use, alteration and destruction. Please refer to our Information Security Program client letter in Appendix 2 for more information.

5. *Turnaround time of payment processing and mail tracking is a maximum of 3 business days from the date it is received by the vendor.*

Payments are processed and imaged for the client's tracking purposes according to STATE's specifications within 24 hours of receipt. Our collection service improves funds availability, reduces costs associated with processing payments and reduces fraud risk by redirecting mailed payments to the bank.

Using a lockbox also accelerates posting of payment detail, which allows you to update account records faster and with greater accuracy

6. *Required to maintain quality control and reporting, and respond to inquiries from NDDOT MV within a timely manner.*

A Program Manager, Bob Carson, has been assigned to serve as the STATE's primary point of contact throughout the process. Bob, has end-to-end ownership and accountability of the implementation, is responsible for communicating regularly with you and coordinates activities across the bank. Regular, often weekly, meetings occur to share information and measure progress.

The STATE will have a designated day-to-day contact with J.P. Morgan, Client Service Professional, Kimberly Pickett, who will be available during normal business hours in Central Time.

The primary functions of the vendor manager is to:

1. *Be responsible for all primary functions of the vendor's operations.*

J.P. Morgan has thoroughly reviewed and understands the STATE's requirements. We are prepared to meet your requirements as described, while also incorporating and leveraging new technologies to provide on-going efficiencies.

2. ***Maintain effective staff coverage, customer services, and workload balance. Manage the activities of staff providing leadership and guidance to ensure functions and activities are completed efficiently and effectively.***

Our lockbox operations are staffed and equipped to handle significant volumes. We employ skilled associates and use intelligent character recognition tools to achieve cost-effective and accurate data capture.

Our nationwide lockbox operation processes payments for approximately 14,000 active lockboxes with an average monthly volume of more than 11 million items totaling over \$50 billion.

Your program manager, Bob Carson, will oversee the end-to-end management of the STATE's lockbox activities and provide guidance to ensure efficient and effective processing.

3. ***Provide technical assistance and/or information on the interpretation of statutes, rules, policies and procedures to co-workers including employees of the contracted office.***

J.P. Morgan will provide technical assistance as necessary. While each party must seek legal advice from their own respective legal counsel, the parties will work together to understand legal obligations for the proposed services under this RFP.

- a. ***Responsible to correct errors in processing renewals and tracking mail in paperwork including payments, data entry or imaging.***

Your designated CSP, Kimberly, handles all of your lockbox adjustments and error resolutions. As a result, you have one contact for any questions or issue resolution.

- b. ***Responsible to respond to inquiries from NDDOT MV within a timely manner.***

Kimberly, your client service professional, will make sure that your request is handled in a timely and accurate manner, and has the authority to escalate any issues on your behalf, as appropriate.

J.P. Morgan measures key indicators across all our cash management offerings that focus on timeliness, accuracy and client responsiveness. In addition, we measure systems availability and service accessibility, as well as certain internal process elements.

- c. ***Bismarck Central office will be a resource in response to the interpretation and implementation of North Dakota Century Code (NDCC), Federal Laws, and department policies.***

Understood

3. ***Value-Added Options. Offerors may include any optional services or goods that are not required by the STATE, but are within the scope of work (e.g. an option for a higher level of service, equipment accessories, extended warranty options, etc.). Describe any value-added options being offered.***

J.P. Morgan's particular expertise lies in adapting and aligning our vast breadth of solutions to the specific operating requirements and unique environments of our clients. We accomplish this by listening to our clients and developing an understanding of their operating environments. We then construct a solution that not only meets our clients' existing operational needs, but also challenges them to consider additional operational improvements. It is our intent to bring this same approach to the STATE as we endeavor to strengthen and grow our relationship.

The services below are proposed to augment and complement the requirements included in the RFP. Each of these services is incremental to the solutions presented in the body of our response. Pricing for these services will be provided upon request.

The following optional, value-added services and products are detailed below:

No cost services

In addition to our value-added services, J.P. Morgan strongly believes in delivering value without charging clients additional costs to use our services. The table below illustrates that commitment.

No cost services	
Alerts	Event notifications, including Payment Needs Repair, Transaction Completed, Balance Threshold, User Pending Approval, and many more (over 50) to help manage your accounts.
J.P. Morgan Access Insight	A fully integrated cash management tool using Microsoft Excel. Allows J.P. Morgan Access users to auto-populate their own spreadsheets with balances and transactions, as well as initiate payments from their spreadsheets.
J.P. Morgan Access Online transaction services	Provides seven years of wire details for both incoming and outgoing wires.
J.P. Morgan Access Online transaction services	Offers 15 months of historical ACH transaction information on all ACH-originated payments.
Access Mobile	Provides authorized Access Online users with mobile access to account activity. Also provides the ability to approve and release wire payments, manually add check issue or cancel records, and the ability to decision positive pay exceptions. The mobile app uses voice recognition as part of the authentication process, eliminating the need for a token.
J.P. Morgan Access support	The STATE is invited to join training webinars on J.P. Morgan Access. Our webinars are live, facilitator-led web conferences that include question and answer sessions that allow full participation between the audience and the presenter. You can register for training webinars via Access Online Support.
Online bank statements	Provides retention for seven years of bank statements.
ACH debit block email notification	Email notification accessible via mobile device. When a payment is returned as a result of a debit block, J.P. Morgan will send an email notification of the incident, allowing users to proactively contact their own customers.
File management	Email notifications provide up-to-the-minute status on receipt, delivery, availability, or failure of a file transmission.

Corporate Quick Collect

Our Corporate Quick Collect (CQC) solution, built for mobile and online interactions, enables the STATE to request electronic payments from your customers. You simply provide us with your customers name, email address, payment amount due and desired remittance data. By using online manual entry, CSV

file upload or transmission you initiate payment requests. We send an email/text message—co-branded with both the STATE and Chase logos—inviting your customer to make the payment. Your customer can pay, decline or modify the amount. When they accept the invite and provide account information they can then authorize an ACH debit to their account. You receive credit as soon as the next business day.

How Corporate Quick Collect Works

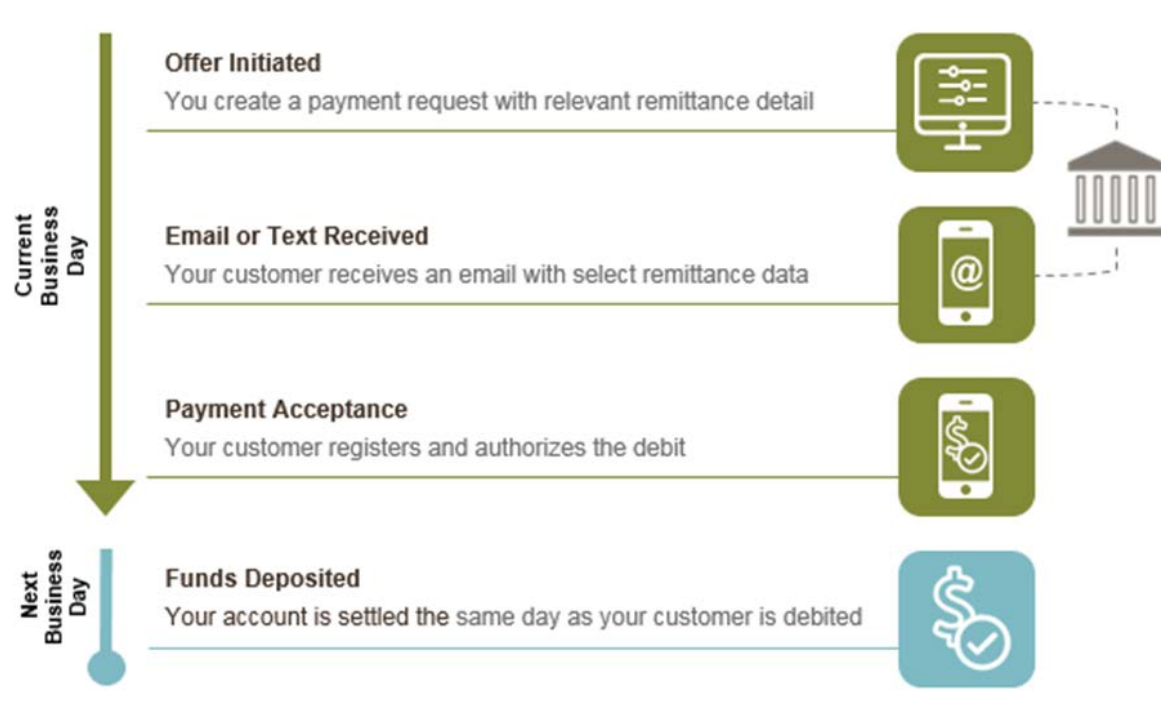


Figure 10

Benefits

- Saves you time and money.
- Provides secure portals for online and mobile security.
- Integrates into existing payment initiation, settlement and reconciliation processes.
- Request payments immediately or easily integrate your consolidated receivables file.
- Allows for customizable remittance details—up to 25 customizable fields—to increase payment acceptance and customer trust.
- Allows your customer to make a payment from their checking or savings without having to engage a call center or write and mail a check.
- Provides reporting for each payment request to aid in reconciliation with your back-office systems

Our CQC solution provides you with a low cost alternative to collect low value, low frequency, non-recurring payments.

4. **Quality Control.** Offerors shall describe the quality control/quality assurance (QC/QA) program that is to be used for this contract. This QC/QA program shall identify the team members and the parts of the contract for which they are to be responsible. Describe security and audit procedures used to identify and mitigate fraud risk.

B. QUALITY CONTROL (from 3.3 Scope of Work)

Offerors shall describe the quality control/quality assurance (QC/QA) program that is to be used for this contract. This QC/QA program shall identify the team members and the parts of the contract for which they are to be responsible.

Offeror shall describe security and audit procedures used to identify and mitigate fraud risk.

The contract manager and the awarded contractor will meet during the contract to review progress and to monitor the performance of the contractor. If progress and performance are deemed unsatisfactory during a review, corrective measures with completion dates will be established.

Continuing unsatisfactory performance may be grounds for contract termination.

All business records are subject to random review at any time by the NDDOT MV.

The awarded contractor may be subject to an annual audit by NDDOT Audit Division.

Customized processing instructions for greater accuracy

Our nationwide lockbox operation processes payments for approximately 14,000 active lockboxes with an average monthly volume of more than 11 million items totaling over \$50 billion.

A team approach provides consistency in delivering high quality processing and establishes account ownership. Each team is assigned specific lockbox accounts and trained in the unique processing requirements for those accounts. Exception procedures and processing methods are documented in the STATE's processing instructions. Changes to processing instructions are reviewed with each team prior to implementation and/or change. Each lockbox processor undergoes extensive training and is tested prior to working on any of the account teams. This quality focused program confirms that each new processor can consistently meet our high performance standards of quality processing.

Team members assigned to complex lockboxes are provided additional process training to understand the specific instructions. This training is provided by a team leader and or processing specialist already familiar with the unique processing instructions.

We use advanced automation to achieve highly efficient and high-quality lockbox processing. Our lockbox system utilizes complete online processing profiles for each account, including your contact information, mailing addresses, depository account number, processing deadlines and special handling requirements.

Redundancy and resiliency

Perhaps the most important aspect of outsourcing to J.P. Morgan is the redundancy and resiliency we provide. the STATE no longer would bear the risk of delayed collection and availability of funds in the event of a disruption of your in-house processing due to incidents such as equipment malfunction, staff illnesses, inclement weather, power outages, etc. the STATE does not need to keep extra equipment or supplies available in case of an emergency, nor a backup location. J.P. Morgan's network lockbox services do that for you. This simplifies your resiliency planning and testing requirements.

Furthermore, our 10-year online archive eliminates the need for the STATE to store, secure and backup remittance data and images.

5. **Location of Work/Travel.** *The proposal must respond to the STATE's Location of Work instructions within the RFP Scope of Work. Describe where the work will be performed and any proposed travel.*

C. LOCATION OF WORK/TRAVEL (from Scope of Work 3.3)

***Neither NDDOT MV nor the State of North Dakota shall provide space for the contractor to perform scope of work. If travel is required throughout the term of the contract, the state will not be responsible for the cost. The initial contractor training will be performed at the following location: NDDOT Central Office, 608 East Boulevard Avenue, Bismarck, ND
The awarded contractor may be required to travel to the NDDOT MV Central Office for training purposes. NDDOT MV will not cover the vendors costs associated with training.***

J.P. Morgan invites the STATE to tour our lockbox operations in Detroit as you consider your options and determine your future requirements. To maintain a secure and controlled lockbox environment, we ask that you give your sales representative 48-hour advance notice. A site tour would include a walk-through of the process from mail receipt through reporting, highlighting the security of our facility, our advanced technology and highly trained staffing. You'll see the efficiencies in our processes and our capacity for high-volume, complex work.

We would also be happy to provide a demo to the STATE of our Receivables Online browser. This can be done in your offices or as part of the site visit. We would be happy to demonstrate the workflow management tools and how using Receivables Online can make your staff more productive, enabling them to provide faster, more helpful customer service to your constituents.

6. **State Furnished Property and Services.** *Provide a detailed breakdown of the Offeror's expectations for STATE resources that will be needed for the project, including number of staff, qualifications, roles and responsibilities, and time requirements for the various phases of the project.*

D. STATE-FURNISHED PROPERTY/SERVICES (FROM 3.3 SCOPE OF WORK)

The NDDOT MV will work extensively with the awarded contractor through all phases of the contract and will provide:

- 1. The necessary IT access to the software required to successfully perform the contract.***
 - 2. Training regarding procedures, forms, department operation, applicable laws and rules, etc.***
 - 3. Ongoing support to successfully implement the goals of this contract with the longer term goal of getting the awarded contractor trained in such a manner as to be able to operate relatively independently of NDDOT oversight.***
 - 4. Primary contract manager and other staff as needed.***
- Offerors shall describe in their proposals the level of NDDOT MV participation they expect will be required.***

Lockbox

Documentation and Service Setup

Implementation times can vary widely, from three weeks for a simple lockbox with no transmissions to very complex setups lasting more than 52 weeks. The average complex implementation involving transmission and testing is 20 weeks.

The primary driver is the initial length of time it takes to scope, confirm and obtain your approval on the scope of work.

- Data capture change for a BAI or ANSI transmission requires up to 31 business days (approximately 6 weeks) to allow for the necessary computer programming and testing; and add 15 business days for custom edits or exits.
- Lockbox image transmission changes require 20 business days (4 weeks) for image only; and add 10 more business days (2 weeks) for changes that impact data transmissions.
- Sixty business days (12 weeks) from the receipt of final specifications to "live" processing are required for a wholesale lockbox conversion to scannable lockbox implementation.

If your lockbox involves transmissions, the bank will kick off the electronic transmission part of the project. We will provide information on available and desired transmission formats and communication protocols. The STATE's representatives and our technical implementation specialist will finalize the information exchange (e.g., file layout, sample documents for data keying and testing) and confirm the completion of the various programming and setup tasks. Data-keying specifications will be shared with our operations group to make sure requirements are clear and easily understandable to the lockbox associates who will perform this work. For new scannable wholesale implementations, we require 75 to 150 readable invoice/coupon samples.

Testing and Go Live

If a data transmission is required, our technical implementation specialist will contact the STATE's designated technical representative. Once connectivity is established, file layouts will be processed through our test system.

To provide a successful start-up, our technical implementation specialist will work with your systems group to finalize and test transmission formats.

- **Integration testing:** The Production Services team provides this service, which includes integration of STATE-defined requirements into your installation. Additionally, this team provides unit testing of individual components based on your defined requirements. The result of this process is a complete and installable software release for use in further testing.
- **Factory testing:** The Quality Assurance team provides this service, which includes regression testing of the application and testing of the identified STATE-defined requirements. Any rework or issues are resolved and retested prior to the solution's deployment at your site. The application is ready for testing at your site at the end of this process.
- **User acceptance testing:** The Production Services team supports the STATE's user acceptance testing by installing and configuring the application on-site. Additionally, this team provides technical training for the installation process, as well as operational training to support your users of the application. Our Quality Assurance team coordinates the efforts of various groups to resolve issues that may arise during user acceptance testing. The product is accepted at the end of this process and is ready for production deployment.

The STATE's technical representatives and our technical implementation specialist will test both the communication links as well as the application (typically utilizing test data). All the setup requirements agreed on by you and our technical implementation specialist are captured in the Statement of Work document. At this point, your feedback is critical to confirm adherence to your specifications and readiness to go live.

Following testing and finalization of the STATE's processing instructions, we will begin to transition the setup into production. This portion of the process includes validation from both you and the bank in order to go live. You are briefed on service live dates, security administration instructions and other information you require for product use. For Receivables Online, this may also include first-time user training. J.P. Morgan requires one successful end-to-end test with the STATE prior to the go-live date.

7. **Contractor Furnished Property/Services. Provide a detailed breakdown of the equipment and materials necessary to accomplish the deliverables as described in the RFP.**

E. CONTRACTOR-FURNISHED PROPERTY/SERVICES (FROM 3.3 SCOPE OF WORK)

The awarded contractor will provide all equipment and materials necessary to accomplish the deliverables including:

1. *IT Connectivity.*
2. *Equipment and Software Requirements including anti-virus protection.*
3. *Information Technology tech support.*

Offerors shall describe in their proposals what they will furnish to accomplish the deliverables.

Please refer to our Access Online and Receivables Online Technical Specifications in Appendix 1.

8. **Risk Management. Offerors must describe measures to be taken to ensure the safety of its employees, state employees, the public and property. Offerors must also identify any pertinent issues and potential problems related to the project, and describe how those potential issues and problems could be mitigated.**

F. RISK MANAGEMENT (FROM 3.3 SCOPE OF WORK)

The contractor will take appropriate measures to ensure the safety of its employees, state employees, the public, and property. The contractor must identify any potential risks, issues and problems associated with the project and identify ways to mitigate those potential risks.

J.P. Morgan is required to know its customers and adhere to policies and procedures intended to meet those regulatory requirements that apply to safety and soundness, to fight against the funding of terrorism, money laundering and sanction related activities and to perform certain transaction screenings. This means J.P. Morgan will request information about the Issuer and its management and those having authority to transact business with J.P. Morgan in order for J.P. Morgan to comply with these policies and procedures. This is an ongoing requirement and the provision of services pursuant to this Response and any additional products or services that may be requested is subject to and conditioned upon the ongoing satisfaction of these policies and procedures and compliance by the Issuer with applicable law with respect to the services provided and with J.P. Morgan's policies of which the Issuer is informed.

Operating in a regulated industry, JPMorgan Chase & Co. follows in detail generally accepted industry standards and procedures to mitigate risk – risk of loss, destruction or theft of physical assets and data; risk of unauthorized access to customer information. Further, we integrate Information Security Awareness into our New Employee Orientation training programs. Privacy is paramount – customer information is proprietary and will be protected from unauthorized access or disclosure. At J.P. Morgan, we uphold General Information Security Standards to assure information integrity and security.

The following document outlines the four components of our pre-employment screening process for U.S. based employment. Based on an employee's specific role, additional compliance or license checks may also be performed.

- Fingerprinting is the criminal history check and must be successfully passed prior to joining for all hires
- As part of the pre-employment process, all new hires and rehires may be subject to a pre-employment drug test prior to start date as a condition of employment.
- Background Check consists of a verification of social security number, work history, education, extra jurisdiction check (EJC), OFAC, terrorist watch list and professional violations. These checks are completed before the individual starts work on their first day.
- Work authorization verification through completion of an I-9 form.

9. ***Project Management Plan. The proposal must describe how the contractor intends to manage the project to ensure the work is accomplished on time, within budget, and meet quantity and quality standards. Offerors may provide a narrative or organizational chart to illustrate the lines of authority and accountability.***

G. PROJECT MANAGEMENT PLAN (FROM 3.3 SCOPE OF WORK)

The contractor will be expected to use appropriate project management to ensure the work is accomplished on time, within budget, and meets quantity and quality standards.

J.P. Morgan is accustomed to implementing complex processes and utilizes project management tools to control, manage, and report status of our implementations. A sample project plan for the STATE lockbox has been included within this proposal utilizing the timeline provided by the STATE.

- 1. *The contractor will be required to collaborate with the NDDOT MV to agree upon the contract schedule, including a work breakdown, schedule of tasks and activities, and progress milestones.***

The J.P. Morgan Program Manager, Bob Carson, will work with the STATE to identify final, detailed program requirements, co-ordinate the implementation schedule, and identify a work breakdown, including detailed tasks and activities, as well as progress milestones, which will be used to track the progress of the implementation against the agreed upon project timeline.

- 2. *The contractor will be required to coordinate with the State to develop a Human Resources plan for the contractor and the NDDOT MV staff assigned to the project.***

J.P. Morgan will develop a staffing plan, based on the final processing requirements. The J.P. Morgan Program Manager, Bob, will review and co-ordinate this plan with the STATE to finalize a comprehensive Human Resources plan for both J.P. Morgan and the STATE staff assigned to the project. This plan will take into consideration all the processing efficiencies inherent within the J.P. Morgan Lockbox processing system, as well as the efficiencies gained by the STATE staff.

- 3. *The contractor will be required to coordinate with the NDDOT MV to develop a communication plan. Any problems or unforeseen events must be communicated timely to the NDDOT MV project manager, and any changes must be agreed upon between the parties and set forth in a written amendment to the contract. If the NDDOT MV requires corrective action, the contractor will be notified in writing.***

Bob Carson will coordinate with the STATE to develop a communication plan which provides timely detailed updates on the status of the project as well as thorough, detailed communications, along with proposed corrective action, for any problems or unforeseen events which might arise during implementation, or once the operation is in full production. A sample proposed problem report has been included in Appendix 3 for STATE consideration.

J.P. Morgan understands that any changes to the program must be agreed upon between the parties and set forth in a written amendment to the contract. A sample proposed Change Request form has been included in Appendix 4 for STATE consideration. J.P. Morgan understands that if the STATE requires corrective action, J.P. Morgan will be notified in writing.

4. When the contract is completed, the NDDOT MV and contractor will communicate regarding the contract closeout plan, including transition of any records as needed. A contract closeout debrief may be performed at the discretion of the procurement officer or project manager designated by the NDDOT MV. The debriefing time and location will be negotiated between the NDDOT MV and contractor. The contractor must collaborate in development a Project Closeout Report to include feedback regarding the project implementation and any lessons learned.

J.P. Morgan understands that when the contract is completed, the STATE and J.P. Morgan will formalize a written contract closeout plan, including the transition of any archive records, as needed. This plan will also include, but not be limited to:

- Timing of production shutdown
- Transfer of any remaining unprocessed work to new vendor.
- Disposition of trailing items, i.e. check returns, reconciling items
- Access to online records (Receivables Edge)
- Disposition of trailing mail
- Assistance with research of archive records

J.P. Morgan understands that a contract closeout debrief may be performed at the discretion of the procurement officer or project manager designated by the NDDOT MV. The debriefing time and location will be negotiated between the NDDOT MV and contractor. J.P. Morgan will work with the NDDOT MV designates to develop a Project Closeout Report to include feedback regarding the project implementation and any lessons learned, as well as tasks, timeline, and assigned responsibilities for the steps identified, relating to the closeout items listed above.

10. Proposed Schedule and Deliverables. The proposal must provide a timeline for accomplishing the work, in consideration of the STATE's Contract Schedule within the RFP Scope of Work.

H. CONTRACT TERM, SCHEDULE AND DELIVERABLES (FROM 3.3 SCOPE OF WORK)

1. Contract Term

The NDDOT will enter into a two-year contract with an effective date beginning March 25, 2020 and ending March 30, 2022. This contract may be renewed upon satisfactory completion of the initial contract term. NDDOT MV reserves the right to execute up to three (3) options to renew this contract for a period of twelve (12) months each. Renewals will be documented by amendment.

J.P. Morgan understands the STATE will enter into a two-year contract with an effective date beginning March 25, 2020 and ending March 30, 2022. J.P. Morgan understands this contract may be renewed upon satisfactory completion of the initial contract term. Renewals will be documented by amendment.

NDDOT MV reserves the right to renegotiate price and terms provided that such negotiated price and terms fall within the original scope of work for this bid. Negotiations may be conducted annually or at such times that additional and unexpected services falling within the scope of the contract may occur. Such changes will be documented by amendment to the contract.

J.P. Morgan acknowledges NDDOT MV reserves the right to renegotiate price and terms provided that such negotiated price and terms fall within the original scope of work for this bid. J.P. Morgan understands that negotiations may be conducted annually or at such times that additional and unexpected services falling within the scope of the contract may occur, and that such changes will be documented by amendment to the contract.

2. Schedule and Deliverables

The STATE has identified the following deliverables which are significant work products or milestones in the project. The STATE requires these deliverables to be addressed in the Contract Schedule, as a minimum. The contractor shall develop a schedule for accomplishing the Scope of Work, including these specific deliverables. The final schedule shall be agreed upon between the STATE and the successful offeror and incorporated into the contract. The approximate schedule for this contract is as follows:

- a. Contract start: March 25, 2020.**
- b. “Kick off” Within 2 weeks of effective contract start date.**
- c. Contractor begins requirements gathering/understanding meetings: Within 2 weeks of effective contract start date.**
- d. Contractor submits first project progress report: April 24th, 2020.**
- e. NDDOT MV provides contractor with feedback/comments for revision as needed: Approximately April 30th, 2020.**
- f. Contractor submits monthly contract progress reports to the NDDOT MV: The last business day of each month for the first 24 months of the contract.**
- g. Contractor begins lockbox and mail tracking software and file design no later than: May 8th, 2020.**
- h. Contractor begins lockbox and mail tracking software testing and training: No later than June 1st, 2020.**
- i. First successful live lockbox and mail tracking services to the NDDOT MV: No later than: June 26th, 2020, or a date agreed upon by the NDDOT MV and the awarded contractor.**
- j. Informal debriefing: Within one month of successful implementation.**

J.P. Morgan understands the STATE has identified the following deliverables which are significant work products or milestones in the project, and that the STATE requires these deliverables to be addressed in the Contract Schedule, as a minimum. J.P. Morgan has included, within this proposal, a detailed implementation project plan utilizing the Scope of Work, with specific deliverables, and timeline schedule outlined within this request for proposal. It is understand the final development, testing, and production implementation schedule will be agreed upon between the STATE and J.P. Morgan once the final requirements and related development effort have been thoroughly vetted during the negotiation process. At that time, an updated project plan with revised timeline will be presented and agreed upon with the STATE.

Section 4 – Experience and Qualifications

Mandatory Requirements.

An offeror must provide information to demonstrate meeting the Offeror Experience and Qualifications Mandatory Requirement in RFP Section 3, Scope of Work, Experience and Qualifications.

SECTION THREE – SCOPE OF WORK

3.4 EXPERIENCE AND QUALIFICATIONS

In order for offers to be considered responsive, offerors shall meet the minimum qualifications and prior experience requirements. An offeror's failure to meet these items may cause its proposal to be considered non-responsive and its proposal will be rejected.

The minimum qualifications and prior experience requirements are as follows:

1. ***Company shall identify and explain any previous experience with comparable projects including the success of the projects.***

Common challenges to a smooth implementation are usually discrepancies between a client's business practices and requirements from a technical and operational perspective. It is important that the STATE engage the appropriate business, legal and technical support at the onset of the project implementation.

Lessons learned from previous implementations, in terms of alleviating challenges to create a successful project, follow:

- Meet with technology to verify that business needs are technically feasible.
- Provide end-to-end testing on both inbound and outbound files, including reconciliation, and request sign-off before moving into production.
- Check that the agreed-upon scope incorporates and takes into consideration all current business practices.
- Confirm the project scope by reviewing the solution from a holistic perspective and verify that all parties involved agree with the implementation approach.
- Execute against a detailed project plan, based on an accurate statement of work, and reinforced by a comprehensive UAT test plan.
- Complete all required deliverables in a timely manner to provide a flawless migration to production.
- A STATE-designated single point of contact to streamline communication. J.P. Morgan will be following the same communication model.
- Dedicate project resources at the STATE similar to those at J.P. Morgan to help with faster turn-around-times.
- Execute documentation quickly for significant time savings.
- Adhere to defined dates for testing and Go-Live.

- A commitment from the STATE to participate in training.

2. Customer service experience.

All Commercial Banking clients are assigned a client service professional and back up who provide cross-product centralized support for the services detailed in this response. With this relationship, the STATE's designated CSP will develop a deep understanding of your business, the products you use and your overall business needs. The STATE's CSP, Kimberly Pickett and her designated back up are your day-to-day contacts for all servicing needs or concerns. Commercial Banking CSPs are experienced professionals with a deep knowledge of Commercial Banking and Treasury Services products.

ACCORDING TO OUR CLIENTS

Based on the most recent survey, 85% of clients provided top overall satisfaction ratings with Commercial Banking Client Service

Client Service Survey, September 2019

3. The ability to research NDCC, ND Administrative Rules and other legal documents.

J.P. Morgan has the ability and is committed to research, understand and comply with NDCC, ND Administrative Rules and other legal documents.

4. Experience in personnel training.

Support during implementation includes training, technical assistance, user manuals and on-site visits. For example, the following Access Online training and support tools are available to the STATE:

- **Quick Start Reference Guides:** Available on the Access Online dashboard. These guides provide step-by-step instruction on how to use Access Online functions.
- **Webinar Training:** Weekly instructor-led sessions are available on various Access Online functions.
- **Self-Paced Training:** Online training is available via the Customer Support tab on the Access Online home page. Information about this training is included in the Welcome Kit sent when security administrators and users are set up on Access Online.
- **Phone Training:** Customized one-on-one training can be conducted over the phone to meet the STATE's needs for all Access Online functions.

User guides for Access Online are available online and are free of charge. These guides can be reviewed online or downloaded and stored as PDF documents. Our training module allows users to run self-paced sessions at their convenience and is also available online.

Training sessions are provided by our training team to both security administrators and users as part of the initial onboarding process. These training sessions are carried out over the phone and web. Users may request extra training sessions with one of our trainers at any point by contacting the help desk. In addition, we can provide on-site training, if necessary.

We offer the STATE a variety of methods for training without any cost to you, such as webinars, phone and short step-by-step prerecorded videos.

The following resources are available:

- **Online Resources:**

- **Access Online:** Available on Access Online's Support via the Education tab. Resources include online help articles, FAQs, guides and a range of live and pre-recorded webinar offerings on how the STATE can use the Access Online products and services. Short how-to videos are also available from certain Access Online screens.
- **Webinar Training:** Instructor-led sessions are available on many of our products including Receivables Online and Remote Deposit Capture. For Access Online, we have webinars for each of our products in the Access Online family. Each webinar lasts between 15-90 minutes. Webinar registration is available via Access Online's Support/Education page.
- **Phone Training:** Customized one-on-one training conducted over the phone is offered to meet the STATE's unique needs for all Access Online products and services. To schedule a one-on-one session, you may contact Client Access Training at **866-619-3055**, Monday through Friday, 6:30 a.m. until 6:00 p.m. CT.

In addition, the Client Service and Technical Support teams provide ongoing support, training, usage and technical assistance via telephone.

Solution Center

Our Solution Center Access Support team supports our ongoing information reporting and electronic transaction initiation services. Depending on the technical complexity of a problem, question or request, your CSP may refer you to this group for help in resolving browser, software or scanner problems related to your services. This group is available to assist you with your inquiries around the globe from 3:00 p.m. CT on Sunday through 7:00 p.m. CT on Friday.

The support we provide does not end once we have implemented your account. We believe continued support is critical to our overall account relationship. Ongoing support is provided by the Client Service and Technical Support teams. For example, after account implementation, your CSP, Kim Pickett will become your contact for ongoing support.

5. *Business and Accounting experience.*

Investing in the future

JPMorgan Chase & Co. (JPMorgan Chase) focuses on building quality businesses by establishing strong relationships with our clients, providing excellent products, constant innovation, advanced systems, and dedicated, capable, well-trained employees who care about our clients. It means building consistently, not overreacting to short-term factors and being trusted and respected by the bank's clients in all the communities where JPMorgan Chase does business.

Our commitment to financing is shown through credit provided and capital raised in 2019. As shown in the December 31, 2019] earnings release, this included:

- \$262 billion of credit for consumers.
- \$33 billion of credit for U.S. small businesses.
- \$863 billion of credit for corporations.
- \$1 trillion of capital raised for corporate clients and non-U.S. government entities.

- \$79 billion of credit and capital raised for nonprofit and U.S. government entities, including states, municipalities, hospitals and universities.

Commercial Banking delivers extensive industry knowledge, local expertise and dedicated service to U.S. and U.S. multinational clients. Our clients include corporations, municipalities, financial institutions and nonprofit entities with annual revenue generally ranging from \$20 million to \$2 billion. Commercial Banking provides financing to real estate investors and owners. We work with the firm's other businesses to provide comprehensive financial solutions-including lending, treasury services, investment banking and asset management-to meet our clients' domestic and international financial needs.

6. *Quickly learn practices, principles, standards, and guidelines as related to motor vehicle regulations, NDCC, general regulation, title and registration requirements of other governments, and familiarity with other state agencies.*

J.P. Morgan's broad experience with state and local governments gives us the knowledge and capability to quickly learn and apply North Dakota's motor vehicle regulations, NDCC, general regulation, title and registration requirements of other governments, and familiarity with other state agencies. Our Government Banking team works with over 1,850 states, agencies, cities, counties, schools and special districts across the country and we bring decades of experience to bear.

We acknowledge our responsibility to understand and work within the distinct regulatory and legal environment of each government client, including the State of North Dakota, and our government bankers, treasury management officers and lockbox colleagues are committed to delivering our government expertise to all aspects of our relationship.

7. *Extensive online interface experience and IT capabilities appropriate to the contract requirements for at least one staff member who will provide IT support for the awarded contractor.*

J.P. Morgan has extensive experience with our clients' ERP systems and treasury workstations. Thousands of our clients benefit from streamlined integration from our electronic banking system, Access Online, to their accounting system. On average, we implemented over 400 ERP and/or TMS integration projects annually for the last few years. Most involve commercially available ERP or TMS systems.

Per our research, the most frequently used ERP systems by our clients include SAP, Oracle, PeopleSoft, JD Edwards and Microsoft Dynamics. About 41% of our integrated clients use SAP. In addition, we also support major treasury workstations including SunGard, Kyriba, Wall Street Systems and GTreasury.

Though the majority of our integrated clients use SAP, we support a multitude of ERP systems and major treasury workstations.

In the course of due-diligence, prior to committing to interface with the STATE's workstations, J.P. Morgan will review the STATE's import specifications. In virtually all cases, industry standard data formats can be easily interfaced with workstations and ERP systems.

J.P. Morgan offers both web and transmission interfaces using common industry formats. Access Online and direct transmission, via Host-to-Host Connectivity, interface protocol include:

- **BAI2:** Current and prior day reporting, lockbox summary and controlled disbursement reporting
- **SWIFT MT or MC:** Current day (MT942) and prior day (MT940) reporting
- **ISO 20022 XML:** Current day and prior day reporting

Host-to-Host Payments accommodates industry-standard file format such as:

- ISO20022 (v2 and v3 CGI)
- EDI ASC ANSI X12
- XML

With additional implementation review and costs, we can also support:

- SAP IDoc
- Proprietary J.P. Morgan formats

Host-to-Host Reporting receivables advising are provided in EDI ANSI X12 820 format or as a human readable report PDF format.

The bank will work with the STATE to determine the best format and schedule based on the business need. We will engage in an implementation project with J.P. Morgan. Actual project duration will vary depending on complexity of client setup, as well as the readiness and availability of your technical resources.

8. Contractor must assign a Project Manager who will coordinate the contract and project.

Nancy Dorsa, the STATE's relationship manager, will coordinate the contract negotiation with the STATE and J.P. Morgan's banking and legal teams.

The STATE will have a designated Program Manager, Bob Carson, who will be the STATE's onboarding specialist and will coordinate the project between the STATE and J.P. Morgan staff over the life of the contract.

A. The assigned Project Manager must have at least three years' experience managing projects of a similar nature including application development, system integration and contract management. Preference will be given for those with Project Management Professional (PMP) certification.

The STATE's dedicated onboarding specialist, Bob Carson, will act as the primary point of contact between all levels of the STATE (e.g., management, users and technical staff) and J.P. Morgan staff. Bob has 20 years of experience as a Program Manager managing similar project as the STATE's.

Bob is responsible for securing the appropriate technical resources to assist the STATE with required file testing and the setup and testing of transmissions.

Bob will schedule a kickoff meeting for large or complex implementations. Key tasks, responsibilities and time frames are documented and shared with project team members. Subsequent meetings will be held to track and support the progress of the implementation. The STATE, in conjunction with the onboarding specialist, decides how often these meetings will be held. J.P. Morgan recommends a weekly meeting for complex implementations.

Support during implementation includes training, technical assistance and user manuals.

In addition, your dedicated Client Service Professional (CSP), Kimberly Pickett, will provide ongoing support. The Technical Support team also provides training, usage and technical assistance via telephone.

J.P. Morgan uses the Project Management Institute (PMI) methodology, a proven approach for implementation and testing.

Implementation phases for connect

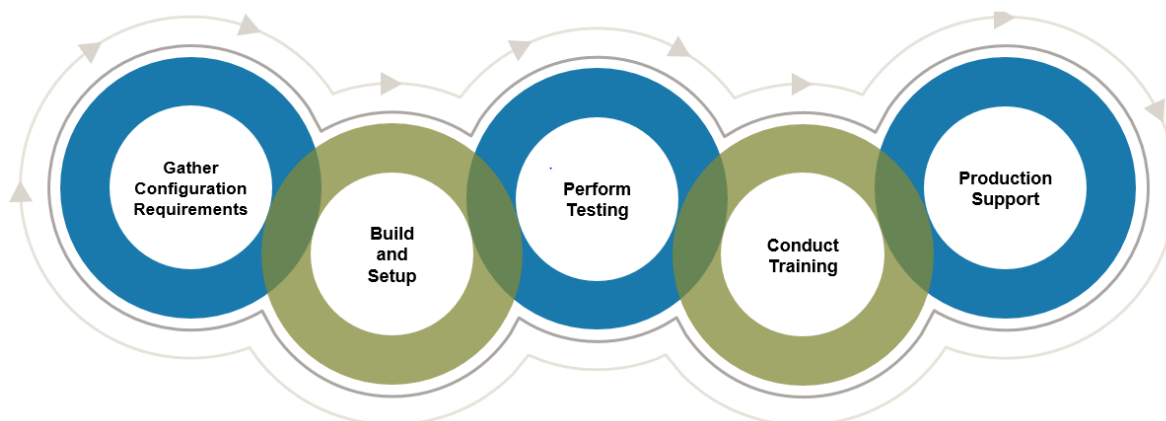


Figure 11

9. ***Project Manager and assigned staff***

Bob Carson will be the STATE's dedicated Program Manager. Once implementation is complete and the STATE is satisfied that their set up is complete, The STATE's designated CSP for support, Kimberly Pickett will join the team for ongoing day-to-day support.

- A. ***Identify the principal supervisory and management staff, specialists, training and supporting staff who will be assigned to the contract.***
- B. ***Provide comprehensive information regarding the specifically assigned staff,***
- i. ***Qualifications, include Resumes***
 - ii. ***Experience***
 - iii. ***Indicate any certifications for each individual assigned to the contract.***

J.P. Morgan recognizes the importance of providing premier client service that differentiates us from other financial providers. We take a consultative and team approach to building relationships with our clients.

J.P. Morgan is committed to providing the STATE with outstanding client service. With that in mind, our goal will always be to listen carefully, anticipate your needs, deliver the solutions that work for you and take responsibility for our actions. We commit to the following client service plan:

- **On-site Visits:** We are dedicated to making frequent visits to your site to meet with management and key contacts at the STATE. We believe that personal contact is the key to understanding your business, which in turn is the key to increasing our responsiveness to your banking requirements.
- **Regular Communication:** Through face-to-face visits and frequent telephone contact, we commit to keeping the STATE informed promptly on product and service matters, in addition to offering timely webinars and seminars.
- **Anticipation of Needs:** We commit to anticipating the STATE's banking requirements and to bringing new ideas to energize your operations, ideas that help you save time, save money and operate more effectively.

- **Error Resolution:** Kim Pickett your client service professional (CSP) will assist you in managing any day-to-day banking issues.

The STATE will be serviced through a relationship. The team is comprised of professionals who have a variety of expertise. Your assigned relationship team is responsible for all aspects of your relationship with J.P. Morgan, including general information, lockbox processing, treasury management services, online payments, research and adjustments and check processing.

Nancy Dorsa will be the STATE's relationship manager and banker. Your treasury management officer, Witness Yi, will lead the Treasury Services team. Day-to-day servicing will be handled by your designated client service professional, Kim Pickett. Bob Carson will be your designated Program Manager and onboarding specialist.

Resumes are below for your relationship team:

Nancy Dorsa



Role	Relationship Executive
Address	1 E Ohio St, Floor 4 Indianapolis, IN 46204-1912
Phone	(317) 767-8344
Email	nancy.a.dorsa@jpmorgan.com

Responsibilities

Nancy will lead the STATE's banking team with a focus on the quality and delivery of our services.

She will:

- Serve as your primary point of contact for the bank's full capabilities
- Recommend products and services that meet the STATE's needs and goals, including financing solutions, treasury management and other banking services
- Oversee delivery of products and services, including financing, treasury services and other financial services
- Address your overall satisfaction with your J.P. Morgan banking relationship

Biography

Nancy Dorsa joined J.P. Morgan Commercial Bank Government Banking group in 2005. As a relationship executive Nancy leads the team of customer service, treasury and credit professionals to coordinate the delivery of service to her government clients. Nancy also represents J.P. Morgan with prospects, government officials and persons of influence in the community. Nancy's clients include states, municipalities, public school districts and special districts in North Dakota, South Dakota, Indiana and Ohio.

Prior to joining the firm Nancy worked over 20 years in the public and private sectors. She served for 17 years as Deputy Director and Controller of the Indiana State Lottery Commission following 2 years as Controller of the Indiana State Police. Her private sector experience includes staff accounting roles for real estate firms in Indianapolis and Chicago.

Nancy holds a B.S. in Accounting from Purdue University and has earned her Certified Public Accountant and Certified Treasury Professional designations. She serves on the Indiana Market Leadership Team and Indiana Diversity Council. Nancy is a member of the Indiana Women in Public Finance (former Treasurer) and Executive Women in Finance.

Resume

2005-2009	Treasury Management Officer, J.P. Morgan Government Banking <ul style="list-style-type: none">• Introduced government clients to J.P. Morgan's cash management services and capabilities• Helped clients select and implement services to deliver efficiency and cost savings throughout their business operations• Provided education on cash management and technology trends
1986-2005	Deputy Director and Controller, Indiana State Lottery Commission Controller, Indiana State Police <ul style="list-style-type: none">• Managed finance, procurement and administrative functions• Advised Executive Director and senior staff on fiscal policy and strategic initiatives• Project lead/team for product and technology innovations

Witness Yi



Role	Treasury Management Officer
Address	10 South Dearborn Street, Floor 36 Chicago, IL 60603
Phone	(312) 732-6750
Email	witness.yi@jpmorgan.com

Responsibilities

Witness will assist the STATE in resolving working capital and efficiency challenges by providing information and offering ideas from J.P. Morgan's Treasury Services team.

He will:

- Recommend cash flow optimization strategies, including ways to streamline financial processes
- Assist the STATE in realizing day-to-day operational efficiencies in alignment with your treasury service goals
- Provide targeted information to you about new products, market developments and industry trends
- Monitor the STATE's implementation for successful service delivery

Biography

Witness Yi joined the firm in 2011 and has held various positions within the Consumer & Community Banking and Commercial Banking lines of business. Currently, Witness provides complex treasury and cash management services to government and large institutional clients in the Midwest market.

Witness received his Bachelor of Arts from the University of Illinois at Chicago.

Resume

2016-2018

Proposal Manager

- Established project plans for complex deals to help ensure RFP requirements were met
- Utilized technical writing ability to create professional RFP responses for Commercial Banking clients
- Coordinated with product, sales, legal, and human resources to ensure proper due diligence and appropriate approvals had been obtained

2014-2016

Treasury Sales Associate - Government

- Presented solutions to mitigate risk and increase operating efficiencies to clients through the utilization of J.P. Morgan treasury products
- Created competitive pricing pro formas aligned with J.P. Morgan pricing methodologies
- Performed ad hoc reports and analyzed billing statements to help clients structure their accounts and uncover opportunities to streamline and save on costs

2012-2014

Client Service Professional

- Prepared and reviewed account documents for accuracy to meet KYC compliance standards for new account openings
- Worked closely with implementations team to seamlessly onboard new clients and services
- Acted as the point person for the client and collaborated with the appropriate internal partners to help resolve issues, assist with audit inquiries, and expedite requests on behalf of the client

2011-2012

Personal Banker

- Focused on growing the P&L of the branch by actively seeking new prospects and uncovering cross-sell opportunities
 - Worked with product specialists to deliver a full range of services to individual consumers
-

Robert Carson

No Image Available	Role	Program Manager
	Address	100 East Broad Street, Floor 10 Columbus, OH 43215
	Phone	(614) 244-0046
	Email	robert.carson@jpmorgan.com

Responsibilities

Bob will be responsible for STATE's Treasury Services product and services onboarding.

He will:

- Implement products and services to meet your objectives
- Manage the installation of comprehensive and complex cash management solutions
- Provide STATE onboarding support and serve as the point of contact for questions and issues
- Coordinate service delivery to occur within specified timeframes so that STATE's onboarding is a positive experience

Biography

Based in Columbus, Bob Carson is responsible for the implementation of treasury services' products for government clients with J.P. Morgan. His responsibilities involve managing and coordinating the installation of comprehensive and complex cash management solutions for new clients as well as existing clients, following the delivery timelines as specified by the client.

Bob holds a Bachelor of Science degree in Accounting from The Ohio State University.

Resume

2000-Present	Vice President, Program Manager <ul style="list-style-type: none">• Launched multiple government payment programs from the ground up including build-out, system development and installation, testing, recruitment and training of a multi-shift operations utilizing full-time and temporary employees.• Ongoing responsibilities as Program/Project manager for development, operations readiness, customer liaison and reporting, quality and incident management, new and change process requirements implementation, peak-period readiness planning and support, site and operations management, vendor management and transition activities relating to assigned government payment programs.
1996-2000	Vice President, Production Manager/ Centralized Funds Transfer Department <ul style="list-style-type: none">• Directed operations to provide timely, high-quality and cost effective service while controlling risks, managing budget and maintaining service deliverables.• Managed overall operations of centralized wire processing facility, handling aggressive growth to process 12,000 payments exceeding \$5 billion daily.
1990-1996	Assistant Vice President, Section Manager / Treasury Corporate Services <ul style="list-style-type: none">• Managed daily operations for Corporate related Treasury Services including customer information reporting systems, Automated Clearing House (ACH), Fedwire, SWIFT and Telex, intraday Fed position monitoring.

Kimberly Pickett



Role	Client Service Professional
Address	10 South Dearborn, Floor 37 Chicago, IL 60603-2300
Phone	(312) 732-1146
Email	kimberly.rumph@jpmorgan.com

Responsibilities

Kimberly will serve as the primary point of contact and as a proactive resource for the STATE's banking service needs. With her understanding of all aspects of J.P. Morgan's Treasury Services' product functionality and technology, Kimberly will facilitate the timely resolution of all service issues.

For day-to-day matters, she will:

- Resolve the STATE's inquires including credit/debit confirmations, cancellations of payments, amendments of payment instructions, funds transfer inquires and other treasury service matters
- Identify and resolve operational issues in a timely manner
- Share her specialized knowledge of fraud prevention tools and provide advice on asset and data protection strategies
- Facilitate the opening of additional accounts

Kimberly works with a team of client service professionals who will provide consistent, reliable, and timely service support.

Biography

Kimberly is your dedicated Client Service Professional servicing government, higher education and not-for-profit clients in the Midwest. As your dedicated service professional, Kimberly is your single point of contact for all of your commercial banking needs.

Kimberly held a role in Retail Banking as a Personal Banker-Small Business Specialist before joining the Commercial Bank Client Service team. Prior to joining the firm in 2016 Kimberly owned and operated a non-medical Senior Care LLC and served as a 911 communications operator for three years. Kimberly's passion for the public sector and the client experience is what drew her to this role.

Kimberly holds a Bachelor's Degree in Business Management and a Master's Degree in Communications from Purdue University.

Resume

2016-2018

Personal Banker – Small Business Specialist

- Educated client on financial products and services that were suitable for the goals and needs
- Cultivated positive working relationships with internal and external partners to achieve sales goals
- Revitalized underperforming sales branch through the development and execution of strategic marketing plan

2011-2016

Business Development Manager Rumph's Senior Care

- Partner with physicians, nursing homes, and assisted living to provide alternative daily living options
- Coordinated and implemented community outreach events and projects

Communications Operations City of Gary, IN

- Served as emergency response dispatcher to for Police, Fire and EMT departments
 - Assisted with deescalating critical conditions via phone by using crisis management skills
-

iv. Contractor shall provide information on the project management experience of all assigned staff.

A Program Manager, Bob Carson, will be assigned to serve as the STATE's primary point of contact throughout the process. Bob, who has end-to-end ownership and accountability of the implementation, is responsible for communicating regularly with you and coordinates activities across the bank. Regular, often weekly, meetings occur to share information and measure progress.

Bob works with you to validate the solutions you have requested, establish timelines for implementation and then coordinates with the necessary teams across your organization and J.P. Morgan to complete the setup.

We view the implementation process as a pivotal phase in our relationship and an opportunity to demonstrate the value of our expertise and consultative capabilities. Our project management methodology is designed to build a strong understanding of your objectives.

The program manager is responsible for:

- Forwarding new account and product documentation, file specifications, start-up packet(s) and procedure manuals to the STATE.
- Contacting your designated representative(s) to complete all required documentation and determine specific product instructions.
- Reviewing and completing product questionnaires with you, as appropriate.
- Opening required accounts.
- Ordering depository supplies.
- Coordinating with our operations group to make sure products are set up to your specifications.
- Coordinating file and transmission testing with the technical implementation specialist for both teams, which includes:
 - Transmission options review and setup
 - File testing
 - File security
 - Providing test and reports to the STATE
 - Examining all reports and elements of file testing and processing
 - Updating all parties on progress
- Confirming delivery of PINS and instruction guides.
- Providing required training or other assistance, as needed.
- Monitoring initial depository activity and confirming depository products are working as expected.
- Organizing a post-implementation meeting to review your account analysis statement.

- Coordinating the addition of Kim, your designated CSP for ongoing servicing.

An established project flow and framework is followed when executing the setup of products and services.

Implementation process flow

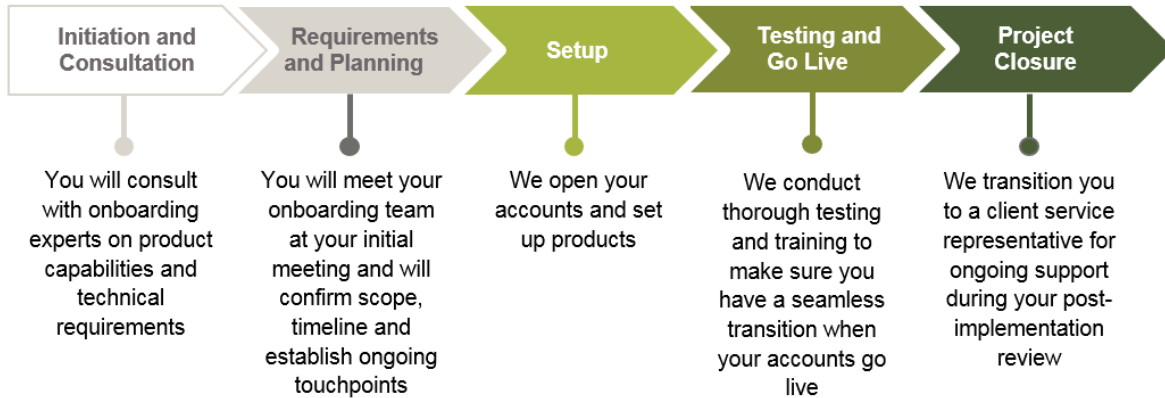


Figure 12

A sample implementation plan is included in Appendix 5.

The basic implementation process follows:

- Relationship team confirms terms of proposal with the STATE.

You accept the proposal.

- Terms of proposal are shared with our implementations group.
- Your sales and implementation teams discuss the proposal, exceptions, your goals and special conditions.
- Your implementation team schedules a kick-off call, reviews the project plan, identifies needed documentation and establishes a meeting schedule.
- You return the required core DDA documents and product-specific documents to Implementation.
- Our implementation team works to complete your request and verifies our systems reflect correct STATE information.
- Kimberly Pickett your CSP is notified of product setup completions.
- Training requirements are coordinated and scheduled with your designated contact(s).
- Training, including product manuals and sample completed order forms, is provided to you at no cost.
- Your account is monitored for a period of time (to be determined) to verify proper setup, availability, exceptions, etc.
- Your onboarding specialist confirms with you that products are working properly and sets up a meeting to review your first analysis statement.

- Your account is officially handed to Kimberly, your designated CSP, for ongoing servicing.

In addition, we may assign additional staff to the implementation team:

- One or more technical implementation specialists will work with the onboarding specialist to coordinate setup activities for your data file transmissions. The technical implementation specialists will assemble a team of production and systems experts to work closely with you throughout the process.
- A technical implementation specialist will discuss connectivity options, set up and test the connectivity link, and send test files.
- Other experts will be added as required.

Ongoing support is provided to the STATE by the Client Service and Technical Support teams. These teams provide training, usage assistance and technical support via telephone.

- The support provided by J.P. Morgan does not end once we implement your service(s). We believe continuous support is critical to your overall account relationship. After implementation, the STATE's designated CSP, Kimberly Pickett will become your ongoing contact to make sure that your expectations are consistently met.
- We will supply the STATE with necessary product guides, procedure manuals and user guides required for the products and services being implemented. Additionally, we will provide training that is required or requested. Our objective is for you to fully understand our products so you can take full advantage of their benefits and features.

- v. ***Both credit and criminal background screening of the apparent awardee and each personnel assigned to the project will be required. Expenses associated with screening will be paid by the apparent awardee. The apparent awardee shall ensure that all vendor employees who will be working on the contract have had criminal and credit background checks. The pass/fail standard is to be determined in conjunction with the NDDOT MV Contract Manager. The background documents are to be retained by the apparent awardee. Awardee shall maintain a list of employees who have passed the background check and assure that the NDDOT MV has an updated copy similar to the following example:***

BACKGROUND CHECKS

Background checks performed on January 3, 2020

First Name	Last Name	Hire Year	Date of Birth	Pass/Fail
John	Smith	2015	1/18/1979	Pass
Jane	Doe	2012	7/21/1976	Pass

All JPMorgan Chase employees, as well as contingent workers and certain designated third party supplier personnel assigned to perform or engage in services on JPMorgan Chase's behalf, have successfully passed the requirements for employment under applicable federal law. These requirements include, but are not limited to, restrictions under Section 19 of the Financial Institution Reform and Recovery Act ("FIRREA"). FIRREA prohibits FDIC-insured institutions like JPMorgan Chase from employing or engaging as a contingent worker, any individual that has been convicted of, or entered a pretrial diversion or similar program for, a felony or multiple misdemeanor criminal offenses involving breach of trust, dishonesty, money laundering, embezzlement, fraud, theft, criminal conspiracy or the sale, distribution, manufacture of or trafficking in controlled substances. Furthermore, pursuant to the JPMorgan Chase policy, eligibility for employment or assignment is evaluated on a case-by-case basis for the following types of offenses: crimes of violence, crimes involving moral turpitude and crimes

related to the performance of an employee's responsibilities, e.g., driving under the influence of alcohol or controlled substances when the employee drives as part of their job. Finally, as a term of employment, each JPMorgan Chase employee must annually certify adherence to the firm's Code of Conduct which among other requirements contains an affirmative obligation for the employee to notify the Firm of any felony or misdemeanor arrest/conviction.

10. Contractor Project Team Personnel

A. The staff presented in the offeror's proposal will remain intact during the term of the contract.

Over the term of the contract the composition of the relationship team may change for various reasons. Should your designated relationship team change, the bank will assign personnel with experience providing support to government clients and will have a dialogue with you. The bank will provide notice to you of changes.

B. The contractor must inform the NDDOT MV of any changes to the contractor's project team members named in the proposal, in advance and in writing. The personnel changes of key contractor project team members that are not acceptable to NDDOT MV may be grounds for the NDDOT MV to terminate the contract.

Over the term of the contract the composition of the relationship team may change for various reasons. Should your designated relationship team change, the bank will assign personnel with experience providing support to government clients and will have a dialogue with you. The bank will provide notice to you of changes.

C. The NDDOT MV retains the right to approve or reject replacement personnel. The replacements must have substantially the same or better qualifications or experience.

While we do not anticipate a change in the STATE's relationship team at J.P. Morgan, we will notify the STATE promptly if such a change were to occur. If a change occurs, we will make it a high priority to help smooth the transition and schedule introductions to the STATE's team.

Experience and Qualifications of the Firm

Provide a brief history and describe the organization of the firm. Describe the number of years the offeror has provided the type of work requested in this RFP. Describe specific experience of their firm in completing similar projects. Provide a description of the project, approximate time frame of the project, and contact information for the customer. Offerors may provide letters of reference from customers.

Experience and Qualifications of the Project Team

Provide a narrative or organizational chart that describes the organization of the proposed project team. Provide information for key project team members, including:

1. Description of anticipated work they will perform and approximate estimated hours;

Please see Appendix 5 for a sample implementation/onboarding plan for the STATE.

2. Resume or description of the relevant education, training, experience, skills and qualifications;

Please refer to section 4, question 9 B for a description of the relevant information about Bob Carson.

3. If the offeror has vacant positions, identify the job description and minimum qualifications for staff members to be recruited;

Our Project Team and lockbox operations site is fully staffed.

4. Subcontractors. If an offeror intends to use subcontractors, the offeror must identify in the proposal the names of the subcontractors and the portions of the work the subcontractors will perform. Provide a statement that the offeror will ensure that the subcontractor has or will obtain any required licenses and registrations, including registration with the North Dakota Secretary of State; and

J.P. Morgan does not intend to use subcontractors for the proposed services in this bid.

Lockbox

J.P. Morgan supplements a portion of data entry services to a provider company. Outsourcing allows us to extend our processing footprint and disaster recovery options. Through our hub and spoke model, images are captured at the site where mail is received and routed through the hub. From the central hub, images can be retrieved by authorized users located at other sites, such as our provider company's locations, for data capture. Once data capture is complete, the images and data are returned to the hub and routed through the remainder of the process.

5. Joint Venture. If submitting a proposal as a joint venture, provide narrative statements that describe the roles and responsibilities of each party to the joint vendor. If available, submit a copy of the joint venture agreement that identifies the parties involved and its rights and responsibilities

Not applicable.

References

Provide three (3) reference letters from clients for whom similar work was completed. The reference letter must include the name of a contact person, address, email, and telephone number. The STATE may contact references provided for verification and to obtain additional information. Evaluation will be impacted if the STATE is unable to contact the reference or the reference does not timely provide the requested information.

State of Michigan Department of Treasury	
Contact Name, Title	Andrew Boettcher, MBA, MPA, Administrator, Financial Services
Address	430 West Allegan Street Lansing, MI 48922
Phone	(517) 636-0631
Email	boettchera@michigan.gov
Length of time services provided	17 years

City of Noblesville, Indiana

Contact Name, Title	Gerri Henderson, Billing Administrator
Address	197 Washington Street, Noblesville IN 46060
Phone	(317) 770-5130
Email	ghenderson@noblesville.in.us
Length of time services provided	20 years

Cook County Treasurer

Contact Name, Title	Andrew Jatico, CFO
Address	118 N Clark St, Chicago, IL 60602
Phone	(312) 603-7238
Email	ajatico@cookcountytreasurer.com
Length of time services provided	22 years

Section 5 – Contract Provisions

Offeror shall review the RFP Section 6 and the STATE's Contract – Attachment 3.

The proposal must indicate whether or not the offeror accepts the terms and conditions in the STATE's Contract.

An offeror may state that they accept the STATE's Contract as written.

An offeror may state any objections or propose changes or additions to the STATE's Contract. Describe the changes to the Contract being proposed or provide a red-line of the STATE's Contract. Offerors are not to submit their own contract or standard terms and conditions with their proposals. Offeror should address the specific language in the attached contract and submit any proposed changes.

North Dakota procurement statutes, rules, and policies allow some negotiation of the terms and conditions. No changes to the terms and conditions will be permitted without prior written approval from the STATE.

We have reviewed the form of the State's Contract (the "Agreement") included in the RFP. We have minor clarifying comments and if awarded the contract, we will discuss those with you, specifically sections 6 (relating to intellectual property); section 13 (Appendices A and E are not applicable as this RFP for banking series does not relate to a "covered transaction" as defined in applicable federal regulations); and section 15 (we have minor edits to the Risk Management Appendix). We are also providing a link to our form agreements for the services contemplated in this RFP, which relate to the services J.P. Morgan is proposing to provide. These agreements would also be part of the Agreement between J.P. Morgan and NDDOT.

Sample J.P. Morgan Account and Service Terms

J.P. Morgan is required to know its customer and to adhere to policies and procedures intended to meet those regulatory requirements that apply to safety and soundness and to fight against the funding of terrorism, money laundering and sanction related activities including performing certain transaction screenings. This means J.P. Morgan will request information about Tower and its management and those having authority to transact business with J.P. Morgan in order for J.P. Morgan to comply with its policies and procedures. This is an ongoing requirement and the provision of services pursuant to this proposal and any additional products or services that may be requested is subject to and conditioned upon the ongoing satisfaction of those policies and procedures and compliance by Tower with applicable law with respect to the services provided and J.P. Morgan's policies of which Tower is informed.

Please keep in mind that J.P. Morgan also requires execution of all applicable account opening documents, as well as all relevant product and service agreements. As part of our efforts to manage our environmental footprint in an efficient and sustainable manner, sample documents are provided through the links below. Please note that these documents may be modified by the bank from time to time.

- Sample Account Opening Documents:

<https://www.chase.com/content/dam/chasecom/en/commercial-bank/documents/11-21-us-account-opening-package.pdf>

- Sample Product and Service Terms and Agreements:

<https://www.chase.com/content/dam/chasecom/en/commercial-bank/documents/11-21-consolidated-service-terms-commercial-bank.pdf>

The sample documents cover the comprehensive set of products and services that may be offered to our Commercial Banking clients in general, and many of those in the standard package may not apply to the services currently proposed to Tower. At the time of your implementation, and based on the specific services you elect to use, you will receive the applicable agreements to be executed from your implementation project manager.

Request for Modification of Legal Terms

J.P. Morgan has identified below the terms or conditions that we respectfully request be modified in accordance with our recommended revisions. We are willing to discuss mutually agreeable modifications to the contract terms. The proposed changes are indicated by additions in *italic, underlined, text* and deletions by ~~strikethrough, red~~ text.

Request for Proposal

Section 6: Contract Information

6.3 C. Contract Personnel

The project manager designated by the NDDOT MV must approve any change of the contractor's project team members named in the proposal, in advance and in writing. Personnel changes that are not approved by the NDDOT MV may be grounds for the NDDOT MV to terminate the contract.

Over the term of the contract the composition of the relationship team may change for various reasons. Should your designated project team change, the Bank will assign personnel with experience providing support to government clients and will have a dialogue with you as to your relationship team, however, the Bank is not able to provide a written request and to get approval from clients for personnel changes.

Attachment 3

12. The Contractor agrees to make all reasonable efforts to comply with all applicable laws and rules, including, but not limited to, those relating to nondiscrimination, accessibility, and civil rights.

NORTH DAKOTA DEPARTMENT OF TRANSPORTATION APPENDIX A OF THE TITLE VI ASSURANCES

- Compliance with Regulations:** The Contractor (hereinafter includes consultants) will make all reasonable efforts to comply with the Acts and the Regulations relative to Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, the Federal Highway Administration, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
- Non-discrimination:** The Contractor, with regard to the work performed by it during the contract, will make all reasonable efforts not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will make all reasonable efforts to not participate directly or indirectly in the

discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

4. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto ~~and will permit access to its books, records, accounts, other sources of information, and its facilities~~ as may be determined by the Recipient or the Federal Highway Administration to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a Contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Recipient or the Federal Highway Administration as appropriate, and will set forth what efforts it has made to obtain the information.

NORTH DAKOTA DEPARTMENT OF TRANSPORTATION APPENDIX E OF THE TITLE VI ASSURANCES

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the Contractor) agrees to make all reasonable efforts to comply with the ~~following~~ applicable non-discrimination statutes and authorities; including but not limited to:

Section 6 – Open Records and Confidentiality

All proposals and other material submitted become the property of the State and may be returned only at the State's option. The State of North Dakota has broad open records laws. Proposals received are exempt from open record requirements until an award is made, in accordance with N.D.C.C. § 54-44.4-10(2). After award, proposals are subject to the North Dakota open records laws. Proposals or portions of proposals may be confidential only if specifically stated in law.

Offerors are instructed not to mark their entire proposal as “confidential.”

Offeror must provide one of the following in their proposal:

- *Provide a statement indicating that their proposal does not contain any confidential information; or*
J.P. Morgan's proposal response to the STATE's RFP does not contain confidential information.
- *Make a written request to hold confidential any trade secrets and other proprietary data contained in its proposal. Offeror must clearly identify the material considered confidential and explain why the material is confidential. See the North Dakota Office of the Attorney General website for additional information.*
<https://www.ag.nd.gov/OpenRecords/ORM.htm>

If the STATE receives a request for public information, the procurement officer, in consultation with the Office of the Attorney General, shall determine whether the information is an exception to the North Dakota open records laws, and the information shall be processed accordingly.

Section 7 – Financials

Offeror shall provide financial information in such a manner that the STATE can reasonably formulate a determination about the stability and financial strength of the organization. The STATE may request reports on financial stability from independent financial rating services in order to further substantiate stability

A. Firm. Provide a narrative with the following information:

- 1. Organization/date of incorporation;**
- 2. Ownership;**
- 3. Number of employees; and**
- 4. Revenues for the last fiscal year.**

JPMorgan Chase & Co. (JPMorgan Chase) is a financial holding company. Its principal banking subsidiaries are JPMorgan Chase Bank, N.A., a national banking association with branches in 34 states, and Chase Bank USA, N.A., the firm's credit card issuing bank. JPMorgan Chase Bank, N.A. is wholly owned by JPMorgan Chase & Co. Deposits in JPMorgan Chase are insured by the FDIC as provided by law and regulation. JPMorgan Chase Bank, N.A. is a successor to institutions dating back to 1799.

JPMorgan Chase is a leading global financial services firm with assets of more than \$2.7 trillion. The firm is a leader in investment banking, financial services for consumers, small businesses, and commercial banking, financial transaction processing and asset management. A component of the Dow Jones industrial average, JPMorgan Chase & Co. has its corporate headquarters in New York. The firm serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients under the J.P. Morgan and Chase brands. Information about the firm is available on the Internet at www.jpmorganchase.com.

Commercial Banking provides comprehensive financial solutions, including lending, treasury services, investment banking and asset management to meet its clients' domestic and international financial needs.

As of December 31, 2019, JPMorgan Chase & Co. has:

- Headcount of approximately 257,000 employees worldwide
- Market capitalization of \$429.9 billion.
- Deposits of \$1.6 trillion.
- Loans of \$959.8 billion.
- Total stockholder equity of \$261.3 billion.
- Tier 1 and total risk-based capital ratios 14.1% and 16.0%, respectively. Ratios are calculated under the Basel III Transitional Approach and represent the Collins Floor.

B. Financials. Provide at least one of the following:

1. **Audited financial statements for the most recent 3 years;**
2. **An Annual Report as verification of financial status provided it contains at a minimum a Compiled Income Statement and Balance Sheet verified by a Certified Public Accounting firm (The STATE reserves the right to contact the accounting firm if questions arise); or**
3. **Tax returns and financial statements including income statements and balance sheets for the most recent 3 years, and any available credit reports.**

Financial information may be kept confidential if it falls under the definition of such found at N.D.C.C. § 44-04-18.4(2) (b). Offerors must contact the procurement officer with questions related to the confidentiality of financial documents.

Financials may be provided in a separate file or sealed envelope clearly labeled with the offeror's name and "Financials."

For the STATE's convenience, J.P. Morgan makes our financial statements and other publicly filed documents available through our website: <https://www.jpmorganchase.com/corporate/investor-relations/annual-report-proxy.htm>. This link provides past and current JPMorgan Chase & Co. Annual Reports, which includes audited financial statements.

C. Disclosure. Disclose any and all judgements, pending or expected litigation, or other real potential financial reversals, which might materially affect the viability or stability of the offeror's organization; or certify that no such condition is known to exist.

JPMorgan Chase & Co. and/or its subsidiaries (collectively, the "firm") are defendants or putative defendants in numerous legal proceedings, including private civil litigations and regulatory/government investigations. The litigations range from individual actions involving a single plaintiff to class action lawsuits with potentially millions of class members. Investigations involve both formal and informal proceedings, by both governmental agencies and self-regulatory organizations. These legal proceedings are at varying stages of adjudication, arbitration or investigation, and involve each of the firm's lines of business and geographies and a wide variety of claims (including common law tort and contract claims and statutory antitrust, securities and consumer protection claims), some of which present novel legal theories. Based on current knowledge, the firm believes it has asserted meritorious defenses to the claims asserted against it in its currently outstanding legal proceedings, intends to defend itself vigorously in all such matters and does not believe that any pending legal proceeding would have a material effect on the firm's performance of the services contemplated by the RFP. For further discussion, please refer to JPMorgan Chase & Co.'s publicly-filed disclosures, including its most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission (available at: <http://investor.shareholder.com/jpmorganchase/sec.cfm>). Note we are not able to provide notice of litigation to the STATE (or any third party) as requested in this section as that type of information may be considered material information and may run afoul of securities laws which are in place to prevent insider trading and the like. The most current comprehensive summaries of legal proceedings involving the firm are found in the previously referenced SEC filings.

Appendices

- Appendix 1. Access Online and Receivables Online Technical Specifications**
- Appendix 2. Information Security Program Client Letter**
- Appendix 3. Sample Proposed Problem Report**
- Appendix 4. Sample Proposed Change Request Form**
- Appendix 5. Sample Implementation Plan**

Document Checklist | JPMORGAN CHASE BANK, N.A.

29 May 2020
STATE OF NORTH DAKOTA
600 EAST BLVD
BISMARCK, ND 58505
USA

Thank you for choosing JPMorgan Chase for your banking needs. Below is a list of documents contained in this package that pertain to the products and/or services you have requested, with instructions for each document.

In striving to deliver best-in-class service, we encourage you to complete and return any of the attached documentation requiring signature within **5 business days** from the day you receive this package. Please let us know if there is any way we can assist you. We understand that on occasion this timeline cannot be met due to other priorities, the complexity of requirements, and/or the availability of authorized signatories. In such cases we kindly ask that you advise us when we can anticipate receipt of the documentation or if there is any additional support we can provide. Timely receipt of the documents enables us to better complete your request in the desired timeframe.

For your protection, where documents in this package are being sent as e-mail attachments and have been pre-filled, the account and/or SSN/TIN number has been truncated to the last 4 digits, or the documents have been encrypted and may require a password to open.

We at JPMorgan Chase are fully committed to meeting your banking needs. We are happy to answer any questions you may have regarding the attached documents. If you need assistance, please do not hesitate to call.

Kind regards,

DANIEL CARDENAS
1-312-732-3483
daniel.m.cardenas@jpmorgan.com
10 S. Dearborn 37th FL, Chicago IL, 60603

	Document Name	ID	Instructions
<input type="checkbox"/>	Global Account Terms	1	For Reference Only
<input type="checkbox"/>	Global Account Terms - US Addendum	2	For Reference Only
<input type="checkbox"/>	Consolidated Service Terms for Commercial Bank and Dealer Commercial Services	3	For Reference Only



ACCOUNT TERMS

V1.5_09_16_17 (negotiated)

INTRODUCTION

This document, as amended or supplemented by account addenda for each country in which the Accounts are held, (collectively, the "Account Terms") contains the general terms, conditions and disclosures for the Accounts and Services selected by the Customer and constitutes an agreement between the Bank and the Customer and supersedes all previous drafts, discussions and negotiations, whether oral or written, between them in connection with the opening of Accounts and receipt of Services. References to "the Bank" shall mean **JPMorgan Chase Bank, N.A.**, and any of its affiliates. References to the "Customer" shall mean the entity to which the Bank, as an independent contractor, provides Accounts and Services, including any entity that is bound by a Subsidiary Election Agreement (not applicable in all jurisdictions), as may be amended from time to time. All accounts subject to the Account Terms are, regardless of their location, referred to as "Accounts". The Account Terms may be supplemented or amended as set forth in Section 17.6 (*Amendments; Supplement; Waivers*) herein. References to "Services" shall mean services offered by the Bank and subject to the Account Terms and any applicable Service Terms. References to "Service Terms" shall mean any terms and conditions regarding specific types of Accounts or Services that are subject to the Account Terms. In addition to the Account Terms and Service Terms, the Accounts are subject to other Account-related documentation, including signature cards and application forms (the "Account Documentation").

The Customer shall not transfer any of its rights and obligations in an Account or with respect to a Service, or create any form of security interest over such rights and obligations in an Account, without the prior written consent of the Bank. Failure to obtain the Bank's prior written consent constitutes a breach of these Account Terms by the Customer and may result in immediate closure of Accounts or termination of Services.

The Account Terms, Account Documentation and Service Terms may vary applicable law to the maximum extent permitted under any such law. Any provision of applicable law that cannot be varied shall supersede any conflicting term of the Account Terms, Account Documentation or Service Terms.

1. Authorized Persons.

1.1 Authorized Persons. The Bank is authorized to rely upon any document that identifies a person authorized to act on behalf of the Customer ("Authorized Person") with respect to the Accounts and Services, until the authority for such Authorized Person is withdrawn by the Customer upon written notice to the Bank, and the Bank has had a reasonable opportunity to act on such notice. The Customer will provide a specimen signature for each Authorized Person in the manner requested by the Bank.

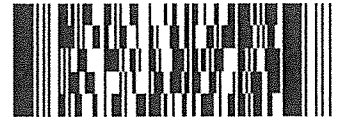
1.2 Authorizations. Each Authorized Person is independent of the Bank, and, subject to any written limitation provided by the Customer and received and accepted by the Bank, is authorized on behalf of the Customer to: open, operate and close Accounts; overdraw Accounts as permitted by the Bank; appoint and remove Authorized Persons; execute or otherwise agree to any form of agreement relating to the Accounts or Services, including Account Documentation; execute guarantees, indemnities or other undertakings to the Bank in relation to guarantees, letters of credit or other financial transactions, or in relation to missing documents; draw, accept, endorse or discount checks, drafts, bills of exchange, notes and other financial instruments ("Items"); receive materials related to security procedures; and give instructions ("Instructions"), including requests and payment orders, by means other than the signing of an Item, with respect to any Account transaction. Without limitation, such Instructions may direct: (i) the payment, transfer or withdrawal of funds; (ii) the disposition of money, credits, items or property at any time held by the Bank for account of the Customer; (iii) the provision of access as described in Section 1.4 (*Third Party Access*) and Section 2.1 (*Third Party Instructions*) below; or (iv) any other transaction of the Customer with the Bank.

1.3 Facsimile Signatures. If the Customer provides the Bank with facsimile signature specimens, or if the Customer issues Items with a facsimile signature on one or more occasions, the Bank is authorized to pay Items signed by facsimile signature (including computer generated signatures) if the actual or purported facsimile signature, regardless of how or by whom affixed, resembles the specimens filed with the Bank by the Customer, or resembles a specimen facsimile signature otherwise employed for the Customer's benefit.

1.4 Third Party Access. The Customer may request that the Bank permit a third party to have access to an Account by submitting an access request in a form acceptable to the Bank (an "Access Request", and the third party designated in such form will be referred to as a "Third Party"). Each Third Party is authorized by the Customer to issue Instructions to the Bank in relation to an Account, including to initiate payments and transfers against an Account, and to access and receive balance and transaction information (including account statements, information reporting and transaction advices) by any method of communication, including the Bank's electronic channels, facsimile transmission, in writing, by telephone and SWIFT, and the Bank is authorized to act on such Instructions and provide such access as described in this Section and Section 2.1 (*Third Party Instructions*) below. Subject to the Third Party's completion of documentation required by the Bank, the Bank is authorized to act upon any Instructions issued in the name of any authorized person of the Third Party who has been nominated by the Third Party in a form acceptable to the Bank, and such authorized person shall be deemed an Authorized Person with respect to the provisions of these Account Terms relating to the use of the Accounts and the giving of Instructions with respect to the Accounts. The Customer may revoke an Access Request at any time by giving the Bank written notice of such revocation; such revocation shall be effective when the Bank has received such notice and has had a reasonable opportunity to act upon it.

2. Instructions; Security Procedures.

2.1 Security Procedures Generally. When issuing Instructions, the Customer is required to follow the Bank's security procedures as communicated to the Customer by the Bank from time to time, including the procedures set forth herein, and shall be bound by such security procedures for use of the Service. Upon receipt of an Instruction, the Bank will use the security procedures to verify that the Instruction is effective as that of the Customer. A security procedure may require the use of algorithms or other codes, identifying words or numbers, encryption, call back procedures



or similar security devices. It is understood that the purpose of the security procedure is to verify the authenticity of, and not to detect errors in, Instructions. The Customer shall safeguard the security procedure and make it available only to persons that it has authorized. Any Instruction, the authenticity of which has been verified through such security procedure, shall be effective as that of the Customer, whether or not authorized. An authenticated SWIFT or host-to-host (secure communications channel for data transfer) message issued to the Bank in the name of the Customer shall be deemed to have been given by an Authorized Person. For SWIFT, the security procedure shall be the authentication procedures established by SWIFT.

Security Procedure for Verbal or Written Instructions. Unless the Customer and the Bank have agreed in writing to an alternate security procedure, the Bank may verify the authenticity of verbal or written (including those transmitted by facsimile) funds transfer Instructions by telephonic call-back to an Authorized Person. The Customer agrees that this security procedure is commercially reasonable for such Instructions.

Third Party Instructions. The security procedures applicable to Instructions from any Third Party shall be those security procedures established by the Bank with the Third Party. Any Instruction that the Bank receives from the Third Party, the authenticity of which has been verified through such security procedure, shall be effective as that of the Customer, whether or not authorized, and shall be deemed an Instruction given on behalf of the Customer for all purposes of these Account Terms. The Bank is authorized to act upon any Instructions received via any of the SWIFT BIC codes specified in an Access Request whether or not such SWIFT BIC codes are associated with the Customer or the Third Party.

2.2 Confirmations. If the Customer, other than with respect to security procedures, chooses to confirm an Instruction, any confirmation must be clearly marked as a confirmation, and, if there is any discrepancy between an Instruction and a confirmation, the terms of the Instruction shall prevail. Subject to Section 2.1 (*Security Procedure for Verbal or Written Instructions*), the Bank may, at its option, confirm or clarify any request or Instruction using any means, even if a security procedure appears to have been followed. If the Bank is not satisfied with any confirmation or clarification, it may decline to honor the Instruction.

3. Deposits.

3.1 Processing Incoming Items. All Items deposited or cashed are received for collection only, and are received subject to final payment. The Bank may agree with other banks and clearing houses to vary procedures regarding the collection or return of Items, and deadlines to the extent permitted by applicable law or practice. The Bank chooses the method of collecting Items and may use other banks in the process. The Bank will present Items in accordance with the custom and practice of the jurisdictions in which the Items are handled for collection. The Bank is not responsible for actions or omissions of other banks, nor for the loss or destruction of any Item in the possession of other banks or in transit. The Customer shall use reasonable efforts to assist the Bank in locating or obtaining replacements of Items lost while in the Bank's possession.

3.2 Availability of Funds; Credits Not Received. Credits and deposits to an Account will be available in accordance with the Bank's availability policy and applicable law. If the Bank credits an Account: (i) in contemplation of receiving funds for the Customer's credit and those funds are not actually received by the Bank; or (ii) in reliance on a transaction which is subsequently returned, reversed, set aside or revoked, or if the Bank does not receive funds for the Customer's credit for value on the date advised by or on behalf of the Customer, or if final settlement is not received by the Bank for any reason, then the Bank shall be entitled to debit any Account of the Customer with the amount previously credited and/or with any other charges incurred, even if doing so creates or increases an overdraft.

3.3 Collection Basis Processing. If an Item is processed by the Bank on a collection basis, the Bank may defer credit to the relevant Account until it has received final, non-reversible, payment in accordance with applicable law and market practice.

4. Payment of Items.

4.1 Processing Outgoing Items. The Bank is authorized to pay any Item drawn on the Account, in accordance with the Bank's usual procedures, including any Item that purports to be a substitute check. The Bank is authorized to debit the Account on which the Item is drawn on the day the Item is presented, certified or accepted, or at such earlier time when the Bank receives notice by electronic or other means that an Item drawn on an Account has been deposited for collection. The Bank may determine Account balances in order to decide whether to dishonor an Item for insufficient funds at any time between receiving such presentment or notice and the time of the return of the Item, and need make no more than one such determination.

4.2 No Inquiry. The Bank is authorized to pay all Items presented to it or cashed at the Bank, regardless of amount and without inquiry as to the circumstances of issue, negotiation or endorsement or as to the disposition of proceeds, even if drawn, endorsed or payable to cash, bearer or the order of the signer or any Authorized Person or to a lender in payment of the signer's or Authorized Person's obligations.

4.3 Limitations. The Customer shall immediately notify the Bank if it becomes aware that any Items (whether completed or blank) are lost or stolen. The Customer shall not allow any third party to issue Items against or otherwise use the Accounts unless specifically agreed to in writing by the Bank. The Customer shall not issue Items that are post-dated, and the Bank shall not be liable for any damages caused by premature payment or certification of a post-dated Item. Further, the Customer shall not put any condition, restriction or legend on any Item, and the Bank is not required to comply with any such condition, restriction or legend.

4.4 Electronic Processing; Specifications. The Bank may process any Item by electronic means. All Items issued by the Customer against any Account must comply with industry standards and the Bank's check specifications and image standards, published from time to time. The Bank shall not be liable for damages or losses due to any delay or failure in procuring, collecting or paying Items not conforming to such specifications or standards, except to the extent such losses or damages are the direct result of the Bank's gross negligence or willful misconduct.



5. Funds Transfer Instructions.

- 5.1 Processing Funds Transfer Instructions.** The Customer may issue funds transfer Instructions against Accounts, subject to the Bank's acceptance. Funds transfer Instructions will be received, processed and transmitted only on the Bank's funds transfer business days, and within the Bank's established cut-off hours on such days. Communications requesting cancellation or amendment of funds transfer Instructions must be clearly marked as such and received at a time and in a manner affording the Bank a reasonable opportunity to act on the communication. The Customer may reverse, amend, cancel or revoke any Instructions only with the consent of the Bank and, if applicable, the beneficiary's bank. The Bank will debit the Account for the amount of each funds transfer Instruction accepted by the Bank, and the Customer authorizes the Bank to debit the Account for, or deduct from the amount of the funds transfer, all associated fees, including debit and credit processing charges. In processing a funds transfer, other banks may deduct fees from the funds transfer. No restrictions upon the acceptance of funds transfer Instructions by the Bank or upon the Accounts that the Bank may debit shall be binding unless agreed to by the Bank in writing. The Bank shall not be required to inquire into the circumstances of any transaction.
- 5.2 Acting on Instructions.** Notwithstanding any Instructions by the Customer to the contrary, the Bank reserves the right to use any funds transfer system and any intermediary bank in the execution of any funds transfer Instruction and may otherwise use any means of executing the funds transfer Instruction that the Bank deems reasonable in the circumstances.
- 5.3 Inconsistent Name and Number.** The Bank and other financial institutions, including the beneficiary's bank, may rely upon the identifying number of the beneficiary, the beneficiary's bank or any intermediary bank included in a funds transfer Instruction, even if it identifies a person different from the beneficiary, the beneficiary's bank or intermediary bank identified by name.
- 5.4 Foreign Exchange.** If the Bank accepts a funds transfer Instruction issued in the Customer's name for payment in a currency (the "Non-Account Currency") other than the currency of the Account (the "Account Currency"), the Bank is authorized to enter into a foreign exchange transaction to sell to the Customer the amount of Non-Account Currency required to complete the funds transfer and debit the Account for the purchase price of the Non-Account Currency. If the Bank accepts a funds transfer Instruction for payment to the Account in a Non-Account Currency, the Bank is authorized to purchase the Non-Account Currency from the Customer and to credit the purchase price to the Customer's Account in lieu of the Non-Account Currency. The purchase price for the foregoing transactions shall be at a rate and spread as the Bank determines in its discretion and may differ from rates at which comparable transactions are entered into with other customers or the range of foreign exchange rates at which the Bank otherwise enters into foreign exchange transactions on the relevant date. Further, (i) the Bank may execute such foreign exchange transactions in such manner as the Bank determines in its sole discretion; and (ii) the Bank may manage the associated risks of the Bank's own position in the market in a manner it deems appropriate without regard to the impact of such activities on the Customer. The Bank may also earn a profit which may be imbedded in the applicable rate and/or spread. Any such foreign exchange transaction will be between the Bank and the Customer as principals, and the Bank will not be acting as agent or fiduciary for the Customer.

Foreign Exchange Cancellations, Reversals and Buybacks. Notwithstanding any prior action or course of dealing, subject to applicable law, the Bank has no obligation to cancel, reverse or otherwise buy back foreign currencies purchased by the Customer under a Service and the Bank makes no commitment to buy back currencies. The Customer acknowledges that it may not be able to sell back certain foreign currencies once purchased.

- 5.5 Cancellation of Foreign Exchange Drafts.** Subject to applicable law, the Bank may cancel any draft issued by the Bank on behalf of the Customer in a Non-Account Currency if the draft is not presented for payment within one hundred eighty (180) calendar days after the date of issuance, and the Customer authorizes the Bank to recredit the Customer's Account with an equivalent amount of Account Currency at a foreign exchange rate and spread, and at such date and time, as the Bank determines in its discretion. Following such cancellation, the Customer shall be responsible for all claims that may be asserted against the Bank in respect of the draft.

6. Interest; Fees; Taxes.

- 6.1 Interest.** The Bank may pay interest on balances in interest-bearing Accounts at rates determined by the Bank, subject to any withholding or deduction for tax as required by applicable law, including without limitation the Foreign Account Tax Compliance Act ("FATCA") and is authorized to perform any other function (including debiting, blocking or suspending the Accounts) as required by applicable law or practice of any relevant government, regulatory, judicial or tax authority or in accordance with the Bank's usual business practice. The Bank may deduct from the Accounts charges for early withdrawals, which may include a deduction from principal (if permitted or required by law). To the extent market interest rates are negative, the rate applied by the Bank to interest-bearing Accounts may be negative, in which case the Customer may be required to make a negative rate payment, which the Bank shall also be entitled to collect by debiting the Account.

6.2 Fees and Taxes.

- (a) The Bank may impose and the Customer will pay fees for Accounts and Services provided by the Bank, including transaction, maintenance, balance-deficiency, and service fees and other charges (collectively "Fees"). The Bank may debit any Account for Fees and/or Taxes, even if such debit creates or increases an overdraft of the Account. References to "Taxes" shall mean any taxes (including value added taxes, sales taxes and similar taxes), levies, imposts, deductions, charges, stamp, transaction and other duties and withholdings (together with any related interest, penalties, fines, and expenses) in connection with the Fees, Accounts or Services (including payments or receipts to an Account) except if such Taxes are imposed on the overall net income of the Bank.
- (b) All payments (including Fees and interest on overdrafts) from the Customer to the Bank pursuant to the Account Terms, the Service Terms and any Account Documentation shall be in full, without set-off or counterclaim, and free of any withholding or deduction (collectively, a



"Deduction") related to any tax or other claim, unless a Deduction is required by applicable law. If any Deduction is required by applicable law in respect of any payment due to the Bank, the Customer shall:

- (i) ensure that the Deduction is made;
- (ii) pay the amount of the Deduction as required by applicable law;
- (iii) increase the payment in respect of which the Deduction is required so that the net amount received by the Bank after the Deduction shall be equal to the amount which the Bank would have been entitled to receive in the absence of any requirement to make any Deduction; and
- (iv) deliver to the Bank, within thirty (30) days after it has made payment to the applicable authority, a certified copy of the original receipt issued by the authority, evidencing the payment to the authority of all amounts required to be deducted.

(c) All Fees are exclusive of Taxes. In addition to any Fees or other amounts due and except to the extent the Bank is otherwise compensated for such Taxes under this Section 6, the Customer will pay or reimburse the Bank for any Taxes which the Bank is required to account for to any tax authority under any applicable law and, where required by applicable law, the Customer shall account for any Taxes directly to the applicable tax authority.

6.3 Documentation and Information. The Customer will provide the Bank with such documentation and information as the Bank may require in connection with taxation, and warrants that such information is true and correct in every respect and shall immediately notify the Bank if any information requires updating or correction.

7. Account Statements.

The Bank will issue Account statements, confirmations, or advices ("Account Statements") at the frequency and in the manner advised to the Customer from time to time. The Customer is responsible for ensuring that an Authorized Person promptly examines each Account Statement and any accompanying Items that are made available to it by the Bank, and reporting any irregularities to the Bank in writing, including any claim of unauthorized funds transfer activity. The Bank shall not be responsible for the Customer's reliance on balance, transaction or related information that is subsequently updated or corrected or for the accuracy or timeliness of information supplied by any third party to the Bank. Internet Account Statements or electronic Account Statements, if applicable, shall be deemed by the Customer and the Bank to be available to the Customer when the Account Statements are posted on the internet and the Bank sends an electronic mail notification of availability to the Customer, or when the Bank sends the electronic Account Statement to the Customer. For purposes of determining when an Item is sent to the Customer, an image of an Item or information identifying the Item (i.e. Item number, amount and date of payment) is a sufficient substitute for the actual Item.

8. Overdrafts.

8.1 Overdrafts. The Bank may debit an Account even if the debit may cause or increase an overdraft. Unless otherwise agreed in writing, the Bank is under no obligation to permit any overdraft or to continue to permit overdrafts after having permitted an overdraft or to provide notice of any refusal to permit an overdraft, in each case notwithstanding any prior action or course of dealing. Any overdraft shall be immediately due and payable by the Customer to the Bank, unless otherwise agreed in writing. If the Bank permits an overdraft, the Bank is authorized to charge interest on the amount of the overdraft as long as the overdraft is outstanding, at a rate determined by the Bank, up to the maximum rate permitted by law at the time of the overdraft or at the specific rate agreed in writing between the Customer and the Bank. Subject to applicable law, interest shall accrue on any negative balance in an Account notwithstanding closure of the Account and/or termination of these Account Terms. If the Bank pays an Item that causes or increases an overdraft, the Bank may deduct applicable Fees and expenses from the Account without notice.

8.2 Order of Payment. When Items and other debits to the Account are presented to the Bank for payment on the same day and there are insufficient available funds in the Account to pay all of these transactions, the Bank may choose the order in which it pays transactions, including the largest transaction first or any other order determined by the Bank, in its sole discretion.

9. Set Off.

The Bank may at any time, without prejudice to any other rights which it may have, and without prior notice or demand for payment, combine, consolidate or merge all or any of the Accounts of the Customer or may retain, apply or set off any money, deposits or balances held in, or standing to the credit of, any Account in any currency towards payment of any amount owing by the Customer to the Bank or any of its affiliates. The Bank shall be entitled to accelerate the maturity of any time deposit or fixed term deposit. For the purposes of this Section the Bank may effect currency conversions at such times or rates as it may think reasonable and may effect such transfers between any Accounts as it considers necessary. The Customer grants to the Bank a lien and security interest in any Accounts of the Customer at the Bank, in order to secure any and all obligations and liabilities of the Customer to the Bank or any of its affiliates.

10. Agents; Information.

10.1 Confidential Information. The Bank agrees to take customary and reasonable measures to maintain the confidentiality of Customer confidential information. The Customer authorizes the Bank and its affiliates, and their respective agents, employees, officers and directors to disclose Account opening documentation, information with respect to any Account or Service, any banking transaction, and the Customer itself, including Customer confidential information, in order to provide the services under the Account Terms, Account Documentation and Service Terms, for



compliance with legal, tax and regulatory requirements, including without limitation FATCA, and for the Bank's operational purposes, risk management and compliance with internal policies: (i) to unaffiliated third parties, including the transmission of information to other banks and clearing houses and through channels and networks operated by third parties, and to agents of the Bank; (ii) to a proposed assignee of the rights of the Bank; (iii) to branches and affiliates of the Bank; (iv) to the auditors, legal advisers and consultants of the Bank, its branches and affiliates; (v) to the auditors of the Customer; (vi) to the Bank's or its affiliates' or the Customer's examiners or other regulators, including tax authorities, law enforcement agencies, courts of competent jurisdiction or other official bodies, anywhere in the world; and (vii) pursuant to subpoena or other court process, or to establish, exercise or defend the legal rights, or satisfy the legal obligations, of the Bank and its affiliates.

- 10.2 Agents.** The Bank may retain agents to perform data processing, collection and other services in connection with the Accounts and Services.
- 10.3 Offshoring.** Subject to applicable laws, including without limitation FATCA, processing of Customer confidential information may be performed by any Bank affiliate, including affiliates, branches and units located in any country in which we conduct business or have a service provider. The Customer authorizes the Bank to transfer Customer Information to such affiliates, branches and units at such locations as the Bank deems appropriate.
- 10.4 Consents.** The Customer represents and warrants that prior to submitting to the Bank information about natural persons related to the Customer (including Authorized Persons, users of the Bank's electronic access systems, officers and directors, employees, beneficial owners, and customers and persons on whose behalf the Customer is receiving or transmitting funds, issuing items or maintaining an Account), the Customer shall have obtained such consents as may be required by applicable law or agreement, for the Bank to process and use the information for purposes of providing the Services.

11. Liability Limitation; Force Majeure.

- 11.1 Liability.** The Bank, its agents, employees, officers and directors, shall not be liable for any damage, loss, expense or liability of any nature which the Customer may suffer or incur, except to the extent of direct losses or expenses resulting from the negligence or willful misconduct of the Bank, its agents, employees, officers or directors. The Bank, its agents, employees, officers and directors shall not, in any event, be liable for indirect, special, consequential or punitive loss or damage of any kind (including lost profits, loss of business or loss of goodwill), in each case, whether or not foreseeable, even if the Bank, its agents, employees, officers or directors have been advised of the likelihood of such loss or damage, and regardless of whether the claim for loss or damage is made in negligence, gross negligence, for breach of contract or otherwise; provided, however, that the foregoing shall not apply to the extent such loss or damage is caused by fraud on the part of the Bank, its agents, employees, officers or directors. Customer shall promptly provide the Bank with a notice of any claims it receives regarding a Service.
- 11.2 Force Majeure.** Neither the Bank nor the Customer shall be liable for any loss or damage, expense or liability of any nature to the other for its failure to perform or delay in the performance of its obligations resulting from an act of God, act of governmental or other authority, de jure or de facto, legal constraint, civil or labor disturbance, fraud or forgery (other than on the part of the other party or its employees), war, terrorism, catastrophe, fire, flood or electrical, computer, mechanical or telecommunications failure or malfunction, including inability to obtain or interruption of communications facilities, or failure of any agent or correspondent, or unavailability or failure of or the effect of rules or operations of a payment or funds transfer system, including non-availability of appropriate foreign exchange or foreign currency, or any cause beyond its reasonable control.

12. Indemnity.

Customer acknowledges that it is solely responsible for any requests, directions, or transactions in connection with any Account or Service provided to Customer, including (i) the Bank's acceptance or execution of any request, direction or transaction in connection with any Account or any Service provided to the Customer, including Items and Instructions; or (ii) the Bank's payment of any taxes, interest or penalty otherwise due from the Customer paid on the Customer's behalf, or for which the Bank has no responsibility under the Account Terms, the Service Terms or any Account Documentation. Although Customer may not agree to indemnify Bank, Customer will accept full responsibility for its instructions and requests, assumes all risk in that regard, and will fully cooperate with Bank in the event of a third-party claim. Customer shall not be responsible for any losses to the extent resulting directly from Bank's own negligence, willful misconduct or fraud.

13. Notices.

All Account Statements and notices may be sent to the Customer by ordinary mail, courier, facsimile transmission, electronic transmission (including SWIFT communication and emails), through internet sites, or by such other means as the Customer and the Bank may agree upon from time to time, at the address of the Customer provided to the Bank. Unless otherwise arranged, all notices to the Bank must be sent to the Bank officer or service representative managing the Account or to any other address notified by the Bank to the Customer in writing from time to time, and must be sent by ordinary mail, by courier, by facsimile transmission, by electronic transmission or by such other means as the Customer and the Bank agree upon from time to time. The Bank shall have a reasonable time to act on any notices received.

14. Termination.

Unless otherwise agreed, either the Bank or the Customer may close an Account or terminate a Service by giving the other party not less than thirty (30) calendar days' prior written notice of intent to close or terminate. Notwithstanding the foregoing, either party may terminate an Account or a Service upon written notice to the other party in the event of: (i) a breach of the Account Terms, Account Documentation or Service Terms by the other party; (ii) the other party's inability to meet its debts as they become due, receivership, administration, liquidation, or voluntary or



involuntary bankruptcy; or the institution of any proceeding therefor, any assignment for the benefit of the other party's creditors, or anything analogous to the foregoing in any applicable jurisdiction, or a determination in good faith by the terminating party that the financial or business condition of the other party has become impaired; (iii) a determination by the terminating party, in its sole opinion, that termination is necessary or required by applicable legal, tax or regulatory requirements, or as a result of a court or regulatory agency order or proceeding; or (iv) a good faith belief by the terminating party that the other party is engaged in activities that are inconsistent with the terminating party's policies. The Bank shall have a reasonable opportunity to act upon any termination request. The Bank shall not be precluded from completing a request or Instruction received by it prior to a termination request based on receipt of such termination request. Notwithstanding anything to the contrary in any Service Terms, upon the closing of an Account, all Services linked to such Account are simultaneously terminated (unless otherwise specifically agreed to by the parties) and the Bank's obligations in respect of such Account or Services will terminate. However, any such closing or termination shall not affect the Customer's liabilities to the Bank arising prior to, or on, such closing or termination, all of which shall continue in full force and effect. In the absence of Instructions from the Customer, the Bank may transfer balances to an unclaimed moneys account, or issue a cashier's check, sending it to the address of the Customer provided to the Bank.

15. Account Disclosures.

- 15.1 Rejection of Funds.** The Bank may return or refuse to accept all or any part of a deposit or credit to an Account, at any time, and will not be liable to the Customer for doing so, even if such action causes outstanding Items to be dishonored and returned, or payment orders to be rejected.
- 15.2 Withdrawal.** The Bank may refuse to allow withdrawals from Accounts in certain circumstances, including where: (i) there appears to be a dispute relating to an Account, including disputes regarding the persons authorized to issue Instructions; (ii) legal process affecting the Account is received by the Bank, including a levy, restraining notice or, order of a court or other competent authority; (iii) the Account is being used as collateral to secure indebtedness to the Bank or its affiliates; (iv) documentation requested by the Bank has not been presented; or (v) the Customer fails to pay its indebtedness to the Bank or its affiliates on time.
- 15.3 Payable Branch; Deposits Outside of the U.S.** Any amount standing to the credit of any Account with the Bank is payable exclusively at a branch in the country at which the Account is held; however, payment may be suspended from time to time in order to comply with any applicable law, governmental decree or similar order, in any jurisdiction, for the time period affecting the Bank, its officers, employees, affiliates, subsidiaries, agents or correspondents. The Customer acknowledges that deposits held in a branch of the Bank located outside the United States are not payable in the United States and: (i) are not insured by the Federal Deposit Insurance Corporation or any other United States governmental agency; (ii) are subject to cross-border risks; and (iii) have a lesser preference as compared to deposits held in the United States in the event of a liquidation of the Bank.
- 15.4 Commissions and Rebates.** In connection with the provision of any Service by the Bank to the Customer, the Bank may from time to time receive commission, rebate or similar payments from other banks or third parties.

16. Governing Law.

- 16.1 RESERVED.**
- 16.2 Limitation of Claims.** Any claim in connection with any Account or Service, unless a shorter period of time is expressly provided, must be brought against either party within the time provided by the applicable statute of limitations.
- 16.3 RESERVED.**

17. Miscellaneous.

- 17.1 Languages.** If the Account Terms, Account Documentation or Service Terms are translated into, or appear in a language other than English, the English language version shall control.
- 17.2 Successors.** The term Bank in the Account Terms, the Service Terms and any Account Documentation shall include any successors of the Bank, including assignees or successors of JPMorgan Chase Bank, N.A. or its affiliates or any person who under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the Bank or its affiliates hereunder or to which the same has been transferred. The Bank may, at any time, assign or transfer all or any of its rights and obligations hereunder to an affiliate of JPMorgan Chase Bank, N.A..
- 17.3 Order of Precedence.** Any terms of any supplement, amendment, agreement, Service Terms or notice that are inconsistent with a provision of the Account Terms or the Account Documentation shall supersede such provision of the Account Terms or the Account Documentation for purposes of the particular Account or Service that is the subject thereof. The Account Terms and Account Documentation supersede and replace any other account conditions previously sent to the Customer.
- 17.4 Interpretation.** Section and subsection headings are for convenience only and shall not affect the meaning of the Account Terms, the Service Terms and any Account Documentation. References to Schedules, Sections, Subsections and Clauses are to Schedules, Sections, Subsections and Clauses of the Account Terms, the Service Terms and any Account Documentation. Words in the singular import the plural and vice versa. If any provision of the Account Terms, the Service Terms and any Account Documentation shall be held to be illegal, invalid, or unenforceable the validity of the remaining portions of the Account Terms the Service Terms and any Account Documentation shall not be affected. The term



"including" shall in all cases mean "including without limitation" unless otherwise indicated. The term "affiliates" shall mean with respect to any entity, an entity, whether directly or indirectly, that controls, is controlled by, or is under common control with that entity. The term "applicable laws" or similar terms shall mean any law, statute, order, decree, rule, injunction, license, consent, approval, agreement, guideline, circular or regulation of a government authority.

17.5 Compliance; Transaction Screening. The Customer shall comply with all applicable laws and the Bank's policies notified to the Customer. The Bank is required to act in accordance with Bank policies, the laws of various jurisdictions relating to the prevention of money laundering and the implementation of sanctions, including economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State. The Bank is not obligated to execute payment orders or effect any other transaction where a party to the transaction is a person or entity with whom the Bank is prohibited from doing business by any law applicable to the Bank, or in any case where compliance would, in the Bank's opinion, conflict with applicable law or banking practice or its own policies and procedures. Where the Bank does not execute a payment order or effect a transaction for such reasons, the Bank may take any action required by any law applicable to the Bank including freezing or blocking funds. Transaction screening may result in delays in the posting of transactions and/or funds availability. The Bank may direct the Customer (a) to make changes to the activity in the Customer's Accounts, including to cease and desist from using the Accounts for particular types of transactions or for transactions involving particular parties from time to time, and (b) not to use the Accounts to send payments with certain characteristics. The Customer agrees to comply with such directions.

17.6 Amendments; Supplements; Waivers. The Account Terms may be amended or supplemented on notice to the Customer, including by terms contained in any Service Terms or Account Documentation. The Service Terms may be amended or supplemented on notice to the Customer. These amendments or supplements may impose restrictions on the Accounts and Services, as the Bank deems necessary in the course of its business, and will be effective on notice to the Customer or at such other time to be specified in the notice; provided that amendments or supplements that are required by law may be implemented immediately or as required by law. By signing an Account signature card, Account application or similar document or by using or continuing to use any of the Accounts or Services, the Customer agrees to the Account Terms, the Account Documentation, Service Terms and any amendments or supplements, as applicable. All amendments must be in writing

The Bank may waive any of provision of these Account Terms, the Account Documentation or the Service Terms, but such waiver shall apply only on that occasion. Such waiver shall not constitute a waiver of any other provision of the Account Terms, the Account Documentation or the Service Terms. Any such waiver shall not affect the Bank's right to enforce any of its rights with respect to other customers or to enforce any of its rights with respect to later transactions with Customer and is not sufficient to modify the terms and conditions of the Account Terms, the Account Documentation or the Service Terms. The rights and remedies in the Account Terms, the Service Terms and any Account Documentation are cumulative and are not exclusive of any other rights or remedies provided by applicable law.

17.7 RESERVED.

17.8 Internet Services; Notice of Claims. The Customer agrees at its sole expense: (i) to advise each of its employees, officers, agents or other persons accessing any Service by or on behalf of Customer ("Users") of their obligations under the Account Terms, Account Documentation or under any Service Terms or ancillary Service material, including the obligation to refrain from using the Service via the Internet in the countries identified by the Bank; and (ii) to provide the Bank with all information reasonably necessary to setup and provide Services for the Customer, including advising the Bank of the countries from which Users will access any Service via the Internet.

17.9 Recordings. The Bank or the Customer, at its sole discretion, may make and retain recordings of telephone conversations between the Customer and the Bank.

17.10 Instructions. All Instructions, whether Items, payment orders or otherwise, are subject to applicable laws, and rules, policies, operations and practices of the applicable clearing or settlement systems or payment networks.

17.11 Electronic Copies. The Bank may retain copies (paper, electronic or otherwise) of any documents or Items relating to the Accounts and Services in a form preserving an image of any such documents or Items, including signatures, or a regular business record and discard the original documents or Items. The Customer hereby waives any objection to the use of such records in lieu of their paper equivalents for any purpose and in any forum, venue or jurisdiction, including objections arising from the Bank's role or acquiescence in the destruction of the originals.

17.12 Intellectual Property. All intellectual property rights in or relating to a Service, including any trademarks, service marks, logos, and trade names used in conjunction with a Service are the property of the Bank or its licensors and are protected by applicable copyright, patent, trademark and other intellectual property law. Except as provided herein, the Customer shall not reproduce, transmit, sell, display, distribute, establish any hyperlink to, provide access to, modify, or commercially exploit in whole or in part any part of a Service, without the prior written consent of the Bank.

17.13 Know Your Customer. To assist in the prevention of the funding of terrorism and money laundering activities, applicable law may require financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for the Customer: when the Customer opens an Account, the Bank may ask for the Customer's name, address, date of birth (for natural persons), and/or other information and documents that will allow the Bank to identify the Customer. The Bank may also request and obtain certain information from third parties regarding the Customer. For purposes of this provision, the Customer, to the extent required by applicable law, shall include any Authorized Person or signatory on an Account.



Information. To fulfill the Bank's "know your customer" responsibilities, the Bank will request information from the Customer from time to time, inter alia, regarding the Customer's organization, business, Third Parties and, to the extent applicable, Authorized Persons and beneficial owner(s) of the Customer, the Customer's customers, and their beneficial owners, including relevant natural or legal persons, and the Customer shall procure and furnish the same to the Bank in a timely manner. The Bank may also request further information and/or documentation in connection with the provision of the Services. Any information and/or documentation furnished by the Customer is the sole responsibility of the Customer and the Bank is entitled to rely on the information and/or documentation without making any verification whatsoever (except for the authentication under the security procedures, as applicable). The Customer represents and warrants that all such information and/or documentation is true, correct and not misleading and shall advise the Bank promptly of any changes and, except as prohibited by applicable law, the Customer agrees to provide complete responses to the Bank's requests within the timeframes specified. The Customer will notify the Bank in writing if any Accounts or monies it holds or places with the Bank are subject to restrictions or otherwise held or received by the Customer in a capacity other than previously disclosed to the Bank, including but not limited to monies being held for the benefit of third parties, whether as fiduciary or otherwise, monies subject to encumbrances, monies received as intermediary, processor or payment service provider, or arising from undisclosed business or similar sources. The Bank may, at its sole discretion and subject to such further conditions as it may impose, including, without limitation, execution of further documentation in form and manner acceptable to the Bank, permit the holding of such Accounts or deposits or receipt of funds. Unless prohibited by applicable law, the Customer agrees to promptly disclose to the Bank activity in the Customer's Accounts that is suspicious or violates applicable laws or sanctions.

If the Customer fails to provide or consent to the provision of any information required by this Section, the Bank may close any Account or suspend or discontinue providing any Service without further notice.

17.14 Click-Thru. The Bank may deliver, make available and/or make accessible terms and conditions applicable to Accounts and Services to the Customer via electronic means and channels (including by posting such terms on a Bank website). The Bank may request that an Authorized Person "click" its approval of such terms. Subject to applicable law, the Customer agrees that the act of "clicking" its approval (or any similar act which has the same effect) with respect to any such terms will be evidence of Customer's acceptance of the applicable terms and conditions, to the same extent, and with the same force and effect, as if Customer had manually executed a written version of such terms and conditions.

18. Interpleader; Reimbursement.

If the Bank determines that there is a dispute regarding the ownership of or entitlement to funds held by the Bank for the account of the Customer, the Bank may apply to an appropriate court for resolution of the dispute and may pay the funds into the court pending resolution. To the extent permitted by the Customer's funding authority, the Customer agrees to reimburse the Bank for any reasonable related expenses, including its attorneys' fees and costs incurred in connection with the resolution of such disputes or in connection with the Bank's response to, any legal process, including subpoenas, interrogatories and other written questions, garnishments, attachments, levies, writs, restraining notices, court orders, civil investigative demands, requests or demands from regulators or law enforcement, or summonses, complaints or petitions relating to an Account.

19. Provisional Recredit.

In connection with any dispute regarding an Account, the Bank may choose to credit the Account pending completion of the Bank's investigation of the dispute. If the Bank determines that the Customer is not entitled to such credit, then, the Bank may reverse the provisional recredit to the Account, even if that reversal results in an overdraft.



ADDENDUM TO ACCOUNT TERMS United States of America

V1.9_12_09_19 (negotiated)

Accounts maintained by the Customer with the Bank are subject to the Bank's Account Terms. This addendum ("Addendum") amends or supplements the Account Terms with respect to Accounts maintained in the United States of America ("U.S.") and to Services provided in connection with such U.S. Accounts, regardless of the location where Services are provided. Capitalized terms used in this Addendum, and not otherwise defined, have the meanings set forth in the Account Terms. By using any Account maintained in the U.S., the Customer acknowledges receipt of, and agrees to be bound by, the Account Terms which includes this Addendum, each as may be amended or supplemented from time to time.

Section 2 of the Account Terms (Instructions; Security Procedures) is amended by adding the following provision:

- 2.3 The Customer represents and warrants to the Bank that the Customer has not requested funds transfer security procedures other than those expressly agreed by the Customer and the Bank.

Section 3 of the Account Terms (Deposits) is amended by adding the following provisions:

- 3.4 Verification; Adjustments. Receipts issued by the Bank for deposits are based solely on the amounts stated in the deposit ticket. Credits for Items received for deposit or collection (whether or not accompanied by a deposit ticket) are subject to verification and the Bank's receipt of final payment of deposited Items. The Bank may make adjustments to the Account for any errors appearing on deposit tickets or occurring during processing or otherwise, but the Bank has no obligation to do so for *de minimis* discrepancies.
- 3.5 Foreign Currency Items. The Bank may handle Items drawn on a non-U.S. bank or Items payable in a foreign currency on a collection basis, not for deposit, even if the Bank has received the Items in a deposit. The Customer may not receive provisional credit for such Items or, if provisional credit has been given, the Bank may revoke it. Credit for Items payable in a foreign currency will be converted into U.S. dollars at a foreign exchange rate and spread, and at such date and time, as the Bank determines in its discretion.
- 3.6 Endorsements. Endorsement must be placed on the back of Items only in the area within 1.5 inches from the trailing edge of the Item. The trailing edge of the Item is defined as the left-hand edge of the check looking at it from the front. If the Customer is authorized in writing to endorse Items on the Bank's behalf, the Customer agrees to comply with the endorsement standards of the Bank.
- 3.7 Encoding. If the Customer encodes information on an Item, the Customer warrants to the Bank and to all other collecting and paying banks of that Item that it is properly encoded and the Customer will be liable for losses related to encoding errors, including any loss due to delay in processing caused by an encoding error.
- 3.8 Return or Charge Back. The Customer should not use carrier documents (Items placed inside envelopes) in either high-speed forward or return cash letters. The Bank may charge the Account for Items returned unpaid to the Bank or for claims based on asserted unauthorized signatures, endorsements or alterations.
- 3.9 Collections. The Customer agrees that the Bank may collect any Item deposited to Customer's Account by electronic means. The Bank has no duty to inspect such Item during the deposit and collection process.
- 3.10 Variance. The Bank may agree with other banks and clearing houses to vary procedures regarding the collection or return of Items, and to vary applicable deadlines, to the maximum extent permitted by applicable laws, and rules, policies, operations and practices of the applicable clearing or settlement systems or payment networks (collectively "Rules & Regulations").
- 3.11 Substitute Checks. The Customer will not deposit any substitute checks (that are not returned Items) unless the Bank expressly agrees to accept such Items for deposit. In the absence of the Bank's express agreement, the Customer will be solely responsible for any loss or claim in connection with its use of substitute checks.
- 3.12 Night Depository Deposits. The Bank is not liable for any deposit made through the use of the Bank's night depositories until the Bank issues a written acknowledgement of the deposit. The Bank's count of the amount deposited in a night depository will be conclusive. The Customer is solely responsible for any loss that may be incurred before the Bank verifies the contents of the deposit.
- 3.13 Remotely Created Checks. If the Customer deposits a remotely created check ("RCC"), as such term is defined in Federal Reserve Regulation CC, the Customer warrants to the Bank, with respect to each RCC, that the person on whose account the RCC is drawn, authorized the issuance of such RCC in the amount and to the payee stated on the RCC. The Customer authorizes the Bank to debit the Customer's account for any claim or return based upon an unauthorized RCC and the Customer agrees to indemnify and hold the Bank harmless from and against any claims, liabilities, costs and expenses (including attorneys' fees) resulting directly or indirectly from any breach of the foregoing warranty.
- 3.14 Electronically-Created Items. The Customer should not deposit electronically-created items ("ECIs") to its account, as such term is defined in Federal Reserve Regulation CC. ECIs are included in the definition of an Item. If the Customer does deposit an ECI, the Customer authorizes the Bank to debit the Customer's account for any claim, return or adjustment related to the ECI, and the Customer agrees to indemnify and



hold the Bank harmless from and against any claims, liabilities, costs and expenses (including attorneys' fees) resulting directly or indirectly from the Customer's deposit of the ECI.

- 3.15 ATM Cards. The Bank may issue one or more automated teller machine ("ATM") cards ("Cards") and personal identification numbers ("PINs") to Customer's employees or agents for use in initiating certain Account transactions at Bank owned ATMs. Unless otherwise agreed by Bank, Customer agrees that Cards will be used only at ATMs owned by the Bank and Customer shall be liable for any transactions and fees resulting from the use of such Cards. The Customer agrees that the types of transactions offered through the use of any Card may be limited by the Bank, in its sole discretion. The Bank may cancel any Card at any time and for any reason, and will notify Customer of such cancellation. The Customer agrees to obtain possession of and return to the Bank or destroy all cancelled Cards. If the Customer believes a Card or PIN has been lost or stolen, the Customer shall immediately contact the Bank's ATM call center. All ATM transactions are subject to verification. Any deposit transaction through an ATM that is not made on a business day or made after the Bank's designated cut-off time will be processed on the Bank's next business day.
- 3.16 Internet Gambling. The Customer agrees not to conduct any transactions through the Account that are directly or indirectly related to unlawful Internet gambling, including the acceptance or receipt of any funds or deposits in connection therewith. The term "unlawful Internet gambling," as used in this section, shall have its meaning set forth in 12 C.F.R. Section 233.2(bb).

Section 4 of the Account Terms (Payment of Items) is hereby amended by adding the following provisions:

- 4.5 Cashing Items. The Bank may, in its discretion, cash Items drawn on an Account when presented by the holder. If a holder who is not a deposit customer of the Bank presents an Item drawn on the Account for cash, the Bank may refuse to cash the Item, or may charge the holder a fee for cashing the Item.
- 4.6 Signatures. If the Customer establishes an Account which purports to: (i) require two or more signatures on Items drawn on the Account, or (ii) limits the amount for which an Item can be issued, the Customer acknowledges that any such requirements are solely for the Customer's own internal control purposes. The Customer agrees that, provided that the Bank follows its usual and customary procedures for processing and paying Items, the Bank will not be liable for paying any Item (a) lacking the required number of signatures, or (b) in an amount exceeding the applicable limit.
- 4.7 Fraudulent Items. The Bank provides Services to which the Customer may subscribe, such as Positive Pay and Reverse Positive Pay, which are reasonably designed to prevent payment of unauthorized or altered Items. Customer agrees that failure to use such Services will constitute Customer negligence contributing to the making of an unauthorized signature or the alteration of an Item, and the Customer will assume the risk that Items paid against its Account may be unauthorized or altered. In that event, the Customer will be precluded from asserting any claims against the Bank for paying any unauthorized, altered, counterfeit or other fraudulent Items. The Bank shall not be required to re-credit Customer's Account or otherwise have any liability for paying such Items to the extent such Services would likely have prevented such loss.
- 4.8 Obscured Endorsements. The Customer assumes responsibility for losses that the Customer or the Bank may incur as the result of processing delays caused by the Customer's: (i) issuance of an Item in such a manner that information, marks or bands on the back of the Item obscure endorsements; or (ii) placement of an endorsement on the back of the Item which obscures other endorsements.
- 4.9 Negotiation Outside of U.S. If an Item is transferred or negotiated outside of the U.S. and is subsequently sent to the Bank for deposit, collection or payment in the U.S., the Customer shall be deemed to make, to the Bank, the transfer and presentment warranties under the Rules & Regulations, as if such Item were negotiated or otherwise transferred in the U.S.
- 4.10 Stop Payments. A stop payment Instruction from the Customer will be effective with respect to an Item if: (i) the Bank has a reasonable opportunity to act on such Instruction prior to its payment or encashment, which shall be at least one (1) full Business Day following the Business Day on which the Bank received the Instruction; and (ii) the Instruction is in the form required by the Bank, the information is complete and is delivered to the location designated by the Bank. For purposes of this Section, "Business Day" means a day on which the Bank is generally open for business in the jurisdiction where the Account is maintained. Stop payment Instructions, unless otherwise provided, will be valid for one (1) year and will automatically renew up to six (6) additional years unless the Bank receives Customer's revocation of a stop payment Instruction. The Customer may request, through the Bank's call center or other authorized representative, a non-renewable stop payment, which will be effective for a 180-day period. The Bank shall not be liable for any Item properly paid or cashed prior to the effective time of a stop payment request. The Customer acknowledges that a stop payment instruction does not limit or vary its obligation to pay the subject Item and, notwithstanding a stop payment instruction, the Bank may properly pay such an item to a person entitled to enforce it.



- 4.11 Standard of Care. Any Item issued by the Customer drawn on its Account shall be deemed to be endorsed in the name of the payee if: the Item is endorsed or deposited into an account in a name that is substantially similar to that of the payee; the payee is a fictitious person; the Customer was wrongfully or erroneously induced to issue the Item payable to the stated payee; the deposit of the item was accomplished by an employee entrusted with responsibility for the Item or person working in concert with such an employee; or the Customer or payee failed to act with ordinary care with respect to the Item. The Bank shall not be liable for any loss caused by the alteration or unauthorized signature or endorsement on any Item issued by the Customer, unless the Customer establishes that the Bank failed to handle the Item with ordinary care, and that such failure substantially contributed to the loss. If the Bank's failure to act with ordinary care substantially contributed to the loss on the item, the loss shall be allocated between the Customer and the Bank based upon the extent to which their respective failures to exercise ordinary care contributed to the loss. The Bank may process any Item by electronic means and is not required to inspect the Item paid by automated payment processing.

Section 5 of the Account Terms (Funds Transfer Instructions) is amended by adding the following provisions:

- 5.6 Funds Transfer by Check. If the Customer, through the Bank's funds transfer services, requests that payment be made by check, the Customer authorizes the Bank to debit the Customer's Account on receipt of the Instruction and to issue a check as agent for the Customer in accordance with the Instruction. If the Customer requests the Bank to place a stop payment on the check before the check has been presented for payment, such request must be clearly identified as a stop payment request, including the reference number given for the transaction, and it must be received by the Bank at a time and in a manner designated by the Bank from time to time. If the check is not presented for payment within one hundred eighty (180) days after issuance, the Bank may place a stop payment on the check and transfer the funds back to the Account.
- 5.7 Credit Entries Received Through Automated Clearing House (ACH) System. Credit given by the Bank to the Customer for an ACH credit entry shall be provisional, until the Bank receives final payment. If the Bank does not receive final payment, the Bank may revoke the provisional credit and charge back the amount of the entry to the Account, or obtain a refund from the Customer, in which case the originator of the credit entry shall not be deemed to have paid the Customer the amount of such entry. The Bank shall not be obligated to notify the Customer of the receipt of a payment order or ACH entry for credit or debit to an Account.
- 5.8 Same Day Amend and Cancel. The Customer may subscribe to a service to enable same day amendment and cancellation of payment orders. All cancellation or amendment messages sent to the Bank shall be in the format specified by the Bank and must be received by the Bank no later than such time as may be established by the Bank upon notice to the Customer.
- 5.9 Priority/Timed. The Bank will determine the order in which it processes payment orders. If the Customer's payment order bears the codeword "PRIORITY" in such field as the Bank specifies, the Bank will use reasonable efforts to execute such payment order in advance of the Customer's standard payment orders. If the Customer's payment order bears the codeword "TIMED" in such field as the Bank specifies, the Bank will endeavor, but will have no obligation, to process the payment order by the time requested by the Customer within the payment order. For "TIMED" payment orders, funds in the Customer's Account are reserved by the Bank on the payment value date until processed. For the avoidance of doubt, all payment orders are subject to the Bank's acceptance, and the Bank will have no liability for failure to process payments by the time requested by the Customer.
- 5.10 Real Time Payments. Payments received through the Real Time Payment System operated by The Clearing House Payments Company LLC ("RTP System") will be processed pursuant to the RTP Operating Rules and any other applicable Rules & Regulations, to which the Customer agrees to be bound. If the Customer receives a payment through the RTP System on behalf of another person or entity, such other person or entity must be a resident of, or otherwise domiciled in the United States. In the further transmission of any such payments, the Customer agrees to comply with all applicable US laws and regulations, including, without limitation, those administered by the US Office of Foreign Assets Control.
- 5.11 Messaging Standards. To the extent there is any inconsistency between a fund transfer financial messaging standard and the governing law set forth in Section 16.1, the governing law set forth in Section 16.1 will govern.

Section 7 of the Account Terms (Account Statements) is amended by adding the following provisions:

- 7.2 Images Sufficient. The Customer acknowledges that Account Statements and images of paid Items are available to it and are sufficient to allow it to make all examinations and reports of Account activity including errors, as required in this Section. The Bank is not required to return paid or cancelled Items with the Account Statement.
- 7.3 Obligation to Inspect. The Customer must notify the Bank in writing, within a reasonable period of time not to exceed 60 calendar days of the date of an Account Statement, of (i) the failure to receive the Account Statement, or (ii) any errors, unauthorized payments, charges, alterations, discrepancies or irregularities reported on the Account Statement ("Errors"). The Customer must notify the Bank in writing of any unauthorized, improper, or missing endorsements within six (6) months after the date of the Account Statement on which the Item was reported to have been paid. The Customer must provide the Bank with all information necessary for the Bank to investigate any claim based upon an endorsement or Error, and must provide all supporting evidence that the Bank requests. Failure to comply with the time frames set forth above shall be deemed conclusive proof that the Customer failed to exercise reasonable care and promptness in examining Account Statements and paid Items or identifying Errors and that such failure may cause subsequent loss to the Bank. If the Customer fails to comply with the notice requirements set forth above, the Bank is not required to reimburse the Customer for the Customer's claimed loss and the Customer shall be barred from bringing any action against the Bank.



- 7.4 Inactive Accounts. If an Account has no activity other than charges assessed or interest credited by the Bank for a period of six (6) or more months, the Bank is not required to provide an Account statement until additional activity occurs in the Account. If an Account has no activity other than charges assessed or interest credited by the Bank for a period of twelve (12) or more months, the Customer may be unable to access the Account until the Customer contacts the Bank.
- 7.5 Advice Services. The Customer may subscribe to Bank services for the delivery of account-related information ("Advices") to a party designated by the Customer, including information relating to credits and debits to a Customer account, and the return or rejection of certain payments. Advices may be sent via SWIFT, electronic mail, facsimile transmission, ordinary mail, telephone, through internet sites, or as otherwise agreed by the parties. The Customer is responsible for maintaining the accuracy of the information that is required for delivery of Advices, including the address, telephone and/or facsimile number of the recipient and, if applicable, the messaging components and conditions that will trigger the transmission of the Advices.

Section 15 of the Account Terms (Account Disclosures) is amended by adding the following provisions:

- 15.5 Withdrawal Limitations on Certain Account Types. U.S. federal regulations limit the number of pre-authorized or automatic transfers or withdrawals or telephonic/electronic instructions (including check, draft, debit card or similar order payable to third parties) that can be made from a savings account (including a savings sub-account (as described below) and a money market deposit account) to a total of six (6) per calendar month or statement cycle or similar period. The Customer agrees to comply at all times with such restrictions. Exceeding these withdrawal limits may result in the Bank converting the savings account into a non-interest bearing demand deposit account, with any attendant changes in pricing and account terms and conditions. Further, the Bank is required by U.S. law to reserve the right to require at least seven (7) days' notice prior to a withdrawal from a savings account (including a savings sub-account) or an interest-bearing negotiable order of withdrawal account ("NOW Account").
- 15.6 NOW Accounts. The Customer, if eligible, may open a NOW Account. There is no limit on the number of withdrawals that the Customer may make from the demand deposit or NOW sub-account.
- 15.7 Administrative Subaccounts. The Bank is authorized, for regulatory reporting and internal accounting purposes, to divide an Account: (i) in the case of a demand deposit checking Account, into a non-interest bearing demand deposit sub-account and a non-interest bearing savings sub-account; (ii) in the case of a NOW Account, into an interest bearing NOW sub-account and an interest bearing savings sub-account, and, in both cases, to transfer funds on a daily basis between these sub-accounts in accordance with U.S. law at no cost to the Customer. The Bank will record the sub-accounts and any transfers between them on the Bank's books and records only. The sub-accounts and any transfers between them will not affect the Account number, balance requirement or use of the Account, except as described herein.
- 15.8 Savings Subaccounts. The Bank will establish a target balance for the Customer's demand deposit or NOW sub-account, which it may change at any time. To the extent funds in the demand deposit or NOW sub-account exceed the target balance, the excess will be transferred to the Customer's savings sub-account, unless the maximum number of transfers from the savings sub-account for that calendar month or statement cycle have already occurred. If withdrawals from the demand deposit or NOW sub-account exceed the available balance in the demand deposit or NOW sub-account, funds from the Customer's savings sub-account will be transferred to the demand deposit or NOW sub-account up to the entire balance of available funds in the savings sub-account to cover the shortfall and to replenish any target balance that the Bank has established for the demand deposit or NOW sub-account. If a sixth transfer is needed during a calendar month or statement cycle, it will be for the entire balance in the Customer's savings sub-account, and such funds will remain in the demand deposit or NOW sub-account for the remainder of the calendar month or statement cycle.
- 15.9 Branch Designation. The Bank, for its administrative purposes may designate a branch of the Bank as the branch of record of an Account which may be different from the branch at which the Account is opened. This designation requires no action on the part of the Customer and will not change the Bank's operations, Services or customer support.
- 15.10 No Fiduciary Relationship. Bank's relationship with Customer concerning the Accounts is that of a debtor and creditor. No fiduciary, quasi-fiduciary or other special relationship exists between Bank and Customer or any third parties regarding the Accounts.

Section 16 of the Account Terms (Governing Law) is amended by replacing Section 16.1 with the following provision:

- 16.1 RESERVED.

Section 16 of the Account Terms (Governing Law) is amended by adding the following provision:

- 16.4 In the event the Bank is required to remit funds to any state as abandoned property, the Account may be charged for fees in remitting funds to that state. In addition, the Bank may charge fees in connection with its handling of dormant funds and accounts.

Section 17 of the Account Terms (Miscellaneous) is amended by adding the following provisions:

- 17.15 When the Customer provides the Bank any information requested by the Bank under its "Know Your Customer" or Anti-Money Laundering or other compliance policies pertaining to any natural or other persons, the Customer represents and warrants to the Bank that the Customer has obtained that person's consent that the Bank may make continued use of that person's information in order for the Bank to discharge any of its responsibilities in connection with "Know Your Customer" or Anti-Money Laundering, or other compliance purposes.



- 17.16 Beneficial Ownership. Customer agrees to adhere to the FinCEN Customer Due Diligence final rule which requires certain entities to provide and certify beneficial ownership information to the Bank at 10% and provide information on a controller when opening a new USD account. The Bank is required to collect and validate certain information (e.g. Name, Address, DOB, SSN or Passport # for non US individuals) for new accounts impacted by the rule. If an entity is exempt from rule, the Bank may require documentation to support the exemption.
- 17.17 Payable Through Accounts. If the Customer is a bank or financial institution and is not organized under the laws of the U.S., it shall not permit its customers to conduct banking transactions in the U.S. through the Customer's Account, and shall not provide its customers with check stock, drafts, wire transfer capabilities or any other means which would enable its customers to draw on the Customer's Account. These types of arrangements are typically called "payable through accounts" and are prohibited under these Account Terms. The Customer acknowledges that the sale of U.S. dollar checks or drafts to third parties is prohibited without the express written approval of the Bank.
- 17.18 No Advice. The Customer acknowledges and agrees that the Bank has not provided and will not provide any investment, tax or accounting advice or recommendation in relation to the Accounts or any investments made under any Service.
- 17.19 ERISA Status. The Customer will notify the Bank in writing, reasonably in advance of the Account opening, if any Accounts or monies it holds or places with the Bank are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), together with all the rules promulgated thereunder, or Section 4975 of the Internal Revenue Code, together with all the rules promulgated thereunder. The Bank may, in its sole discretion and subject to such further conditions as it may impose, including, without limitation, execution of further documentation in form and manner acceptable to the Bank, permit the holding of such Accounts or deposits or receipt of funds.
- 17.20 Additional Representation for ERISA Benefit Plans.
(i) If the Customer is or represents a "benefit plan," as defined in Section 3(42) of ERISA, and U.S. Department of Labor Regulations Section 2510.3-101, as modified by Section 3(42) of ERISA (together, the "Plan Asset Rules" and each such benefit plan investor, a "Benefit Plan"), or is acting on behalf of one or more Benefit Plans, the Customer represents and warrants that:
- (1) the Bank has not or will not provide advice with respect to the services obtained by the Benefit Plan.
 - (2) the Benefit Plan fiduciary (the "Plan Fiduciary") is independent of the Bank, and is not an individual acting for his or her own Individual Retirement Account, and such Plan Fiduciary is either (a) a bank as defined in Section 202 of the Investment Advisers Act of 1940 (the "Advisers Act"), or similar institution that is regulated and supervised and subject to periodic examination by a State or Federal agency; (b) an insurance carrier which is qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of assets of a Benefit Plan; (c) an investment adviser registered under the Advisers Act or, if not registered as an investment adviser under the Advisers Act by reason of paragraph (a)(1) of Section 203A of the Advisers Act, is registered as an investment adviser under the laws of the state in which it maintains its principal office and place of business; (d) a broker-dealer registered under the Securities Exchange Act of 1934, as amended; or (e) has, and will at all times have, total assets of at least U.S. \$50,000,000 under its management or control;
 - (3) the Plan Fiduciary is capable of evaluating investment risks independently, both in general and with respect to the Accounts and Services;
 - (4) the Plan Fiduciary is a "fiduciary" with respect to the Benefit Plan within the meaning of Section 3(21) of ERISA, Section 4975 of the Code, or both, and is responsible for exercising independent judgment in evaluating the receipt of Services by the Benefit Plan;
 - (5) the Bank has not exercised any authority to cause the Benefit Plan to agree to these Account Terms; and
 - (6) the Plan Fiduciary has been informed (a) that the Bank is not undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the Services; and (b) of the existence and nature of the financial interests of the Bank, as disclosed in the Account Terms and Service Terms.
- (ii) The representations and covenants in the above clauses are intended to comply with the U.S. Department of Labor's Reg. Sections 29 C.F.R. 2510.3-21(a) and (c)(1) as promulgated on April 8, 2016 (81 Fed. Reg. 20,997). If these regulations are revoked or repealed, these representations shall be deemed no longer in effect.
- 17.21 FDIC Part 370 Disclosure. If the Customer's Account is eligible for "pass through" deposit insurance from the Federal Deposit Insurance Corporation (the "FDIC") as set forth in the Federal Deposit Insurance Act and 12 CFR § 330, then the Customer acknowledges and agrees that if the Bank becomes insolvent or enters into receivership (hereinafter a "Bank Receivership"), the Customer will: (a) cooperate fully with the Bank and the FDIC in connection with determining the insured status of funds in each Account, and (b) provide the FDIC with the information that identifies each beneficial owner and its interest in the funds in each such Account within 24 hours of the Bank Receivership, unless it falls within one of the enumerated exceptions in 12 CFR 370.5(b). The information described in (b) must be sent to the Bank in the format specified by the FDIC (see: www.fdic.gov/regulations/resources/recordkeeping/index.html). The Bank shall provide the Customer an opportunity to validate its capability to deliver the information described in (b) in the format specified by the FDIC so that a timely calculation of deposit insurance coverage for the Account can be completed.

The Customer further acknowledges and agrees that following a Bank Receivership: (i) a hold will be placed on each Account once a receiver of the Bank is appointed so that the FDIC can conduct the deposit insurance determination and such hold will not be released until the FDIC obtains the necessary data to enable the FDIC to calculate the deposit insurance coverage for each Account; (ii) its failure to provide the necessary data to the FDIC may result in a delay in receipt of insured funds and legal claims against the Customer from the beneficial owners



of the funds in the applicable Account; and (iii) failure to provide the data the FDIC requires may result in the applicable Account being frozen until the information is received, delaying receipt of FDIC insurance proceeds.

Notwithstanding other provisions in this Agreement, this section survives after the FDIC is appointed as the Bank's receiver, and the FDIC is considered a third party beneficiary of this section.



AVAILABILITY POLICY - FOR ACCOUNTS MAINTAINED IN THE U.S.

The Bank's policy is to make funds available to the Customer on the same, next or second business day after the day of deposit depending on the type of deposit and when the deposit is made as described below. If the Customer will need the funds from a deposit immediately, the Customer should ask the Bank when the funds will be available.

A. Determining the Day of a Deposit. If a deposit is made to an account on a business day before the Bank's cutoff time established for that location (which will be no earlier than 2 p.m. local time), then the Bank will consider that day to be the day of deposit. However, if a deposit is made after the cutoff time or on a day that is not a business day, then the Bank will consider the deposit to have been made no later than the next business day. For determining the availability of deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. Availability with respect to any deposit will be determined by the location of the banking center or other facility where the deposit was received. For deposits made at the Bank's automated teller machines (ATMs) the cutoff time is 11 p.m. Eastern Time unless otherwise noted on the ATM screen.

B. Same Day Availability. Funds from the following deposits made at a banking center or at an ATM that do not require deposit envelopes will be available on the business day the Bank determines the deposit is made:

- Cash;
- Wire transfers; and
- Electronic direct deposits to an account.

C. Next Day Availability. Funds from the following deposits are available on the first business day after the business day the Bank determines the deposit is made:

- U.S. Treasury checks that are payable to the Customer;
- Checks drawn on a Bank affiliate that holds the applicable account (excluding a Controlled Disbursement site); and
- At least, the first \$200 from a day's total deposits.

If the deposit is made in person to a Bank employee, funds from the following deposits are also available on the first business day after the business day the Bank determines the deposit is made:

- State and local government checks that are payable to the Customer, if a special deposit slip, available upon request at any Bank banking center is used;
- Cashier's, certified, and teller's checks that are payable to the Customer, if a special deposit slip, available upon request at any Bank banking center, is used; and
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to the Customer.

If a special deposit slip is not used, availability of funds from these deposits will follow the schedule identified in the Availability of Other Check Deposits section below.

D. Availability of Other Check Deposits. Generally, funds from all other deposits of checks drawn on banks (as defined in Federal Reserve Regulation CC) will be available no later than the second business day after the day of deposit. Checks that require special handling may receive delayed availability. The amount of funds available to the Customer will be reduced by the amount of any deposited check that is returned unpaid. If the Bank reprocesses the check, the funds will become available no later than the second business day after the business day in which the check is reprocessed.

E. Longer Delays May Apply. In some cases the Bank may not make all of the funds that are deposited by check available. Depending on the type of check deposited, funds may not be available as set forth above. However, the first \$200 of the aggregate deposit will be available on the first business day after the day of deposit.

If the Bank is not going to make all of the funds from a deposit available at the times shown above, it will notify the Customer and specify when the funds will be available. If a deposit is not made directly to a Bank employee, or if the Bank decides to take this action after the Customer has left the premises, the Bank will mail or otherwise send the notice to the Customer by the business day after the day of deposit.

Funds deposited by check may be delayed for a longer period under the following circumstances:

- The Bank believes a deposited check will not be paid;
- Deposited checks for all of the Customer's accounts total more than \$5,000 in any one day;
- The Customer redeposited a check that has been returned unpaid;
- The Customer has overdrawn one or more of its accounts repeatedly in the last six months; or
- There is an emergency, such as failure of communications or computer equipment.

In such circumstances, funds will generally be available no later than the seventh business day after the day of deposit. Inclement weather or transportation problems may lead to additional delays under certain availability schedules. Customer may have specific availability schedules related to a banking service.



- F. **Special Rules for New Accounts.** If the account is a new account, the following special rules may apply during the first thirty days the account is open:
- Funds from deposits of the first \$5,000 of that day's total deposits of cashier's, certified, teller's, traveler's and federal, state and local government checks payable to the Customer will be available on the first business day after the day of deposit. The excess over \$5,000 will be available no later than the ninth business day after the day of deposit. If the deposit of checks (other than U.S. Treasury checks) is not made in person to one of the Bank's employees, the first \$5,000 may not be made available until the second business day after the day of deposit; and
 - Funds from all other check deposits will be made available no later than the fifteenth business day after the day of deposit.
- G. **Large Dollar Deposits.** The U.S. Federal Reserve Banks will not forward process any Item over \$99,999,999.99 and considers such Items as "non-cash items." Such Items should not be deposited in the Account. If Customer does deposit such an Item, the Bank may refuse to process such Item or handle it as a collection Item. If handled as a collection Item, Customer credit and availability will be deferred accordingly.

This Availability Policy and availability schedules may be changed without notice.

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JPMorgan Chase Bank, N.A. Member FDIC.



V4.9_1_31_19 (negotiated)

Consolidated Service Terms

J.P. Morgan Chase provides an array of treasury services to meet your business needs. This booklet contains important information about J.P. Morgan Chase solutions that we provide. If you would like to add a service that is covered in this booklet, please contact your Commercial Banking Representative

**TREASURY SERVICES (United States)
Commercial Bank**



Welcome to JPMorgan Chase Bank, National Association ("J.P. Morgan", "Chase", or "Bank"). We are pleased that you have decided to maintain a banking relationship with us. This Consolidated Service Terms booklet ("Booklet") contains the terms and conditions for certain cash management services ("Service Terms") J.P. Morgan may provide to you. By executing the Account Terms Acceptance Letter, Certificate Regarding Accounts, Business Signature Card, service implementation form or similar document, or by using or continuing to use any of the services referenced herein after receipt of this Booklet, you agree that the Service Terms included in this Booklet, in addition to the Account Terms and such supplements, amendments, notices and additional service terms provided to you from time to time will govern your existing and future deposit accounts maintained with us, in addition to those services that the Bank provides to you, as applicable.

This Booklet includes Treasury Services Service Terms applicable to all Commercial Banking customers. All Service Terms are subject to the Bank's Account Terms. Any modifications to this Booklet, including but not limited to any changes, amendments, deletions, and/or additions, will not be binding upon the Bank unless such modifications are acknowledged and agreed to it writing by an officer of JPMorgan Chase.

We look forward to serving your business needs and thank you again for choosing Chase.

SERVICES FOR CUSTOMERS

- A. [ACH Origination](#)
- B. [ACH Transaction Blocking & ACH Transaction Review](#)
- C. [Lockbox](#)
- D. [Coin & Currency](#)
- E. [Positive Pay, Reverse Positive Pay and Payee Verification](#)
- F. [Controlled Disbursements](#)
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Service Terms – Consolidated Service Terms Booklet

The services described herein (each a "Service") are subject to the Bank's Account Terms (as may be amended from time to time), which are hereby incorporated by reference into each Service Terms. By using any of the Services described hereunder, the Customer acknowledges that it has received and agreed to the Account Terms, as supplemented by these Service Terms. Capitalized terms in the Service Terms, unless otherwise defined herein, shall have the meanings set forth in the Account Terms

A. ACH ORIGATION

The Automated Clearing House (ACH) is a batch processing payment system that U.S. banks use to exchange and settle credit and debit transactions on behalf of their clients or themselves. The origination of ACH Entries and the transmission and issuance of related transactions and information will be pursuant to these terms and the Operating Rules and Guidelines (collectively the "Rules") of the National Automated Clearing House Association. Capitalized terms used in this subpart, unless otherwise defined in this subpart shall have the same meanings as set forth in the Rules. The Customer and the Bank agree to comply with and be bound by the Rules as in effect from time to time, including without limitation, the provision making payment of a Credit Entry by an RDFI to the Receiver provisional until receipt by the RDFI of final settlement for such Credit Entry and the Customer acknowledges that it has received notice of such rule and of the fact that if such settlement is not received, the RDFI will be entitled to a refund from the Receiver of the amount credited and the Customer will not be deemed to have paid the Receiver the amount of such Credit Entry.

1. **Service.** Bank provides automated clearing house ("ACH") origination services that will enable Customer to do one or more of the following:
 - originate ACH Debit Entries;
 - originate ACH Credit Entries; and
 - instruct the Bank to issue or transmit prenotifications, reversals, requests for return, notifications of change or other information pertaining to the Entries.

Origination of ACH Credit Entries and origination of ACH Debit Entries are two separate services and approval or set up for one ACH service does not automatically create the ability to utilize the other. The Rules and these Service Terms shall apply to all Entries, whether or not transmitted through an ACH Operator.

It is Customer's responsibility to provide Entries and instructions to Bank with all the necessary information to complete Customer's requested transactions. Customer agrees to transmit Entries to Bank in the manner, at the times and in accordance with approved media, content and format as agreed by Bank and Customer. Bank may reject or delay processing transactions or information if instructions are not complete or are inaccurate, contain an inactive Company ID or otherwise do not meet the criteria Bank specifies for acceptance. All requests to Bank must be received by Bank before Bank's established cut-off time in order for processing to commence on that ACH processing day. Any request that is incomplete or that Bank finishes receiving after the relevant cut-off time will be processed by Bank on the next day Bank processes ACH transactions. All transactions are subject to acceptance by Bank. Bank will notify Customer of any transactions or other transmissions that are rejected or returned. If Customer wants Bank to re-process those transactions or transmissions, Customer must correct them and re-submit them. Customer agrees to furnish Bank with copies of any authorizations or notifications, if requested, as well as any other information reasonably requested by Bank relating to Entries originated by the Customer. Customer shall provide Bank's auditors and other personnel with reasonable access at all reasonable times to the Customer's facilities, data and records relating to the initiation of Entries for the purpose of auditing Customer's compliance with these Service Terms and the Rules.

2. **Security and Data Protection Procedures.** All instructions received by Bank in Customer's name are subject to verification pursuant to mutually agreed security procedures. If Bank follows those procedures, Bank may process and transmit transactions or information in Customer's name. Unless Customer and Bank both otherwise agree, transmissions to Bank will be authenticated and/or encrypted using commercially reasonable security technologies meeting standards acceptable to Bank. If Customer uses a security procedure other than as described above, Customer acknowledges that Customer refused Bank's security procedure and chose another and Customer agrees to be bound by any transaction, whether or not authorized, issued in Customer's name and accepted by Bank in compliance with the security procedure Customer chose. If Customer elects not to utilize recommended message authentication and/or encryption technology, Customer assumes all responsibility for unauthorized disclosure or unauthorized access to Customer's data that occurs during transmission or while such data is in storage. Customer shall not disclose any Receiver's account number or routing number to any third party for such third party's use, directly or indirectly, in initiating a separate Debit.
3. **Settlement and Exposure Limits.** On the settlement date, Bank will credit Customer's account with Bank that Customer specifies for the total of:
 - Customer's Debit Entries that Bank processed for settlement that day;
 - RCCs issued for deposit to Customer's account on that day; and
 - any returned or reversed Credit Entries.



Bank may delay the availability of funds deposited into Customer's account by Debit Entry or RCC until those transactions cannot be reversed in accordance with the Rules or applicable law.

Bank will debit Customer's account with Bank that Customer specifies for the total of Credit Entries processed in Customer's name and for any returned Debit Entries and RCCs. Bank may require Customer to pay Bank the amount of any Credit Entries on the date of transmission to Bank or otherwise prior to the settlement date. Bank also may require Customer to maintain collateral with Bank in an amount Bank specifies.

Bank may from time to time establish or revise maximum dollar limits for the total value of all outstanding files of Credit Entries and/or Debit Entries and RCCs that Bank will release on Customer's behalf. Bank may change or cancel the limits at any time without prior notice to Customer; although Bank will try to notify Customer before Bank does that.

4. **Warranties; Indemnity.** Except as specified below, Customer will be deemed to make the same warranties to Bank as Bank makes pursuant to the Rules. In the case of an Entry to another account with Bank, warranties will be deemed to be given as of the time Bank first processes the Entry. Customer will not be deemed to warrant the power of the Bank under applicable law to comply with the requirements of the Rules or the conformity of Entries and other data Bank transmits to the file specifications contained in the Rules. The Customer further represents, warrants and covenants that (a) each Entry and RCC it originates will comply with all applicable U.S. laws and regulations and acknowledges that Entries may not be initiated that violate the laws of the United States, (b) unless Customer has identified itself to Bank as a Third Party Sender (as defined in Section 7) and obtained Bank's express consent to originate Entries as a Third Party Sender, Customer will not originate any Entries, or use any of its Company IDs to originate Entries, on behalf of third parties (including, without limitation, any affiliate of Customer), and (c) Customer will not permit a third party to originate Entries using a Customer account as the offset account unless Customer obtains Bank's express consent to do so.

Although Customer may not agree to indemnify Bank, it is understood that the Customer acknowledges that it is solely responsible for (a) breach of any warranty made under these Service Terms and (b) compliance by Bank and the RDFI with any request Customer makes for a cancellation, stop payment, reversal or recall of any Entry or any RCC created by Bank under Section 1 hereof, provided, however, that Customer shall not assume responsibility for any damages resulting from Bank's own negligence or willful misconduct.

Bank shall have no responsibility for any delay by any ACH Operator or RDFI in processing any Entry the Bank transmits to the ACH Operator or failure to process or credit or debit any such Entry.

5. **Stop Payments; Reversals and Recalls; Rejections.** Customer's instruction to cancel, stop payment of, reverse or recall one or more Entries must be received by Bank in such time and manner as Bank specifies. Bank will process these transactions in accordance with Bank's procedures advised to Customer. Any reversal or recall initiated by Bank is subject to acceptance by the RDFI. Instructions to reverse or recall an ACH Credit Entry that are not initiated by Customer in time to meet the prescribed NACHA deadline for reversals may be originated by Bank as a Debit Entry; Customer shall obtain authorization from the Receiver in accordance with the Rules for any such Debit Entry and all other terms of these Service Terms applicable to Debit Entries shall apply. Entries or other instructions may not be amended or modified.

If Customer originates Debit Entries to an account or accounts at a financial institution that is not a Participating Depository Financial Institution in the ACH system (such account hereafter called a "Non-ACH Eligible Account"), all such Debit Entries will be rejected unless Customer subscribes to a service, subject to Bank's prior consent, pursuant to which Bank will process each such Debit Entry to a Non-ACH Eligible Account by preparing a remotely created check, as such term is defined in Federal Reserve Regulation CC (an "RCC"), on the Customer's behalf. The RCC will be drawn in the amount and on the Non-Eligible ACH Account of the individual or entity specified as the receiver in the Customer's instructions and will be deposited to the Customer's designated account with Bank. Such RCC will thereafter be processed through the check clearing system. If the Customer is using such service, the Customer hereby authorizes the Bank to create each RCC as described herein and the Customer warrants to the Bank, with respect to each RCC, that the person on whose account the RCC is drawn authorized the issuance of such RCC in the amount and to the payee stated in the RCC. The Customer authorizes the Bank to debit the Customer's account for any claim or return based upon an unauthorized RCC. All other terms herein related to Entries shall also apply to RCCs created under this Section. The Bank shall not create or process RCCs or other paper drafts in lieu of ACH Debits under any circumstances other than for Non-ACH Eligible Accounts and only when the Bank has consented to provide such service, even if the Customer includes an instruction in its file for the Bank to otherwise originate an RCC or paper draft.

6. **Third Party Service Providers.** Customer may choose to use a third party service provider or service bureau to issue Entries or other instructions, handle returned Entries or perform other functions for and on Customer's behalf. If Bank accepts such Entries or other instructions, Customer will be bound by them. Customer is responsible for all actions taken or not taken by Customer's provider and Customer is responsible for all costs and expenses of Customer's provider.
7. **Third Party Sender.** If Customer is a Third Party Sender, as such term is hereafter defined, (a) Customer warrants that the Originator has agreed to be bound by the Rules and has satisfied the obligations of an Originator under the Rules; (b) in any case where the Originator fails to perform its obligations under the Rules as an Originator, Customer shall indemnify, defend and hold Bank harmless from and against any and all claims, demands, losses, liabilities and expenses, including attorneys' fees and costs, that result directly or indirectly from the failure of the Originator to perform its obligations as an Originator under the Rules; (c) Customer agrees to cooperate with Bank regarding any request for information concerning the identity of any Originator; and (d) Customer represents, warrants and covenants that neither these Service Terms nor anything related to the ACH Origination Services violates, contravenes or is inconsistent with any of the terms, conditions or provisions of any agreement, understanding or arrangement between Customer and the Originator. Further, Bank will rely on Customer to evaluate the legitimacy of the Originators and their transactions originated by Customer and for ensuring that instructions do not involve illegal activities. Customer must notify Bank immediately if Customer suspects or become aware of any activity or transaction of an Originator that Customer believes may be of an illegal or illegitimate nature or that involves the proceeds of illegal activity or that was conducted, in part or whole, for the purpose of disguising the source



of funds. Bank will be entitled at any time upon notice to Customer to decline to provide the ACH Origination Services, or terminate the provision of ACH Origination Services, for any Originator on whose behalf are originating Entries if Bank determines that there are excessive returns or reversals of Entries originated on behalf of such Originator or if Bank becomes aware of any information indicating suspicious, fraudulent or illegal activity related to such Originator or for any other reason. As used herein, "Third Party Sender" means an entity that is not an Originator, that has authorized an ODFI or another Third Party Sender to transmit, for the account of the Third Party Sender or another Third Party Sender, (i) a credit entry to the account of a Receiver in order to effect a payment from the Originator (i.e., the third party on whose behalf the Third Party Sender is transmitting the entry) to the Receiver, or (ii) a debit entry to the account of a Receiver in order to effect a payment from the Receiver to the Originator (i.e., the third party on whose behalf the Third Party Sender is transmitting the entry). Without limitation of the foregoing, Third Party Senders include U.S. regulated financial institutions, brokers and other financial intermediaries as well as any other regulated or unregulated payment processors that are customers of the Bank and use their accounts to process payments for third parties (including affiliates of the Customer).

8. **IAT Entries.** If Customer is originating Entries that are required to be formatted under the Rules as IAT Entries, Customer will comply with all applicable Rules relating thereto, and Customer will originate such Entries only through one of Bank's ACH origination channels that support IAT origination. Some of Bank's ACH origination channels do not accommodate IAT Entries; upon request, the Bank will advise Customer as to which of Bank's ACH origination channels can be used for IAT origination.

If a foreign currency conversion is performed by Bank in connection with an IAT Entry, Customer acknowledges that the foreign currency exchange rates fluctuate, and accepts the risk of such fluctuation, including fluctuations in rate between the time Customer submits the Entry Data Instructions and the time the transaction is executed and/or reversed, returned or recalled. Any payment returns and/or reversals will be credited to Customer's account in the currency in which Customer's account is denominated, and Customer is responsible for any rate fluctuations.

In the event of an erroneous or duplicate IAT Entry originated for payment to a receiving bank outside the United States, the rights of Bank and Customer with respect to reversal or recall of such Entry are subject to the laws, regulations and payment system rules of the receiving bank's jurisdiction.

Customer acknowledges and agrees that IAT Entries may be delayed in processing or posting due to the Bank's or RDFI's review of such Entries for OFAC compliance. Further, Customer understands and acknowledges that unlike PPD Credit Entries, there is no requirement under the Rules that IAT Credit Entries that are made available to an RDFI by its ACH operator by 5:00 pm on the banking day prior to the Settlement Date be made available to the Receiver at the opening of business on the Settlement date; cleared IAT Credit Entries must be made available no later than the Settlement Date of the Entry, but funds are not required to be available at opening of business on the Settlement Date.

9. **Incorporation of Account Documentation; Termination.** The provisions of the account documentation, including terms and conditions governing the operation of business accounts and services, are incorporated into these Service Terms by reference. By acknowledging or signing the applicable account documentation or by using or continuing to use the ACH Origination Services, Customer agrees to these Service Terms. In addition to Bank's termination rights under the aforementioned documentation, Bank shall have the right to terminate or suspend these Service Terms and the Services upon notice to Customer in the event of the Customer's breach of the Rules.

B. ACH TRANSACTION BLOCKING & ACH TRANSACTION REVIEW

ACH Transaction Blocking is a Service that allows a Customer to block and return ACH debit and credit Entries originated to the Customer's account with the Bank. ACH Transaction Review allows the Customer to review ACH debit and credit Entries originated and posted to the Customer's account with the Bank and to instruct the Bank to return some or all of these transactions.

1. ACH Transaction Blocking:

- (a) **Service.** The Customer can select from a variety of authorization or blocking criteria and advise the Bank in a manner and form acceptable to the Bank. The Bank will return any blocked transaction indicating that the ACH debit was not authorized or that the ACH credit was refused.
- (b) **Company IDs.** If the Customer elects an option that blocks or allows ACH debits or credits from specified companies, the Customer must supply the Bank with the applicable ACH Company ID of the Originator as it appears on the Company/Batch Header Record. The Company ID will be the sole criterion for blocking debit and credit Entries (unless Customer has also set maximum dollar limits) and Bank will have no obligation to take any other steps to determine the identity of the Originator. The Customer will be solely responsible for obtaining the correct Company ID for each such Originator.

The Customer understands that Company IDs are not unique and that a Company ID may identify more than one Originator, and one Originator may have multiple Company IDs. The Customer understands that Company IDs are not a perfect filter and that transactions from Originators may be blocked or allowed if the Originator uses a Company ID other than the one Customer identifies. The Bank will not be responsible for transactions blocked or allowed in accordance with the instructions the Customer provides for the Company ID.

- (c) **Transactions Not Affected by Blocking.** ACH debit and credit blocks do not apply to certain transactions. The following types of ACH-related transactions will not be blocked:

- debits or credits to the Customer's account to offset any ACH credit or debit Entries originated by the Customer through Bank ;



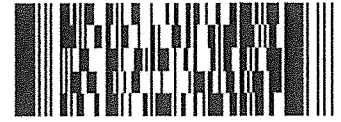
- reversals of previously received ACH credit or debit Entries;
- returns or reversals by the RDFI of ACH debit or credit Entries originated by the Customer through the Bank;
- Reclamation Entries (debits);
- debits or credits to the Customer's account initiated by the Bank or Bank's agent or affiliate to correct processing errors, effect back valuations, make other adjustments or, with respect to debits, for fees, charges or other amounts the Customer owes the Bank or Bank's affiliates; and
- debits or credits to the Customer's account that the Bank posts pursuant to its internal procedures in order to comply with applicable law, regulations or payment system rules or guidance.

2. ACH Transaction Review:

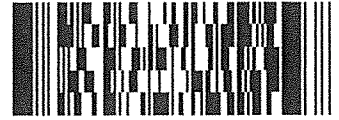
- (a) **Service.** Customer shall use filter criteria available through the service to select the types or categories of incoming ACH debit and/or credit transactions it wishes to review or the Customer may elect to review all incoming ACH transactions subject to Section 2(d) below.
- (b) **Review and Return Process.** Based upon the filter criteria selected by the Customer, ACH transactions meeting that criteria will be made available for the Customer to review not later than a designated time on the banking day following the day on which the transactions are posted to the Customer's account. The details provided by the Bank for each Entry will include account number, dollar amount, company ID, receiver's name, standard entry class code and settlement date.
- (c) The Customer shall advise the Bank by means of an agreed upon transmission method not later than the Bank's designated cut-off time on the same day as transaction information is made available of those transactions, if any, that are unauthorized and that the Customer wishes to return. The Bank is entitled to rely on any instructions which it receives and which it reasonably believes to be genuine. The Bank shall return all such transactions and make corresponding adjustments to the Customer's account to which the transactions had been posted. All transactions reported to the Customer as to which Bank does not receive a timely instruction from the Customer will remain posted or be returned based on the Transaction Review profile default decision setting established by the Customer.
- (d) **ACH Transactions Not Subject to Review.** The following types of ACH transactions will not be made available for the Customer's review and decisioning:
- debits or credits to the Customer's account to offset any ACH Entries originated by the Customer through the Bank ;
 - reversals of previously received ACH Entries;
 - returns or reversals by the RDFI of ACH Entries originated by the Customer through the Bank;
 - Reclamation Entries;
 - debits or credits to the Customer's account initiated by the Bank or Bank's agent or affiliate to correct processing errors, effect back valuations, make other adjustments, or to comply with legal requirements or for fees or charges the Customer owes the Bank or Bank's affiliates; and
 - if the Customer is also subscribing to the ACH Transaction Blocking service, any transactions blocked and returned pursuant to that service.
- (e) **Certain Reviewed Transactions Maybe Returned/Posted Despite Instructions.** Certain transactions reviewed and approved by the Customer may nevertheless be returned by the Bank. This will happen if (i) there are insufficient funds in the Customer's account to cover the amount of an ACH debit or other charge, (ii) a stop payment was previously placed on the transaction, or (iii) the Bank determines the transaction must be returned for legal or regulatory reasons. Certain transactions that the Customer advises should be returned may nevertheless be posted by the Bank; these include ACH debits or credits to the Customer's account that the Bank posts pursuant to its internal procedures in order to comply with applicable law, regulations or payment system rules or guidance.

C. LOCKBOX

Lockbox is a remittance processing Service offered to customers to support their accounts receivables business needs. Through this service, the Customer's remittance deposits are sent to a Post Office Box and picked up by the Bank and delivered to or via courier for further processing and posting to the Customer's deposit account.



1. **Service.** The Bank will maintain the Post Office Box for the Customer's remittances and will have unrestricted and exclusive access to the Post Office Box while providing the Lockbox Service. Customers requiring Caller Service or Business Reply Mail Service for remittance collection must obtain prior approval from the Bank. Upon approval, the Customer will secure such services directly with the United States Postal Service (the "USPS") and ensure the Bank is authorized to collect the mail. The Bank shall not be responsible for delays in processing due to the Customer's failure to pay the USPS for such services or any other action taken or not taken by USPS. The Bank may direct clients to include specific codes or formats within their assigned address in order to ensure mail is identified correctly. The Customer is responsible for ensuring their customers' remittances are properly addressed in order to prevent delays in processing.
2. **Deposit; Endorsement.** The Bank will collect all mail delivered to the designated Post Office Box, and will open the mail, process the checks eligible for this service (the "Items") and credit the funds to the Customer account or process for collection the Items received, except: i) Items which the Customer has instructed the Bank in writing, and the Bank has agreed not to process; ii) Items which the Bank believes should receive the Customer's special attention; iii) Items for which the Customer is not the payee, unless the Customer has provided proper authorization to process for credit or collection of such Items; and iv) any other matter or merchandise received. The Bank will not process such excepted Items or other matters or merchandise, but will forward them to the Customer unprocessed. The Bank assumes no responsibility for the inadvertent processing of Items excepted from processing. The Bank will process credit card payments as point of sale transactions, obtaining authorization as required by applicable card rules; provided, however, the Bank will not place phone calls for authorization of referrals or process credit transactions. The Bank shall not be deemed a merchant processor and shall not be liable for any data entry errors or any chargeback. The Bank assumes no liability for any matter or merchandise received through the Post Office which is not a depositable Item, including cash. Any failure by the Bank to process an Item other than as provided herein does not constitute a failure by the Bank to exercise ordinary care. The Customer shall be liable to the Bank as a general endorser on all Items processed by the Bank.
3. **Differing Amounts.** If the amount of an Item written in words and figures differ, the Item will be processed for amount written in words. If the Item is accompanied by an invoice or statement and the amount on the statement matches the amount written in figures, and the Customer has requested, and the Bank has agreed, to process such Item for the amount written in figures, the Item may be processed for the amount written in figures. In the event the Bank processes the Item for the amount written in figures, the Customer indemnifies the Bank for any claim which may arise from that action.
4. **Foreign Items.** This Service is limited to Items drawn on domestic banks so to the extent the Bank notices that any Items drawn on foreign banks have been deposited, such Items shall be forwarded to Customer as unprocessable.
5. **Returned Items; Re-presentation.** If any Item is returned to the Bank unpaid for any reason or there is a claim involving an Item deposited to the Customer Account, the Bank will charge back that Item, together with any fees or other amounts allowed on such claims or for returned Items, against the Customer Account, regardless of whether such debit causes an overdraft to the Customer Account. If, however, the Bank has been instructed in writing by the Customer to re-present Items which have been dishonored or returned to the Bank unpaid for reasons other than account closed, the Bank may do so automatically and without notice to the Customer, and the Bank reserves the same rights to debit the Customer Account should any such Items remain unpaid after the re-presentation.
6. **Security for Imaged Items.** The Bank has specified Security Procedures for receiving and accessing Imaged Items, Imaged Documents and lockbox transaction data. The Bank is not obligated to send any images or data or allow access through the Delivery Media to any images or data which are not requested or accessed in accordance with the Security Procedures. The Customer acknowledges that once a CD-ROM is received, or it has accessed images by any Delivery Media, persons having access to the Customer's computers and image archives may have access to the Imaged Items, Imaged Documents and lockbox transaction data.
7. **Image Option.** If the Customer elects and this image option is available at the designated Bank processing location, the Bank will provide images of the Items ("Imaged Items") received together with images of related documents ("Imaged Documents"), through the media ("Delivery Media") and at the intervals agreed upon between the Bank and the Customer. The Customer may receive additional service material, including user guides, software licenses and other terms in connection with the selection of this option.
8. **Original Documents; Image Storage.** Unless the Bank has agreed otherwise, the Bank will image all Items and associated remittances and retain original documents on site for no longer than 14 days. All original documents will be destroyed 14 days after processing. If the Customer uses the Bank's Regional Retail Lockbox product, associated original documents are retained on site no longer than 7 days. The Bank will store Imaged Items for a period of seven (7) years from the date of the applicable transaction regardless of any additional imaging service requested by the Customer. If the Customer elects storage of Imaged Documents, the Bank will store Imaged Documents for a period of thirty (30) days (Short Term Storage) to ten (10) years (Long Term Storage) from the processing date of the applicable transaction., per the Customer's selection If the Customer elects to image and not store Imaged Documents with the Bank, such images will be delivered to the Customer via daily Direct Image Transmission.
9. **Accuracy; Legibility.** The information delivered to the Customer through the Delivery Media will be the same as the information in the data entry file provided to the Customer for the applicable time period. If the data entry file contains errors, those errors will also occur on the Delivery Media. The Bank will provide images that are as legible as possible given the legibility of the underlying remittance documents and the selected Delivery Media. The Bank has no liability or responsibility for the condition of the original remittance items provided to the Bank, and it reserves the right to review and approve sample remittance items for legibility prior to providing this service. The Customer is responsible for reviewing images obtained through the Delivery Media and to promptly notify the Bank of any images that are not clear.
10. **Disclosures.** As between the Customer and the Customer's clients, if applicable, certain payments collected hereunder may be subject to various cut-off times and payment deadlines (the "Disclosures"). The Customer acknowledges and agrees that the Bank has no duty to inquire as to the content of any such Disclosures, is not bound by them, and makes no representations or warranties, explicitly or implicitly, regarding same. The



Customer is responsible for ensuring that the processing and payment cut-off times established by the Bank are in compliance with the Disclosures and Customer's responsibilities under applicable laws and regulations. The Customer further acknowledges and agrees that the data processed by the Bank belongs to the Customer or the Customer's clients.

D. COIN & CURRENCY

Coin and Currency Services, also referred to as Cash Vault Services, provides coin and currency delivery and deposit services to companies that use large quantities of cash. With a nationwide vault network, Customers can place orders for coin and currency, make deposits and track activity by location through electronic reporting options.

1. Cash Orders

- 1.1. **Placement of Cash Orders.** The Customer may issue written instructions for the Bank to release United States coin and currency ("Cash") to an armored courier service (the "Courier") as designated by the Customer in accordance with the Bank's guidelines ("Cash Order"). The Customer acknowledges that Cash Orders may be transmitted to the Bank only during such times as set forth in the guidelines. The Bank is authorized to debit the account of the Customer designated in the Cash Order for the amount set forth in the Cash Order. If the Bank has agreed to such an arrangement, the Customer may also place a Cash Order directly at one of the Bank's branch locations by issuing a check to debit the Customer's account at the Bank or as a "cash for cash" exchange. If there are insufficient funds in the designated account, the Bank is authorized to refuse the Cash Order, to fill a partial Cash Order or to debit the designated account even if such debit causes an overdraft, or to debit any other account of the Customer at the Bank.
- 1.2. **Cash Order Limits.** The Bank and the Customer may agree to limit the amount of Cash that may be delivered pursuant to a Cash Order ("Cash Limit").
- 1.3. **Discrepancies for Cash Orders.** All Cash Orders must be validated by the Customer within 24 hours of receipt. If a currency strap, coin bag or wrapped coin discrepancy is identified, the Customer may contact Cash Services Customer Support at 888-872-0517 to request a Cash Order Claim Form. The completed form and proper documentation must be sent to the Bank and post marked within 48 hours of receipt of the Cash Order. Any claims post marked after the 48 hour period may be denied and the Customer will have no right to refuse or receive an adjustment after such time period.
- 1.4. **Cancellations and Amendments.** A Cash Order may be cancelled by the Customer telephonically, electronically or in writing by a person the Bank reasonably believes to be authorized to act on behalf of the Customer and only if the cancellation is received within a reasonable time before the Cash is delivered to the Courier ("Cancellation"). A Cash Order may only be amended telephonically and the Bank will not be responsible for any change in a Cash Order it has received. Any attempt to amend a Cash Order electronically may result in duplicate Cash being delivered.
- 1.5. **Notice of Rejection/Execution.** If the Bank rejects a Cash Order request, it will promptly notify the Customer of the reason. The Bank will notify the Customer when it has executed a Cash Order. Unless, within three (3) business days after receipt of notification of the execution of a Cash Order the Customer notifies the Bank in writing that a Cash Order was unauthorized or otherwise unenforceable against the Customer, the Bank shall not be liable for executing the Cash Order as notified, including any loss of interest.
- 1.6. **Security Procedure.** The Bank must receive a Cash Order using a touch-tone telephone, or other electronic communications device mutually agreed upon by the Customer and the Bank, based upon codes assigned by the Bank to the Customer that identify the Customer and the location (collectively, "Codes"). The Customer agrees that use of the Codes constitutes a security procedure for verifying the authenticity of the Cash Order as being that of the Customer ("Security Procedure")... The Customer and the Bank will maintain reasonable security and control of the Codes. The Bank is not responsible or liable for detecting any error in the transmission or content of any Cash Order or Cancellation and the Security Procedure is not intended to detect any such error. No agreement or instruction of the Customer restricting acceptance of any Cash Order or Cancellation is binding on the Bank, except as set forth in these Service Terms or in a writing signed by the Customer and the Bank. These Security Procedures do not apply to Cash Order requests made by the Customer at one of our branch locations when the Customer is making a "cash for cash" exchange or issuing a check to debit the Customer's account at the Bank.
- 1.7. **Geographical Limitations.** The Customer represents and warrants that all Cash Orders will be used by Customer in its normal course of business at the Customer's store/office locations in the United States.

2. Cash Deposits

- 2.1. **Standard Courier Service.** The Customer may deliver and pick up shipments of Cash or checks to or from the Bank by using the services of a Courier that has been authorized by the Bank, who will act solely as the Customer's agent. The Courier must comply with the Bank's guidelines, as amended from time to time, and must maintain all licenses and permits required by law in addition to adequate insurance to cover its liabilities in providing courier services to the Customer. The Bank may refuse to permit any courier to enter its premises with or without cause, in which case the Bank will use reasonable efforts to promptly notify the Customer. With regard to Customer's Courier, Customer is responsible for any individual's actions while at the Bank's facilities including theft, property damage, intentional crimes and any other act or omission even if such actions would be considered outside the scope of their employment and whether the individual is impersonating an employee of the courier if the Bank has followed its customary procedures for identifying the individual.



- 2.2. **Deposit Presentment and Processing for Standard Courier Service.** With regard to deposits delivered to one of the Bank's vault locations, the Customer's Courier must deliver deposits in sealed tamper-proof plastic security deposit bags that meet the standards described in the Bank's guidelines and contain only Cash and checks. The bags may also contain food stamps if the Customer provides proof satisfactory to the Bank of the Customer's authority to redeem food stamps. The Bank will open the bags and process the deposits.
- (a) **Delivery to Vault.** If the Bank agrees to accept the Customer deposits at a vault location, the Bank will provide a receipt indicating the number of bags it has received. This receipt is not an acknowledgment of the contents of any bag, nor is any telephonic or other acknowledgment of a deposit of which the Customer notifies the Bank by telephone or by electronic means.
- (b) **Delivery to Branch for Delayed Processing.** If the Bank agrees to accept the Customer deposits at a branch location, the Bank will not verify the amount of the deposits at the time of receipt but will provide the Customer with a receipt showing the amount indicated in the Customer's deposit slip. This receipt is not an acknowledgment of the contents of any bag.
- 2.3. **Courier Service through the use of a Smart Safe or Recycler Machine.** The Customer may use the services of a courier that has been authorized by the Bank, who will act solely as the Customer's agent. The courier must comply with the Bank's guidelines, as amended from time to time, and must maintain all licenses and permits required by law in addition to adequate insurance to cover its liabilities in providing courier services. The Bank may refuse to permit any courier to enter its premises with or without cause, in which case the Bank will use reasonable efforts to promptly notify the Customer. The Customer will receive Advance Credit only for Cash placed in Deposit Cassette (as defined below) component of the machine. The Customer's courier is authorized to transmit the Cash information only with regard to the Deposit Cassette component of the machine to the Bank on the Customer's behalf and the Bank, upon receipt of such data transmission, will provide provisional credit to the Customer's designated account. The courier will deliver the Cash to the Bank as directed by the Bank at the Customer's expense. The Customer authorizes the Bank to instruct the courier to pick up any Cash for which the Bank has given provisional credit at any time at the Customer's expense. For purpose of these Service Terms, "Deposit Cassette" is the component of the machine whereby the Customer places Cash into such component and only the courier is able to access such Cash once it is placed in the Deposit Cassette.
- 2.4. **Deposit Presentment and Processing through the use of a Smart Safe or Recycler Machine.** The Customer agrees that once the Cash is in the Deposit Cassette component of the machine, the Customer no longer has any ownership, control or rights with regard to the physical Cash and that the Bank is authorized to rely upon the transmitted information from the Customer's courier with regard to deposits or adjustments to the Customer's deposit account with the Bank. Once the Customer's courier has completed the verification of the Cash from the Deposit Cassette component of the machine and has transmitted the deposit/adjustment information to the Bank, the Cash is then placed into the Bank's inventory at the courier's location. In the event of a dispute related to the amount credited to the Customer's deposit account, the Customer will initiate its claim and request for an investigation with its courier.
- 2.5. **Discrepancies.** All deposits are subject to verification. If there are differences between the amount credited by the Bank and the amount shown on the deposit slip prepared by the Customer, the receipt provided to the Customer or its agent upon initial presentment or the transmission received from the courier on the Customer's behalf, the currency will be re-counted for discrepancies over the minimum amount specified in the Cash Vault Services Product Guide, the "Threshold" amount, the Customer's representative designated in the service implementation questionnaire will be notified of the adjustment, and an adjustment fee will be charged. If the discrepancy is in the Threshold amount or less, the Bank will not adjust the Customer's account, the Bank will retain the discrepancy amount, and no adjustment fee will be charged. The Bank's determination and records as to its receipt of any bag and as to the contents of any bag is conclusive and binding on the Customer.
- 2.6. **Relationship upon Delivery of Bags.** Until the Bank recounts the contents of the bags and enters a final credit to the Customer's account, the Bank is not responsible for any claimed contents of the bags. The Customer should not include anything in a bag other than Cash and its deposit slip, and the Bank shall have no responsibility or liability if there is any other property included or claimed to have been included in a bag...
- 2.7. **Delivery to Unattended Facility.** If the Bank agrees to allow the Customer to use one of the Bank's unattended facilities (including but not limited to a night depository or commercial ATM), the Bank may provide the Customer with an access device (such as a key or card that may require a personal identification number ("PIN")). The Customer must return all access devices to the Bank upon request. The Bank will process any deposits delivered to an unattended facility as provided for in the Bank's guidelines. If the Customer receives a receipt from an unattended facility, the receipt is not an acknowledgment of the contents of any bag or of the receipt of any bag. While the Customer or the Customer's Courier is physically present at one of the Bank's unattended facilities, the Customer is a licensee only and the Bank has no responsibility for the safety of the Customer or its Courier while at such facility.
- 2.8. **Liability at Unattended Facility.** The Customer assumes all risks of using any unattended facilities, including risks of theft, robbery and personal injury; the Bank is not responsible if a facility fails to operate properly in any way, including failing to open, close, lock or unlock. It is the Customer's responsibility to verify that its bags have dropped down completely into the facility, and the Customer agrees that it will not leave any bags in any facility that does not appear to be operating properly. The Bank will not be liable to the Customer if any unattended facility, tele-entry or online system is closed or otherwise unavailable for use at any time.
- 2.9. **Geographical Limitations of Cash Deposits.** Cash Deposits must be delivered to the Bank by Customer's courier and from Customer's physical store/office locations in the United States. Cross-border cash deposits (i.e., cash brought into the United States from outside the United States) are strictly prohibited



E. POSITIVE PAY, REVERSE POSITIVE PAY AND PAYEE VERIFICATION

JPMorgan Chase Bank, N.A. (the "Bank") will provide Customer, in accordance with the provisions set forth in these Service Terms, with one or more of the services listed below (each a "Service") that help prevent check fraud on deposit accounts by identifying discrepancies between checks ("Items") presented to the Bank for payment from the Customer's demand deposit account associated with the Service (the "Account") and those Items that are issued by Customer. The provisions of the Bank's account documentation, including terms and conditions governing the operation of business accounts and services as well as other service guides or material (the "Account Documentation") are incorporated into these Service Terms by reference. By signing the applicable Account Documentation or by using or continuing to use any of these Services, the Customer agrees to these Service Terms.

1. Services.

With Positive Pay, the Customer sends check issuance information to the Bank and the Bank compares such information to Items being presented for payment. With Reverse Positive Pay, the Bank sends the Customer information on Items being presented for payment and the Customer does its own comparison. Payee Verification is an enhanced feature for Positive Pay whereby the Customer includes payee name information and the Bank compares such information against the payee names on Items being presented. As a condition precedent for receiving Payee Verification, the Customer must be receiving Positive Pay in connection with the same Account.

2. Issuance Information.

The following information is defined as "Issuance Information" for each Item: i) Account number on which the Item is drawn; ii) Item serial number; iii) dollar amount; iv) issue date, (not as part of Reverse Positive Pay); and v) for Payee Verification only, the payee name. For Positive Pay and Payee Verification, the Customer will provide the Bank the Issuance Information by the banking day on which the Customer issues Items by means of a mutually agreed upon transmission method. The Bank will compare the Issuance Information with the Items presented to the Bank for payment against the Account. For Reverse Positive Pay, the Bank will send the Customer the Issuance Information and the Customer will compare such information with the Items they have issued.

3. Discrepancies.

For Positive Pay and Payee Verification, if an Item is presented to the Bank for which it has not received timely Issuance Information or that contains information different from the Issuance Information for that Item, the Bank will notify the Customer by means of a mutually agreed upon method, by the designated time of the Banking Day following the Banking Day the Item is presented to the Bank for payment. The Customer shall advise the Bank by means of a mutually agreed upon method by the designated time on that same Banking Day whether any such Item is authorized for payment ("Presentment Decision"). In the event that the Customer fails to timely inform the Bank about any Item for which a Presentment Decision is requested, the Bank is authorized to return such Item unless otherwise agreed by the Customer and the Bank. For Reverse Positive Pay, the Bank will provide Issuance Information to the Customer of Items presented for payment; the Customer shall advise the Bank by means of a mutually agreed upon method by the designated time on that same Banking Day whether any such Item is not authorized for payment, and in the event that the Customer fails to timely inform the Bank as required, the Bank is authorized to pay such Item(s) unless otherwise agreed by the Customer and the Bank. The Bank is entitled to rely on any instructions by the Customer which it receives and which it reasonably believes to be genuine. If a Customer attempts to change an instruction previously given by sending an email or other message to the Bank, the Bank may, but has no obligation to, act upon such change request.

4. Payee Verification Additional Terms.

For Payee Verification, Customer acknowledges that Items which have been converted to ACH transactions prior to being presented for payment will not be eligible for this service and the payee name information will not be compared to the Issuance Information for Items that have been converted to ACH transactions. If Customer fails to provide the Issuance Information in the file format required by the Bank, the Bank will not be liable for failing to detecting any discrepancy between the Item and the Issuance Information or for processing and payment of such Item. The Bank reserves the right to set a threshold amount for Items (as may be revised by the Bank from time to time) to be reviewed under the Payee Verification service (the "Threshold Amount"). The Items below the Threshold Amount will be handled according to the standard Account Documentation governing the Customer's Account; however, Customer will not be liable for such Items if the discrepancy would have otherwise been detected under this Service. With regard to Payee Verification, the Bank will compare the payee name provided in the Issuance Information to the payee lines contained in the name/address block identified on the Item (presented as provided for in the Bank's set-up requirements) and will otherwise be limited to those parameters specifically agreed to by the Customer and Bank.

5. Voided Items.

The Customer agrees to place a void on an Item in the Issuance Information only with respect to Items that are not in circulation. If the Customer decides to stop pay an Item that it has already issued, the Customer is required to place a Stop Payment request pursuant to the relevant terms of the Account Documentation, outside of these services.

6. Item Payment.

The Bank is not obligated to maintain signature cards for the Account and whether or not the Bank does maintain such signature cards, in no event shall the Bank be obligated to inspect any Item for the presence or authenticity of any signature or to determine whether any signature is authorized. The Customer acknowledges that the Bank's adherence to these procedures in these terms, in lieu of signature examination, will constitute the exercise of good faith and ordinary care by the Bank in handling Items presented for payment against the Account.

7. Over the Counter Presentment.

The Bank may, without liability to the Customer, refuse to pay any Item presented for encashment at any of the Bank's branch locations. If an Item is presented for encashment at one of the Bank's branch locations at the teller line and the account is under the Positive Pay or Payee Verification Service, the Customer authorizes the Bank to pay such Item based upon the Positive Pay information at the teller line. If an Item is presented for encashment at one of the Bank's branch locations at the teller line and the account is under the Reverse Positive Pay Service, (i) the Customer authorizes the Bank to



pay such Item pursuant to the Bank's policies and procedures for encashment, (ii) Customer assumes the risk of any loss that would have been prevented through the use of Positive Pay or Payee Verification services; and (iii) Customer agrees to unconditionally release, indemnify and hold harmless the Bank against any and all liability loss or claim relating to an Item being cashed or returned over-the-counter. The Bank may charge a person who cashes an Item drawn on the Customer's Account a fee at the time of encashment.

F. CONTROLLED DISBURSEMENTS

Controlled Disbursement Accounts help customers effectively manage the disbursement process to gain control over idle balances and automate funding transfers and is designed to provide disbursement totals early each business day.

- 1. Controlled Disbursement Account.** Each controlled disbursement account ("Controlled Disbursement Account"), except as set forth herein, shall be opened and maintained in accordance with the Account Documentation. Customer agrees that if it fails to utilize one of the Bank's positive pay services on the Controlled Disbursement Account, that failure will constitute Customer negligence contributing to the making of any unauthorized signature and Customer assumes the risk that checks or drafts ("Items") presented against the Controlled Disbursement Account may be forged or altered, to the extent that the positive pay services the Bank offers may have prevented any loss. The Bank will have no liability for any loss related to an Item presented against the Controlled Disbursement Account which would otherwise generally have been returned under such positive pay services.
- 2. Payment of Items.** Bank, on each banking day, will advise Customer of the total amount of Items drawn against the Controlled Disbursement Accounts that are presented for payment, on that day, to the Bank by a Federal Reserve Bank or another depository institution pursuant to a same-day settlement arrangement. Bank will honor Items which are properly payable, but shall have no obligation to pay any Item should sufficient immediately available funds to cover such Items not be transferred to the Controlled Disbursement Account in accordance with these Service Terms and the Account Documentation.
- 3. Over-the-Counter Presentment.** Bank may, without liability to Customer, refuse to pay any Item presented for encashment at any of the Bank's branch locations.
- 4. Funding Account for Controlled Disbursement.** Customer will maintain with Bank a designated account for purposes of funding the Controlled Disbursement Account, or the funding account may be maintained at an affiliated bank or other financial institution (the "Funding Account"). Customer authorizes Bank to debit the Funding Account for the total amount of the Items presented and any funds transfers against the Controlled Disbursement Account, and to promptly transfer such amount to the Controlled Disbursement Account even though such a debit may bring about or increase an overdraft. All funds transfers from the Funding Account to the Controlled Disbursement Account shall be in immediately available funds. Customer will maintain sufficient available funds in the Funding Account to cover Items and funds transfers presented against the Controlled Disbursement Account, and the Bank shall have no obligation to transfer funds, process Items for payment or complete any funds transfers unless there are sufficient available funds in the Funding Account. The Bank is authorized to debit the Funding Account for any obligations owed directly or indirectly on the Controlled Disbursement Account. The Bank shall not be liable for failure to pay any Item presented for payment against any Controlled Disbursement Account due to insufficient funds in the Funding Account.
- 5. Media.** Bank will transmit to Customer by the transmission method or media agreed to by Customer and Bank information regarding Customer's Controlled Disbursement Account.
- 6. Routing Transit Number.** Customer agrees to use the designated controlled disbursement account routing transit number on the Items it issues from the Controlled Disbursement Account. Customer acknowledges that if it fails to use such designated controlled disbursement account routing transit number the Bank is authorized to terminate this Service or any Service feature upon notice to the Customer.
- 7. Financial Condition.** In the event of the deterioration of the financial condition of the Customer, as determined in the Bank's sole discretion, the Bank may immediately terminate the Service, any Service feature, and/or may convert any Controlled Disbursement Account to a stand-alone demand deposit account without prior notice to the Customer.
- 8. Third Party Usage.** Customer agrees that it will not permit a third party to write checks on or otherwise issue payment transactions or instructions on Customer's Controlled Disbursement Account. Customer agrees to indemnify and hold Bank harmless from and against any and all actions, claims, demands, losses, liabilities or expenses whatsoever, including attorney's fees and costs, resulting directly or indirectly from Customer's breach of this Section 8. This indemnity shall survive the termination of these Service Terms. Notwithstanding anything to the contrary, Customer acknowledges that, if Customer breaches this Section 8, Bank may immediately terminate this Service or any Service feature upon notice to the Customer.

G. IMAGE CASH LETTER

1. Service.

These terms govern the image cash letter service (the "Service") which allows image-enabled check customers to prepare and transmit electronic deposit information and check images instead of preparing and physically depositing paper cash letters and associated original check.

2. Transmission and Processing.

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Customer shall provide through its own methods or devices the captured check images and check data from the Check, including the magnetic ink character recognition formatting (MICR) information through electronic transmissions (the "Transmissions") in the format and specifications required by the Bank's File Standards and within the cut-off times provided by the Bank. Customer authorizes Bank to process the Transmissions as substitute checks, electronic images or photos in lieu, as may be applicable for further clearing through any other financial institution, clearinghouse or Federal Reserve Bank. If the Customer is eligible and has chosen to have Checks processed as ACH transactions, Bank will convert eligible Checks to ARC or POP entries, as defined and provided for in the ACH Origination Service Terms. Customer agrees that it is solely responsible for the creation and transmission of these Transmissions to the Bank. If any Transmission (including any source document for purposes of these Service Terms) does not meet the Bank's or any transferee's standard requirements for processing, Customer assumes all risk of loss or delay in processing such Transmission and authorizes the Bank to either (a) return the Transmission to the Customer without further processing, (b) process the Transmission as sent from the Customer, (c) process the Checks as photocopies in lieu of the originals, or (d) repair or attempt to repair the Transmission for further processing. Under this Service, "Checks" shall mean checks and drafts drawn in US dollars on, or payable through, banks located in the United States (including Puerto Rico, Guam and the US Virgin Islands), endorsed for deposit to Customer's account at the Bank.

3. Image Cash Letter File Deposit Time.

The Transmissions must be sent to Bank prior to the deposit deadline. Any Transmission will be deemed to have been received by Bank when the entire file has been written onto Bank's system and made available for Bank to validate. Based upon the size of the Transmission file, there may be a significant delay between the time Customer begins to send the file and the completion of the transfer as stated above. As a result, Customer will make every effort to send the Transmission file as early as possible. Files that are received after a deposit deadline will be considered deposited as of the next deposit deadline. Processing fees and funds availability will be assessed based on the deposit deadline that is met.

4. Customer Liability.

Customer shall be solely responsible if any Transmission for which Customer has been given provisional credit is returned or reversed, and neither Bank nor its subcontractors shall be liable or responsible for same. Customer acknowledges that all credits received for deposit are provisional, subject to verification, final settlement or return. Information and data reported hereunder: (a) may be received prior to final posting and confirmation and is subject to correction and (b) is for informational purposes only and may not be relied upon. Customer agrees that Bank shall have no liability for the content of payment-related information as received from the Customer. Customer shall be solely responsible for the original Checks, including storage and retrieval. Customer agrees to provide a legible copy of an image or the original Check if requested by the Bank within five (5) business days of such request. If Customer is unable to provide the original or legible copy, Customer shall be liable for any associated loss or claim involving the Check. Customer will not present a Transmission or the original Check or substitute check more than once to the Bank if the initial Transmission was processed as an ACH transaction and shall be responsible for any and all losses or claims resulting from the Customer presenting such Check or Transmission for payment more than once through any method.

5. Suspension/Cancellation of Service.

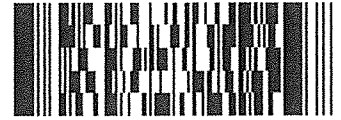
Bank reserves the right to suspend or terminate the Service, in whole or in part if Bank believes Customer is in breach of these Service Terms or is otherwise using or accessing the Service in a manner inconsistent with the rules and regulations relating to the Service being provided and such breach, use or access is not cured within three business days after notice to Customer. Further, this Service will automatically terminate if the Customer's account with the Bank is closed for any reason. Either party may terminate the Service upon thirty (30) days' prior written notice to the other party; provided, however, that the terms of Section 9 will apply to any termination prior to the time period set forth in the Pricing Schedule.

6. Intellectual Property Ownership.

Neither these Service Terms nor the provision of the Service transfer to Customer any ownership or proprietary rights in the Bank's technology or any work or any part thereof, and all right, title and interest in and to the Bank's technology will remain solely with Bank or its subcontractors.

7. WARRANTIES AND DISCLAIMERS.

7.1. CUSTOMER WARRANTY. CUSTOMER WARRANTS AND REPRESENTS TO THE BANK THAT: (A) EACH TRANSMISSION CONTAINS ACCURATE AND LEGIBLE IMAGES OF ALL OF THE INFORMATION ON THE FRONT AND BACK OF THE ORIGINAL CHECKS AT THE TIME EACH CHECK WAS TRUNCATED; (B) EACH TRANSMISSION ALSO CONTAINS A RECORD OF ALL APPLICABLE MICR-LINE INFORMATION REQUIRED FOR A SUBSTITUTE CHECK AND THE ACCURATE AMOUNT OF THE CHECK; (C) EACH TRANSMISSION CONFORMS TO THE TECHNICAL STANDARDS FOR AN ELECTRONIC ITEM SET FORTH IN REGULATION J AND FEDERAL RESERVE BANK OPERATING CIRCULARS AND FOR A SUBSTITUTE CHECK SET FORTH IN REGULATION CC; (D) NO PERSON WILL RECEIVE A TRANSFER, PRESENTMENT OR RETURN OF, OR OTHERWISE BE CHARGED FOR, THE CHECK (EITHER THE ORIGINAL CHECK, OR A PAPER OR ELECTRONIC REPRESENTATION OF THE ORIGINAL CHECK) SUCH THAT THE PERSON WILL BE ASKED TO MAKE PAYMENT BASED UPON A CHECK IT HAS ALREADY PAID; (E) CUSTOMER WILL NOT REDEPOSIT THROUGH THIS SERVICE ANY TRANSMISSION REPRESENTING A CHECK PREVIOUSLY DEPOSITED AND RETURNED TO THE CUSTOMER; (F) CUSTOMER WILL EMPLOY COMMERCIALY REASONABLE SECURITY MEASURES AND FIREWALLS SUFFICIENT TO PROTECT THE TRANSMISSIONS AND STORAGE TO ENSURE NO UNAUTHORIZED ACCESS OR DUPLICATE PRESENTMENT; (G) CUSTOMER WILL ONLY CREATE TRANSMISSIONS FOR CHECKS THAT ORIGINATED AS PAPER CHECKS; (H) CUSTOMER HAS ESTABLISHED AN ANTI-MONEY LAUNDERING PROGRAM IN COMPLIANCE WITH ANTI-MONEY LAUNDERING LAWS AND REGULATIONS APPLICABLE TO IT AND SUCH ANTI-MONEY LAUNDERING PROGRAM INCLUDES POLICIES, PROCEDURES AND CONTROLS DESIGNED TO DETECT AND PREVENT MONEY LAUNDERING WHICH CUSTOMER BELIEVES EFFECTIVELY PREVENTS THE USE OF CUSTOMER'S OPERATIONS, PERSONNEL OR FACILITIES FOR MONEY LAUNDERING PURPOSES; AND



(I) CUSTOMER WILL ONLY ACCESS THE SERVICE AND SEND TRANSMISSIONS TO THE BANK FROM LOCATIONS WITHIN THE UNITED STATES; (J) CUSTOMER IS IN COMPLIANCE WITH ALL LOCAL LAWS AND REGULATIONS APPLICABLE TO IT IN THE USE OF THIS SERVICE.

7.2. **DISCLAIMER.** BANK AND ITS SUBCONTRACTORS MAKE NO REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY REGARDING OR RELATING TO ANY OF THE TECHNOLOGY OR SERVICE AND/OR ACCESS TO OR USE OF THE SERVICE OR TECHNOLOGY PROVIDED TO CUSTOMER HEREUNDER. BANK AND ITS SUBCONTRACTORS SPECIFICALLY DISCLAIM ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. CUSTOMER ACKNOWLEDGES THAT THERE ARE CERTAIN SECURITY, CORRUPTION, TRANSMISSION ERROR AND ACCESS AVAILABILITY RISKS ASSOCIATED WITH USING OPEN NETWORKS SUCH AS THE INTERNET, AND CUSTOMER ASSUMES ALL SUCH RISKS. CUSTOMER SHALL MAKE AN INDEPENDENT ASSESSMENT OF THE ADEQUACY OF THE INTERNET IN USE OF THE SERVICE PURSUANT TO THE BANK'S PROCEDURES. CUSTOMER FURTHER ACKNOWLEDGES THAT THE SELECTION AND USE BY IT OF ANY THIRD PARTY SECURITY AND COMMUNICATIONS SOFTWARE AND THIRD PARTY SERVICE PROVIDERS IS THE SOLE RESPONSIBILITY OF CUSTOMER, AND BANK DISCLAIMS ALL RISKS RELATED THERETO, NOTWITHSTANDING THAT THE BANK MAY RECOMMEND CERTAIN SECURITY AND/OR COMMUNICATIONS SOFTWARE AND SERVICES. CUSTOMER AGREES TO, AT ITS SOLE EXPENSE, PROCURE AND MAINTAIN ALL HARDWARE, BROWSERS, SOFTWARE AND TELECOMMUNICATIONS EQUIPMENT NECESSARY TO ACCESS THE SERVICE IN ACCORDANCE WITH THE BANK'S RECOMMENDED SYSTEM CONFIGURATION.

8. INDEMNIFICATION.

Customer acknowledges that it is solely responsible for any requests, directions, or transactions in connection with any Account or Service provided to Customer, including (i) CUSTOMER'S LACK OF AUTHORITY TO MAKE THE WARRANTIES PROVIDED HEREIN; (ii) ANY ACTION TAKEN OR NOT TAKEN BY BANK WITHIN THE SCOPE OF ITS AUTHORITY UNDER THESE SERVICE TERMS IN HANDLING A CHECK; AND (iii) ANY WARRANTY OR INDEMNITY REQUIRED TO BE MADE BY BANK WITH RESPECT TO A CHECK UNDER APPLICABLE LAW OR REGULATION. Although Customer may not agree to indemnify Bank, Customer will accept full responsibility for its instructions and requests, assumes all risk in that regard, and will fully cooperate with Bank in the event of a third-party claim.

9. Pricing Schedule/Volume/Termination Penalties.

Bank and Customer agree to the terms of the Pricing Schedule which are incorporated herein by reference, including the length of time the Service will be provided, the charges/fees and the volumes, as may be stated in the Pricing Schedule. If Customer terminates the Service or the Service is otherwise terminated without fault of the Bank prior to the period of time set forth in the Pricing Schedule, Customer shall pay the Bank a termination fee equal to twelve (12) times the average monthly transaction fee for the Service for the period of time the Service was provided to Customer. Such termination fee shall be paid within thirty (30) days' after the effective termination date.

10. Audit.

Customer authorizes the Bank to audit its facilities where the Checks are imaged, stored and destroyed as well as where the Transmissions are processed under this Service upon reasonable prior written notice from the Bank.

11. Online Adjustments Services.

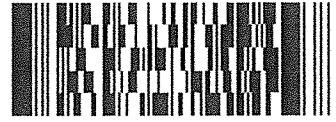
If Bank and Customer agree, Customer will submit its adjustment requests through the web-based SVPCO Online Adjustment Service ("Online Adjustment") based on the following terms:

For Customers choosing the deposit account option where they settle for the Items through the Customer's deposit account at Bank ("Deposit Account") option, Customer agrees to be bound by the SVPCO Electronic Adjustment Exchange Rules, as may be amended from time to time ("SVPCO Rules"). Bank will assist the Customer in implementing and registering for Online Adjustment. Customer will designate at least one Administrator by submitting the Secure ID Token Form for Online Adjustments ("Form"). After the initial registration, Customer will be able to update its designated users directly through SVPCO. Bank may conclusively rely upon any information or instructions purported to be sent by the Customer through Online Adjustment. Customer agrees that Bank may charge Customer's Account for any adjustments and related fees. Customer agrees that the Bank shall have no responsibility with regard to the adjustment information transmitted through Online Adjustment. Notwithstanding anything to the contrary in these Service Terms or the Account Documentation, Online Adjustment will automatically terminate upon the termination or expiration of the agreement covering the SVPCO online adjustment service between Bank and The Clearing House.

H. CHECK PRINT

The Check Print Service enables the Customer instruct the Bank to create and mail checks and/or documents on behalf of the Customer.

1. **Print Orders.** The Bank will execute each print order requested by the Customer which is received by the Bank in a manner described in these Service Terms or as otherwise provided by the Bank (the "Print Order"). Print Order information shall include payee names and addresses. Customer agrees that it will not include any other personally identifiable information or any protected health information in its Print Orders. Print Orders may include printing of non-payment documents ("Documents") if agreed to by the Bank based upon these Service Terms.



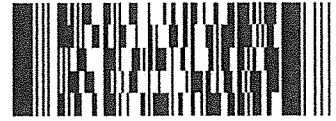
2. **Check Pull Requests.** For any Print Order received by the Bank, the Customer may request the Bank to pull a check(s) from processing by completing the Bank's manual check pull request form ("Check Pull Request"); provided, however, that a Check Pull Request will not be effective unless and until it is received by the Bank in the form required and the Bank has had a reasonable time to act upon such request. A Print Order may not be amended or modified. The Bank has no obligation to adjust or stop the payment or posting of a Print Order it has accepted.
3. **Receipt of Print Orders.** The Customer shall transmit Print Orders to Bank to the location and in compliance with the formatting and other requirements of the Bank set forth in its operating procedures. Bank may reject any Print Order that does not comply with these Service Terms.
4. **Issuance of Checks/Documents.** For each Print Order accepted by the Bank, the Bank will: (a) cause a check to be printed and completed; (b) cause a laser facsimile signature authorized by the Customer to be placed on the check; (c) if agreed upon, cause other documents to be completed and included with the check issuance ("Documents"); and (d) mail or send the check by courier along with any Documents as agreed upon (collectively, the "Issuance"). The Customer expressly grants the Bank the authority to create and process such Issuances.
5. **Notice of Rejection.** The Bank will promptly notify the Customer if a Print Order is rejected by the Bank and will advise the Customer as to the reason. The notice or advice shall be deemed commercially reasonable if made available through the Check Print Service or given electronically, orally, by telephone or facsimile transmission.
6. **Control.** The Bank is not responsible or liable for the detection of errors contained in any Print Order as received from the Customer and is entitled to rely on the information contained therein.
7. **Reliance Upon Instructions.** The Customer is responsible for, and the Bank may rely upon, the contents of any notice or instructions that Bank believes in good faith to be from the Customer without any independent investigation. The Bank shall have no duty to inquire into the authority of the individual giving such notice or instruction. In the event the Bank receives conflicting notices or instructions, the Bank is authorized to act on either the notice or instruction, or it can refuse to act. No restriction on the Bank's acceptance of any Print Order will be binding on the Bank, except as set forth in these Service Terms unless agreed to in writing by the Bank and the Bank has had a reasonable opportunity to act upon such change.
8. **RESERVED.**
9. **Cashier's Checks.** If the Bank creates cashier's checks under the Check Print Service, the following additional terms will apply: (a) Customer will send the cashier's check print file information ("File Information") to the Bank by the Bank's cut off time on a given day ("Day One"); (b) the Customer authorizes the Bank to debit the Customer's designated account ("Funding Account") for the amounts shown on the File Information on Day One; (c) as the cashier's checks from the File Information are being processed, the account reconciliation issue file ("ARP File") must match the date of funding found in the File Information of the next banking day ("Day Two"); (d) for any cashier's check for which there is insufficient funds in the Funding Account on Day One to fund the purchase of the cashier's check, the Bank is authorized to reject the creation of such cashier's check; (e) fully funded cashier's checks will be printed on Day Two; (f) if the Customer is using one of the Bank's online services, Customer will be able to view information regarding the cashier's checks which were funded and created and those that were rejected; (g) any information from the File Information which can not be used to create a cashier's check will be communicated to the Customer for further research and reconciliation; (h) if any cashier's check is returned as undeliverable, the cashier's check will remain outstanding in the Bank's cashier's check account and escheated according to applicable laws and regulations. If the payee of a cashier's check claims that the cashier's check was lost, stolen or destroyed before the funds are escheated, such claim will be handled in accordance with the Bank's procedures.

I. ACH TAX PAYMENT

1. **Service.** Bank will provide a service (the "Service") whereby Customer can direct Bank, via touchtone telephone or internet platform, to make tax payments through the automated clearing house (ACH) system from an account with Bank that Customer specifies. Customer may use the service to pay:
 - any federal taxes covered by the Federal Tax Deposit Coupons (Form 8109) that Customer has executed and delivered to Bank from time to time;
 - certain state taxes; and
 - certain municipal taxes.

Bank may pay taxes from Customer's account in accordance with any instructions issued in Customer's name that Bank verifies pursuant to the security procedures specified in these Service Terms. In using the Service, Customer agrees to comply with and be bound by the Operating Rules of the National Automated Clearing House Association ("NACHA Rules").

2. **Receipt of Instructions and Cancellations.** Customer may issue instructions and cancellations only during service hours that Bank specifies, and Customer acknowledges that Bank may change such service hours upon prior notice to Customer. Bank must receive instructions, including but not limited to payment cancellation instructions, not later than 6:00 p.m. ET (or such other time as Bank specifies) on the Business Day prior to the day on which the tax payment is due. For purposes of this Section, "Business Day" means a day on which the Bank is open for business in its



New York office. Instructions received after such time shall not be processed until the following business day and Customer shall be liable for any charges, fees or costs associated with such payment. Bank may reject or delay processing of a tax payment if the request is not complete or is inaccurate or otherwise does not meet the criteria Bank specifies for acceptance herein or in the User Guide (as hereafter defined).

The Service is not designed or intended to be used for any ACH tax payment that is required to be formatted as an "International ACH Transaction" (or IAT) under the NACHA Rules. Customer agrees not to use or attempt to use the Service to originate any ACH tax payment that is required to be formatted under the NACHA Rules as an "International ACH Transaction" (or IAT). Customer shall indemnify and hold Bank harmless from and against any and all claims, demands, losses, fines, penalties, damages, liabilities and expenses, including, without limitation, legal fees and expenses, resulting directly or indirectly from any ACH tax payment processed or requested to be processed by Customer via the Service which should have been formatted under the NACHA Rules as an IAT.

3. Tax Payment Security Procedures.

(a) A Bank-issued or approved access code and PIN and/or other security device ("Security Device") is required to access the Service. The Customer shall be bound by and adhere to the security procedures and other procedures for use of the Service advised to it in writing through any medium by the Bank, as may be revised from time to time upon notice to the Customer (the "User Guide"). The Customer shall notify the Bank immediately of loss or theft of a Security Device, any unauthorized use of a Security Device or any other breach of security. The Bank may dishonor or disable any Security Device at any time and will inform the Customer of the same. The Customer agrees that any use of the Service with a Security Device is deemed to be carried out directly by and on behalf of the Customer. The Customer agrees to safeguard all Security Devices and to instruct each Authorized User (as defined below) to do the same.

(b) This Section 3(b) applies to use of the Service through the designated internet platform, but does not apply to touchtone telephone access. Customer shall designate an administrator (the "Administrator") who shall have authority in accordance with the operational instructions for the Service provided to Customer in the User Guide. Customer agrees to notify Bank of any change in Administrator in the manner and form designated by Bank. Any such changes shall be effective at such time as Bank has received such notice and has had a reasonable opportunity to act upon it. In accordance with the procedures contained in the User Guide, the Administrator shall be responsible for (i) designating individuals as users ("Authorized Users"); (ii) identifying the functions of the Service; (iii) requesting, creating, controlling, disseminating, and/or canceling user entitlements; (iv) receiving and distributing materials, notices, documents and correspondence relating to the security procedures; and (v) advising each Authorized User of his/her obligations hereunder and under the User Guide. The Administrator shall provide to the Bank, upon the Bank's request, a list of Authorized Users.

4. **Open Network Access.** The Customer acknowledges that there are certain security, corruption, transmission error and access availability risks associated with using open networks such as the internet, and the Customer assumes all such risks. The Customer shall make an independent assessment of the adequacy of the internet and the Bank's security procedures. The Customer further acknowledges that the selection and use by it of any third party security and communications software and third party service providers is the sole responsibility of the Customer, and the Bank disclaims all risks related thereto, notwithstanding that the Bank may recommend certain security and/or communications software and services. The Customer agrees to, at its sole expense, procure and maintain all hardware, browsers, software and telecommunications equipment necessary to access the Service in accordance with the Bank's recommended system configuration.

5. **Funding.** Customer authorizes Bank to debit Customer's applicable account for the amount of each tax payment and for any applicable bank fees and charges when due. In the event Customer does not have sufficient funds in Customer's applicable account to cover the amount of a tax payment, Bank shall have no obligation to make the tax payment for Customer. Bank may require Customer to pay Bank the amount of each tax payment on the date of transmission of the tax payment instruction or otherwise prior to the tax payment due date. Bank may from time to time establish or revise maximum dollar limits for the total value of all outstanding files of tax payments that Bank will release on customer's behalf. Bank may change or cancel the limits any time without prior notice to Customer, although Bank will try to notify Customer before Bank does that. Funds Bank receives and holds pursuant to the Service shall be held as a deposit liability to Customer and not in trust for Customer or the taxing authority.

6. **Warranties; Indemnity.** Except as specified below, Customer will be deemed to make the same warranties to Bank as Bank makes pursuant to the NACHA Rules although Customer will not be deemed to warrant the power of the Bank under applicable law to comply with the requirements of the NACHA Rules or the conformity of tax payments and other data Bank transmits to the file specifications contained in the NACHA Rules. Customer further represents and warrants to Bank that: (i) Customer shall not access the Service from any jurisdiction in which the Service is not authorized; and (ii) each tax payment Customer originates will comply with applicable U.S. laws and regulations and Customer acknowledges that payments may not be initiated that violate the laws of the United States.

Although Customer may not agree to indemnify Bank, the Customer acknowledges that it is solely responsible for (a) Customer's breach of any warranty made under this section and (b) compliance by Bank with any request Customer makes for a cancellation, stop payment, reversal or recall of any tax payment, provided, however, that Customer shall not assume responsibility for any damages resulting from Bank's own negligence or willful misconduct.

Bank shall have no responsibility for any delay by any ACH Operator (as such term is defined in the NACHA Rules) or taxing authority in processing any tax payment Bank transmits to such entity or failure by such entity to process or apply any tax payment.



7. **Stop Payments; Reversals and Recalls.** Customer's instruction to stop payment of, reverse or recall one or more tax payments must be received by Bank in such time and manner as Bank specifies. Bank will process these transactions in accordance with Bank's procedures advised to Customer. Any reversal or recall initiated by Bank is subject to acceptance by the relevant taxing authority. Tax payment instructions may not be amended or modified.
8. **Payment Limits.** Bank may from time to time establish or revise (a) maximum dollar limits for each payment to be made by the Customer to a specified taxing authority, and (b) aggregate limits for all payments to be made by the Customer to a specified taxing authority within a 24-hour period. Bank may change or cancel the limits at any time without prior notice to Customer, although Bank will endeavor to give prior notice to Customer. Bank may require Customer to pay Bank the amount of any tax payment on the date of transmission to Bank or otherwise prior to the settlement date. Bank also may require Customer to maintain collateral with Bank in an amount Bank specifies.
9. **Limitation of Liability.** Bank's maximum aggregate liability in connection with the Service shall be limited as provided in the Account Documentation (as defined in Section 9 below) and shall be further limited to the lesser of the amount of any penalty or interest actually imposed by the applicable taxing authority or the total fees Customer paid Bank during the prior 12 months.
10. **Incorporation of Account Documentation; Termination.** The Bank's terms governing the operation of business accounts and services ("Account Documentation") are incorporated herein, as the same may be amended from time to time. If and to the extent that there is a conflict between the Account Documentation and these Service Terms, the provisions of these Service Terms shall prevail. In addition to Bank's termination rights under the Account Documentation, Bank shall have the right to terminate or suspend these Service Terms and the Service upon notice to Customer in the event of Customer's breach of the NACHA Rules.

J. VIRTUAL REMIT SERVICE TERMS

Virtual Remit is a remote scanning service that processes remittances and promotes Customers' efficiency in their businesses. Through this service, the Customer's remittance deposits can be imaged and transferred to the Bank via a Bank supplied data platform for further processing and posting to the Customer's deposit account.

1. Service

The Bank, which may include designated agents of the Bank, will provide Customer with Virtual Remit services for domestic transactions (the "Service") in accordance with the provisions set forth in this document (the "Service Terms"). The Service allows Customer to electronically transmit deposits of eligible checks and items (eligible checks and items are limited to personal checks, money orders, business checks, cashiers checks, traveler's checks payable in U.S. Dollars and drawn on U.S. banks or U.S. Postal Service Money Orders, payable to the Customer) by using a capture device, including a desktop scanner or mobile device (hereinafter referred to as a "Scanner"), to create an electronic image of an original paper check or item and other paper source documents (collectively, "Item") and transmitting the image of the Item ("Item Image") and related data to Bank. The provisions of the Lockbox Service Terms, Account Terms, Client Access Service Terms, and any other applicable Service Terms as may be amended from time to time (collectively, the "Account Documentation") are incorporated into these Service Terms by reference. By signing the applicable Account Documentation or by using or continuing to use the Service, Customer agrees to these Service Terms. If and to the extent there is a conflict between the Account Documentation and these Service Terms, the provisions of these Service Terms will prevail.

- a. Customer agrees that after the Item Image has been created and transmitted to the Bank for deposit, Customer shall not otherwise transfer or negotiate the original Item, substitute check or any other image of the Item. Customer further agrees that Customer shall be solely responsible for the original Items, including storage, retrieval and destruction. Customer must have in place policies and procedures for the secure storage and destruction of the original Items.
- b. Customer agrees that a copy made from the Item Image or substitute check of the Item, as defined by federal law, will become the legal representation of the Item for all purposes, including return item processing.
- c. Subpart B of Federal Regulation CC (availability of funds) does not apply when electronic images of Items are transmitted to Bank. Funds from deposits made via this Service will be available in accordance with the availability schedule for the Service. However, Bank may apply additional delays on the availability of funds based on any other factors as determined in the Bank's sole discretion.

2. Processing

Customer shall provide through Bank approved devices, including a desktop scanner or mobile device, the Item Images in the format and specifications and in accordance with the procedures required by the Bank. The Bank may process the Items as substitute checks, electronic images or photos-in-lieu, as may be applicable for further clearing through another financial institution, clearinghouse or the Federal Reserve Bank. Customer assumes sole responsibility for the creation of these images and their subsequent provision to the Bank. If any Item Image does not meet the Bank's or any transferee's standard processing requirements, in processing such Items, Customer assumes all risk of loss or delay and authorizes the Bank to either (a) return the Item to the Customer without further processing, (b) process the Item as sent from the Customer, (c) process the Items as photos--in-lieu of the originals, or (d) repair or attempt to repair the items for further processing. Access to the Item Images and the use of a mobile device in conjunction with the Service are governed by the Client Access Service Terms, as may be amended from time to time.



3. Deposit Time

Item Images are deemed received by the Bank when the Item Images have been transferred onto the Bank's system and validated by the Bank. Based upon the size of the batch of items, there may be a significant delay between the time Customer begins to send the items and the completion of the transfer as stated above. If Bank receives and validates the submitted deposit transmission no later than the Bank's designated cut off time (the "Cutoff Time") on a day that the Bank is generally open for business, i.e., Monday through Friday excluding weekends and state or federal holidays ("Business Day"), Bank will consider that Business Day to be the day of deposit (i.e., the date deposit is credited). If Bank receives and validates the submitted deposit transmission after the Cutoff Time or on a non-Business Day, the deposit will be considered to be made on the next Business Day. Whether the Cutoff Time has been met will be determined by the time displayed on the Bank's internal system clocks which may not necessarily be synchronized with the internal clock displayed on Customer's computer or device. For this reason, Bank suggests that Customer submit its deposit transmissions to Bank sufficiently in advance of the Cutoff Time to avoid the possibility of missing the Cutoff Time.

4. Foreign Items

The Service only accepts and processes Items drawn on U.S. chartered banks.

5. Warranties.

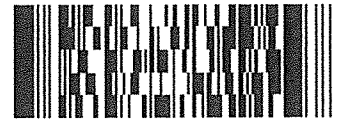
5.1 Customer represents and warrants to Bank that:

- Customer will capture and transmit all Item Images using Bank approved hardware and software applicable to the Service's function;
- Any image Bank receives accurately and legibly represents all of the information on the front and back of the Item as of the time the Item was truncated;
- The information Customer transmits to Bank corresponding to an Item contains a record of all applicable MICR-line information required for a substitute check and the accurate amount of the Item;
- The Item Image conforms to the technical standards for an electronic Item set forth in Regulation J or Federal Reserve Bank Operating Circular 3, and for a substitute check set forth in Regulation CC;
- No person will receive a transfer, presentment, or return of, or otherwise be charged for, the Item (either the original Item, or a paper or electronic representation of the original Item) such that the person will be asked to make payment based on an Item it has already paid;
- Customer will not redeposit through this Service any Item previously deposited and returned to Customer;
- Customer will employ commercially reasonable security measures, including firewalls, sufficient to protect against unauthorized access or duplicate presentment;
- Customer will only transmit Items that originated as paper checks;
- Customer will comply with all applicable laws and regulations;
- Customer will not use the Service for any purpose prohibited by foreign exchange regulations, postal regulations or any other treaty, statute, regulation or authority; and
- If the Customer is depositing Items on behalf of third parties, the Customer also represents and warrants to the Bank that with respect to each Item deposited through the Service, the owner of the Item has authorized the electronic transmittal of the Item and guarantees all prior endorsements; Customer has established an anti-money laundering program in compliance with anti-money laundering laws and regulations applicable to it and such anti-money laundering program includes policies, procedures and controls designed to detect and prevent money laundering, including "know-your-customer" policies and procedures, monitoring of transactions for suspicious activities and reporting of suspicious activities, which Customer believes effectively prevents the use of Customer's operations, personnel or facilities for money laundering purposes.

6. New Features. Bank may, from time to time, introduce new features to the Service or modify or delete existing features in its sole discretion. Bank shall notify Customer of any of these changes to features if Bank is legally required to do so. By using any new or modified features when they become available, Customer agrees to be bound by the rule concerning these features.

7. Disclaimer.

Bank makes no representations or warranties, whether express, implied or statutory regarding or relating to any of the software, capture devices or other hardware and/or access to or use of them or the related materials and the Service. Bank specifically disclaims any and all implied warranties



of merchantability and fitness for a particular purpose and non-infringement. Bank and its subcontractors also do not guarantee that Customer's access to the Services will be uninterrupted, error free or secure.

8. Indemnification.

Although Customer may not agree to indemnify Bank, it is understood that Customer is solely responsible for (a) breach of warranty made under these Service Terms or the Lockbox Service Terms; any claim pertaining to any warranty or indemnity that Bank makes with respect to an Item under the Check Clearing for the 21st Century Act, Federal Reserve Board Regulations CC and J and all other laws, regulations and industry and clearing house rules applicable to Items as either the bank of first deposit, truncating or reconverting bank, provided however, that Customer shall not assume responsibility for any damages resulting from Bank's own negligence or willful misconduct

9. Customer Liability.

Customer shall be solely responsible if any item for which Customer has been given provisional credit is returned or reversed, and neither Bank nor its subcontractors shall be liable or responsible for same. Customer acknowledges that all credits received for deposit are provisional, subject to verification, final settlement, warranty claims or return. Information and data reported under these Service Terms: (a) may be received prior to final posting and confirmation and are subject to correction and (b) are for informational purposes only and may not be relied upon. Customer agrees that Bank shall have no liability for the content of payment-related information as received from the Customer. Customer shall be solely responsible for the original Items, including storage, retrieval and destruction. Customer agrees to provide a legible copy of an image or the original Item if requested by the Bank. If Customer is unable to provide the original or legible copy, Customer shall be liable for any associated loss or claim involving the Item.

10. Suspension/Cancellation of Service.

Bank reserves the right to suspend or terminate the Service, in whole or in part if Bank believes Customer is in breach of these Service Terms or is otherwise using or accessing the Service in a manner inconsistent with the rules and regulations relating to the Service being provided and such breach, use or access is not cured within three business days after notice to Customer. Further, this Service will automatically terminate if the Customer's account with the Bank is closed for any reason. Either party may terminate the Service upon thirty (30) days' prior written notice to the other party.

11. Intellectual Property Ownership.

Neither these Service Terms nor the provision of the Service transfer to Customer any ownership or proprietary rights in the Bank's technology or any work or any part thereof, and all right, title and interest in and to the Bank's technology will remain solely with Bank or its subcontractors.

12. Audits. Customer agrees that the Bank shall have the right to audit Customer's books, records, processes and procedures for managing and maintaining the security and safety of the scanners, transmissions and original Items, including the right to audit Customer's and Customer's agents, if any, physical locations where Customer scans original Items and processes electronic check images and data related to the Service. . Customer agrees that the use of scanners, including mobile devices, in conjunction with this Service is limited to the United States.

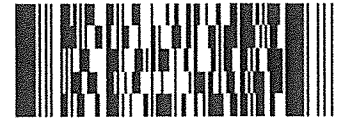
K. ELECTRONIC CHANNELS

1. Service and Service Terms.

The Bank will provide a service (the "Service") for electronic access to the Customer's account information, reports and data (collectively, "Data") and for the electronic transmission to the Bank of messages, service requests, and payment and non-payment instructions (each an "Instruction") and from the Bank of messages, notifications and alerts, via the J.P. Morgan Access® OnlineSM, J.P. Morgan Access® MobileSM, J.P. Morgan Host-to-Host/managed file transfer and J.P. Morgan Treasury Services API channels. The Bank reserves the right to modify the applications and products available via the Service. The Service is governed by these terms (the "Service Terms"), which incorporate the Bank's terms governing the business accounts and services, including service terms that govern the Bank's processing of Instructions transmitted via the Service (collectively, the "Account Documentation"), as the same may be amended from time to time. If and to the extent that there is a conflict between the Account Documentation and these Service Terms, the provisions of these Service Terms shall prevail. Capitalized terms used in these Service Terms, and not otherwise defined, have the meaning set forth in the Global Account Terms or other account terms applicable to the Customer.

2. Security Procedures and Other Controls

2.1. General. The security procedures for each channel are set forth below, as may be modified on notice to the Customer through any medium (each, a "Security Procedure"). Any Instruction, the authenticity of which has been verified through a Security Procedure, shall be effective as that of the Customer, whether or not authorized, and notwithstanding that the Instruction may result in an overdraft of an Account. Controls unilaterally implemented by the Bank shall not be deemed to be Security Procedures for purposes hereof unless explicitly identified as such in writing. The Customer is responsible for implementing any procedures and requirements set forth in the applicable documentation provided to it by the Bank, as well as any subsequent modification to the procedures and requirements that are designed to strengthen the Security Procedures.



2.2. Security Procedures for Access Online and Mobile Channels.

- 2.2.1. **Access Online.** The Security Procedure for verifying payment Instructions given in the Customer's name via the Access Online channel is validation of a user ID and confidential password of an Authorized User (as defined in Section 2.5 below), a token code generated by a Bank issued or approved security device ("Security Device") assigned to that Authorized User and Bank transaction review as specified in Section 2.4.
- 2.2.2. **Access Mobile.** The Security Procedure for verifying payment Instructions given in the Customer's name via the Access Mobile channel is either (i) validation of the registration with the Bank of the mobile device, a biometric identifier, and the private swipe key of an Authorized User (as defined in Section 2.5 below) and transaction review as specified in Section 2.4 or (ii) validation of a user ID and confidential password of an Authorized User (as defined in Section 2.5 below), a token code generated by Security Device assigned to that Authorized User and transaction review as specified in Section 2.4.
- 2.2.3. **Controls Offered to Customer.** For Access Online and Mobile, the Customer may choose to apply certain controls offered by the Bank to the Customer from time to time designed to reduce the Customer's risk of erroneous or unauthorized transactions. The Customer is responsible for choosing controls that are appropriate for the Customer taking into account, among other things, the nature and scale of the Customer's business, including the size, type and frequency of payment orders normally issued to the Bank, and the nature of its technical environment, internal accounting controls and information security policies and procedures (collectively, "Customer Internal Controls"). The Security Procedure that is established by agreement of the Customer and the Bank herein is established in view of the Customer Internal Controls applied by the Customer.

2.3. Security Procedures and Certificate Procedures for Host-to-Host/Managed File Transfer and API Channels. The Security Procedure for verifying payment Instructions given in the Customer's name via the Host-to-Host/managed file transfer and API channels is authentication of a digital signature certificate, which authenticates transmitted files on the basis of the corresponding security key (the "Signature Certificate") and transaction review as provided in Section 2.4. The Customer and the Bank will use the following procedures for the use of a transport certificate, which establishes a secure session between the Bank and the Customer on the basis of a corresponding security key (the "Transport Certificate") and the Signature Certificate. Each of the Signature Certificate and the Transport Certificate are referred to herein as a "Certificate" and the corresponding security key as a "Security Key".

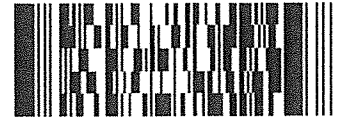
- 2.3.1. **Certificate Procedures and Requirements.** The Customer shall comply with the Bank's procedures and requirements for Certificates and Security Keys notified to the Customer, including but not limited to Certificate validity period, key strength and cryptographic specifications, as amended from time to time. Any request to the Bank to add, update or delete a Security Key shall include the applicable Certificate, a text file or other physical representation of the public Security Key of such Certificate and any other information in the manner and form designated by the Bank. The Bank shall have the right to rely on any request that the Bank believes in good faith to have been sent by the designated security administrator ("Security Administrator"), notwithstanding that such Security Administrator may be a third party agent acting on behalf of the Customer.
- 2.3.2. **Certificate Expiration.** Notwithstanding any courtesy notifications the Bank may send to the Customer regarding the Customer's impending Certificate expiration, the Customer acknowledges that it is the Customer's sole responsibility to update the Certificate prior to its expiration date. The Bank shall have no liability for any loss or damage (including, for the avoidance of doubt, any indirect, special, punitive or consequential damages or losses) arising from the Customer's failure to timely update its Certificate. To allow for proper execution of administrative procedures, and to prevent any lapse in service or emergency procedures, the Customer must request a Certificate change at least 30 days prior to actual Certificate expiration.

2.4. Transaction Review. In addition to the Security Procedures described above, the applicable Security Procedure for each channel also includes transaction review based on various risk characteristics. The transaction review shall be conducted in accordance with commercially reasonable protocols selected by the Bank. Additional authentication from the Customer, such as call-back verification, may be required to complete certain transactions identified by the Bank through transaction review.

2.5. Confidentiality/Security Breach. The Customer will be responsible for safeguarding and ensuring that the Security Procedures and Security Devices are known to and used (i) in the case of Access Online and Mobile, only by individuals designated as users by the Security Administrators ("Authorized Users"), or, (ii) in the case of the Host-to-Host/managed file transfer and API channels, only by the Security Administrators. The Customer shall notify the Bank immediately in the event of any loss, theft or unauthorized use of a Security Procedure or a Security Device or any other breach of security. The Bank may dishonor or disable any Security Device or any aspect of the Security Procedures at any time without prior notice and will inform the Customer of the same. In addition, each Customer must implement its own physical and logical security, as well as management controls, that appropriately protect the hardware, software, and access controls used in the transaction process from unauthorized access and use.

2.6. Security Administrator Designation. The Customer shall designate Security Administrators who shall have equal authority as specified in Section 2.7 below. The Bank is entitled to rely on any such designation of a Security Administrator. The Customer agrees to notify the Bank of any change in Security Administrators in the manner and form designated by the Bank. Any such change shall be effective at such time as the Bank has received such notice and has had a reasonable opportunity to act upon it.

2.7. Security Administrator Responsibilities. Each Security Administrator shall be authorized by the Customer to and be responsible for (i) designating individuals as Authorized Users with respect to the Access Online and Mobile channels; (ii) identifying the functions of the Service that each Authorized User may access; (iii) requesting, creating, controlling, disseminating, and/or canceling user entitlements with respect



to the Access Online and Mobile channels; (iv) managing the Customer's Certificates and corresponding Security Keys with respect to the Host-to-Host/managed file transfer and API channels; (v) receiving and distributing materials, notices, documents and correspondence relating to the Security Procedures; and (vi) advising each Authorized User of his/her obligations hereunder or under any of the applicable Account Documentation. The Security Administrators shall provide to the Bank, upon the Bank's request, a list of Authorized Users for the Access Online and Mobile channels. In the absence of a valid designation of a Security Administrator at any time or in the event that, after reasonable efforts, the Bank is unable to contact a Security Administrator, the Bank may deliver Security Devices and materials and deliver/receive Security Keys to/from any person authorized to act on behalf of the Customer with respect to the Accounts.

2.8. **Processing.** The Customer acknowledges that the application of the Security Procedures and any controls unilaterally implemented by the Bank may cause delays in processing Instructions or result in the Bank declining to execute an Instruction.

3. Open Network Access; Equipment

THE SERVICE IS PROVIDED "AS IS" AND "AS AVAILABLE". TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, ALL WARRANTIES AND REPRESENTATIONS, EXPRESS, STATUTORY OR IMPLIED, WITH REGARD TO THE SERVICE ARE HEREBY DISCLAIMED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE AND COURSE OF DEALING OR USAGE OF TRADE OR WARRANTIES OF NON-INFRINGEMENT OR WARRANTIES AS TO ANY RESULTS TO BE OBTAINED FROM THE USE OF THE SERVICE. TO THE EXTENT THAT ANY IMPLIED WARRANTIES CANNOT BE DISCLAIMED UNDER APPLICABLE LAW, ANY SUCH IMPLIED WARRANTIES ARE LIMITED IN DURATION TO 30 DAYS FROM THE INITIAL DELIVERY DATE OF THE RELEVANT SERVICE. THE BANK AND ITS THIRD PARTY DATA AND SERVICE PROVIDERS DO NOT WARRANT OR GUARANTEE THE SECURITY, SEQUENCE, TIMELINESS, ACCURACY, PERFORMANCE OR COMPLETENESS OF THE DATA OR THAT ANY PART OF THE SERVICE WILL BE ERROR-FREE, WITHOUT DELAY OR UNINTERRUPTED.

The Customer is responsible for, at its sole expense, obtaining, installing, maintaining and operating all browsers, software, hardware, telecommunications equipment or other equipment (collectively, "System") necessary for the Customer to access and use the Service in accordance with the Bank's recommended system configuration. The Bank makes no endorsement of any System or third party site, notwithstanding that the Bank may recommend certain Systems or provide a link to a third party site where the Customer may download software. The Customer shall at all times maintain current and effective anti-virus, anti-spyware or other security software and shall take all reasonable measures to maintain the security of its System. The Customer acknowledges that there are certain security, corruption, transmission error, and access availability risks associated with using open networks such as the Internet. The Customer further acknowledges that it has made an independent assessment of the adequacy of the Internet, the System and the Security Procedures in connection with the use of the Service. The Customer assumes all risks and liabilities associated with the operation, performance and security of its System and the use of the Internet or other open networks, failure or use of Customer's or third party equipment, hardware, browsers, operating systems and/or other software or programs, and services or persons outside of the Bank's control, and the Bank disclaims all such risks. The Customer shall not use any equipment, hardware, software or program that harms the Bank. The Customer agrees to indemnify and hold the Bank, and its agents, employees, officers and directors, harmless from and against any and all claims, damages, demands, judgments, liabilities, losses, costs and expenses arising, directly or indirectly, from the Customer's use of Customer's or third-party software or program. The Bank may in its discretion provide training or information on best practices to the Customer from time to time but in so doing it will not be considered a consultant or advisor with respect to cybersecurity.

4. Instructions; Data

4.1. The Customer shall be solely responsible for the genuineness and accuracy, both as to content and form, of all Instructions given to the Bank's in the Customer's name and verified through the applicable Security Procedure.

4.2. The Customer acknowledges that Data may not have been reviewed by the Bank, may be inaccurate, and may be periodically updated and adjusted. The Bank is not obligated to assure the accuracy of Data and will not be liable for any loss or damage arising out of the inaccuracy of Data. Further, the Bank shall have no liability for the receipt or viewing by any party of Data sent to the destinations designated by the Customer, including but not limited to email addresses, fax and telephone number(s).

5. Customer Warranties

The Customer represents, warrants and covenants to the Bank that: (i) prior to submitting any document or Instruction that designates Authorized Users, the Customer shall obtain from each individual referred to in such document or Instruction all necessary consents to enable the Bank to process the data set out therein for the purposes of providing the Service; (ii) the Customer has accurately designated in writing or electronically the geographic location of its Authorized Users and shall provide all updates to such information; (iii) the Customer shall not access the Service from any jurisdiction which the Bank informs the Customer or where the Customer has knowledge that the Service is not authorized; and (iv) the Security Procedures offered to the Customer conform to the Customer's wishes and needs and the Customer has not requested Security Procedures other than those expressly agreed by the Customer and the Bank. The Customer hereby represents, warrants and covenants to the Bank that these Service Terms constitute its legal and binding obligations enforceable in accordance with its terms.

6. Miscellaneous

6.1. The additional jurisdiction specific provisions set forth in the attached Exhibit are applicable to the Customer based on the domicile of the Customer. Where any local laws or regulations of any jurisdiction apply as a result of the Customer's Authorized Users accessing the Service



from such jurisdiction or as a result of the location of such accounts in such jurisdiction, the jurisdictional specific provisions of that jurisdiction set forth in the attached Exhibit shall apply to the use of the Service by such Authorized Users.

6.2. RESERVED.

6.3. All disputes relating to or in connection with these Service Terms solely arising outside the United States shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. The place of arbitration shall be (i) Singapore where the dispute arises solely in Asia and (ii) London where the dispute arises elsewhere (other than the United States) and the arbitration shall be conducted in English, except that (a) disputes solely between a Customer domiciled in the People's Republic of China and JPMorgan Chase Bank (China) Company Limited shall be submitted to the China International Economic and Trade Arbitration Commission ("CIETAC") for arbitration in accordance with its rules in effect at the time an application is made, with the place of arbitration being Beijing and the arbitration being conducted in English; and (b) disputes involving a Customer domiciled in Taiwan shall be irrevocably submitted to the exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the borough of Manhattan in New York City.

7. Mobile

7.1. Accepting use of the Bank's SMS text notification service and/or Access Mobile channel constitutes the Customer's authorization for the Bank to send Data, message notifications and alerts through any communication service providers, including both Internet and telecommunications providers, which shall each be deemed to be acting as the Customer's agent. Such providers may not encrypt communications.

7.2. Authorized Users may be required to accept an application agreement or license in order to download Access Mobile. The Customer acknowledges that the Account Documentation shall in all cases govern the provision of these services.

7.3. The Customer acknowledges that the Bank shall not be liable for any delays in any Data, message notification or alert delivered via any mobile device.

Exhibit A - Jurisdiction Specific Provisions

A. Australia & New Zealand

To the extent that any supply made by the Bank under these Service Terms is a taxable supply for the purposes of the Australian Goods and Services Tax, or that goods and services tax under the New Zealand Goods and Services Tax Act 1985 is payable in respect of any supply under this License Agreement, ("GST"), the fees payable in respect of that taxable supply ("original amount") will be increased by the amount of GST payable in respect of that taxable supply. Customer must pay the increased amount at the same time and in the same manner as the original amount.

B. Indonesia

The Bank and the Customer agree that, for the effectiveness of any termination of these Service Terms or the Services provided hereunder, they hereby waive any provisions, procedures and operation of any applicable law to the extent a court order is required for the termination of these Service Terms and the Account Documentation as applicable to the services provided under these Service Terms.

Section 4.2 shall be replaced by "Except for losses directly resulting from errors or delay caused by the Bank's gross negligence or willful misconduct, the Customer acknowledges that the Bank shall not be liable for any delays in any Data, message notification or alert delivered via any mobile device."

C. Malaysia/Labuan

In relation to accounts held in Malaysia (excluding Labuan) and/or where the Service is provided in Malaysia (excluding Labuan) references in the Service Terms to "Bank," shall mean J.P. Morgan Chase Bank Berhad. In relation to accounts held in Labuan and/or where the Service is provided in Labuan, references in the Service Terms to "Bank," shall mean J.P. Morgan Chase Bank, N.A., Labuan Branch. The Service provided by J.P. Morgan Chase Bank Berhad shall be accessed through <http://www.jpmorganaccess.com.my> and the Customer undertakes not to access or utilize or attempt to access or utilize the Service through any other JPMorgan website.

D. Republic of China (Taiwan)

Section 4.2 shall be replaced by "Except for losses directly resulting from errors or delay caused by the Bank's gross negligence or willful misconduct, the Customer acknowledges that the Bank shall not be liable for any delays in any Data, message notification or alert delivered via any mobile device."

The Customer acknowledges that it will take steps to ensure it enters into the correct website before attempting to access the Service.



E. European Union.

The Customer acknowledges that it is not a "consumer" for the purpose of the European Union's Electronic Commerce Directive ("ECD") (i.e., that it is not an individual) and agrees that the Bank shall not be required to make any disclosures or do any other thing which a non-consumer may agree not to require under the UK rules and legislation implementing the ECD. For further information on the Bank, please see "Notice regarding EU e-commerce information" in the Terms & Conditions on <http://www.jpmorgan.com>.

- (i) Details of the Bank's processing activities of personal data can be found in its EMEA Privacy Policy, which is available on the Bank's website at www.jpmorgan.com/privacy/EMEA. The Bank's EMEA Privacy Policy may be updated or revised from time to time without prior notice. The EMEA Privacy Policy may be used to assist the Customer with providing a fair processing notice to the Customer's underlying data subjects.
- (ii) The Customer agrees that it has established rights necessary to provide personal data to the Bank and that the Customer will provide any requisite notice to individuals and ensure that there is a proper legal basis for the Bank to process the personal data as described in and for the purposes detailed in the Bank's EMEA Privacy Policy. Both the Customer and the Bank will comply with its respective obligations under applicable privacy laws.

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Eligibility for particular products and services is subject to final determination by J.P. Morgan and/or its affiliates.