

## Retail Lockbox Service

PNC's Retail Lockbox Service is PNC's retail solution for processing OCR-based receivables effectively with focus on low-dollar, high volume customer check payments.

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

### Definitions Applicable to the Retail Lockbox Service:

- "Exception Items" means any other item or transaction that is not a Standard Remittance Item.
- "Remittance Item" means a payment item (cash, check or other forms) with an accompanying payments stub, identifying the customer, the customer's account number, amount owed, any correspondence, documentation or other items received from the customer.
- "Standard Remittance Item" means a Remittance Item that is all of the following: (a) payment only by one check (or other approved payment order type) in full; (b) one accompanying payment stub identifying the customer, the customer's account number and amount owed; (c) received in a standard business envelope; and (d) can be electronically processed using high speed automation.

### PNC Rights and Obligations.

#### Mail Pickup and Review:

- PNC will pick up mail from a U.S. Postal facility, extract Remittance Items, and perform imaging of the contents.
- PNC will review each item to determine whether it is a Standard Remittance Item or an Exception Item.
- PNC will process Standard Remittance Items on high-speed extraction equipment.

#### Remittance Processing for Standard Remittance Items:

- Overlay an endorsement image on each check payment and deposit into a deposit account.
- Scan Remittance Items using high-speed automation to create an image.
- Use commercially reasonable efforts to make images of a quality that will allow Check 21 processing.
- Use commercially reasonable efforts to not submit more than one image of the same item for deposit.

#### Remittance Processing for Exception Items:

- PNC will attempt to correct, repair and complete the processing of all Exception Items.
- For cash payment Exception Items, PNC will prepare a cash log and issue a check payable for cash payment Exception Items processed each day.
- For check payment Exception Items received without corresponding payment stubs, PNC will:
  - If the check includes the account number, enter the information.
  - If the check does not include the account number, PNC will follow client handling instructions.
- For multi-item Exception Items, PNC will apply payment amounts as indicated in, or as PNC reasonably determines from, the materials received in the Exception Items.
- For Remittance Items that PNC cannot image or electronically process using high-speed automation, PNC will process as an Exception Item.
- PNC may provide access to an internet site to view Exception Items that are classified by the customer instructions as unprocessable.

### Customer Obligations.

- The customer must maintain a deposit account with PNC while using this service.
- The customer must review daily activity and standing procedures including, but not limited to, the following:
  - Promptly notify PNC of any items received that cannot be processed for any reason.
  - Handle, process, track and report adjustments to the dollar amounts reported and deposited.
  - Acknowledge receipt of each transmission.
  - Provide reasonable advance notice of any changes in processing instructions, coupon construct or material setup instructions to PNC.

- The customer agrees that it has authorized PNC to apply a standard endorsement to the Remittance Items, and the customer will be responsible to PNC for any liability PNC incurs as a result of applying the endorsement, including liability to a paying bank, a payee or any other party impacted by the application of PNC's standard endorsement.