

Business ACH Origination Service Addendum

This **ACH Origination Service Addendum (“Service Addendum”)** constitutes an Addendum to the Landmark Credit Union Treasury Management Services Agreement (together with this and all other Addenda and Schedules, the “Agreement”). This Service Addendum is made between Member and Landmark and forms the Agreement between the parties with respect to the Services defined below. Capitalized terms used and not defined in this Service Addendum have the meanings assigned elsewhere in the Agreement or in the Rules (defined below). Except as otherwise expressly provided in this Service Addendum, to the extent that the terms of this Service Addendum are inconsistent with other provisions of the Agreement, the terms of this Service Addendum shall control, to the extent necessary to resolve such inconsistency.

1. Services. The Services provide Member with the capability to initiate credit and/or debit Entries through Landmark to accounts maintained at Landmark and in other depository financial institutions by means of the Automated Clearing House Network (“ACH”) pursuant to the terms of this Agreement and the rules of the National Automated Clearing House Association (“Nacha”) and Landmark’s operating rules and procedures for electronic entries, including any exhibits or appendices thereto now in effect, or as may be amended from time to time (the “Rules”).

2. Compliance with Rules and Laws.

- 2.1.** Member acknowledges that it has a copy or has access to a copy of the rules of the Nacha. Member may purchase Nacha Rules online at www.nacha.org.
- 2.2.** Member agrees to comply with and be subject to the Nacha Rules in existence at the date of this Agreement, and any amendments to these Rules made from time to time.
- 2.3.** Member agrees to comply with all rules set forth by Landmark in connection with the submission and processing of ACH transactions, including, but not limited to the cut off times and dollar limits set forth in Schedule B to this Services Agreement.
- 2.4.** Member shall ensure that the origination of ACH transactions complies with U.S. law, including but not limited to sanctions enforced by the Office of Foreign Assets Control (“OFAC”).
- 2.5.** Landmark will charge the Member for any fines or penalties imposed by OFAC, Nacha or any organization which Landmark may incur as a result of non-compliance by the Member. Member agrees to fully reimburse and/or indemnify Landmark for such charges or fines.
- 2.6.** Landmark may terminate or suspend this Agreement upon written notice and identification of a material breach by Member of the Rules. Landmark shall have the right to initiate an audit of Member procedures for compliance with this Agreement and the Rules, upon written notification to Member.

3. Credit Approval.

- 3.1.** Landmark must approve all ACH Agreements and may request financial information from Member and/or require a separate credit agreement. Member authorizes Landmark to obtain credit report(s) on Member, its owners or signers, as applicable and as may be necessary from time to time.

- 3.2.** Landmark may also assign Member a limit representing the maximum aggregate dollar amount of Entries that may be initiated by Member each day (“Exposure Limit”). Member acknowledges that the Exposure Limit is solely for the protection of Landmark and its assets. Member understands that daily requests for Entries exceeding this amount may be honored solely at the discretion of Landmark.

4. Security Interest. To secure the payment and performance of Member’s obligations set forth herein, Member grants to Landmark a security interest in and pledges and assigns to Landmark all of Member’s right, title, and interest in the following described property, whether now owned or hereafter existing or acquired and wherever located: (a) all monies, instruments, savings, checking and other accounts of Member (excluding IRA, Keogh, trust accounts and other accounts subject to tax penalties if so assigned) that are now or in the future in Landmark’s custody or control; (b) any other collateral described in any security instrument securing the obligations of Member to Landmark under this Agreement or any other obligation of Member to Landmark; and (c) all proceeds and products of the property as well as any replacements, accessions, substitutions, and additions to any of the above. The security interest given pursuant to this Section 4 shall survive the termination of this Agreement.

5. Administrator. Your Digital Banking Administrator(s) shall have the authority to grant Authorized Users access to the ACH Origination Service.

6. Transmission of Entries by Member.

- 6.1.** Authorized User(s) shall be authorized to initiate the debit or credit Entries in accordance with the Security procedure in Schedule B to the Treasury Management Services Agreement.
- 6.2.** User(s) shall transmit Entries to Landmark in computer-readable form in compliance with the formatting and other requirements set forth in the Nacha file specifications or as otherwise specified by Landmark.
- 6.3.** Entries shall be transmitted to Landmark no later than 4:00 p.m. CT the business day before the requested settlement day to ensure funds availability at the opening of business on settlement day (“Cut Off Time”). Entries received after the Cut Off time shall be deemed to have been received on the next Business Day.
- 6.4.** The total dollar amount of credit Entries transmitted by Member to Landmark on any one Business Day shall not exceed the lesser of the amount of collected funds in Member’s account or the Exposure Limit set by Landmark.

7. Security Procedures. Member acknowledges that the Security Procedures outlined in the Business Digital Banking Agreement and this Agreement constitute commercially reasonable security procedures under applicable law for the initiation of ACH entries.

8. Credit and Debit Entries; Record Retention. Member shall obtain an authorization as required by the Rules from the person or entity whose account will be debited or credited as the result of a debit or credit Entry initiated by Member and Member shall retain the Authorization Agreement in original form while it is in effect and the original or a copy of each authorization for two (2) years after termination or revocation of such authorization as stated in the Rules. Member shall furnish the person or entity executing the Authorization Agreement with a copy of the same. Upon request, Member shall furnish the original or a copy of the authorization to any affected Participating Depository or Landmark, as defined in the Rules.

9. Processing, Transmittal, and Settlement.

- 9.1.** Except as otherwise provided for in this Agreement and if Landmark elects to accept Entries, Landmark shall (i) use commercially reasonable efforts to comply with the instructions of Member, (ii) process Entries received from Member to conform with the file specifications set forth in the Rules, (iii) transmit such entries as an ODFI to the "ACH" processor selected by Landmark, and (iv) settle for such Entries as provided in the Rules.
- 9.2.** If transmitting Entries, Landmark shall transmit such Entries to the ACH processor by the deposit deadline of the ACH processor, provided: (i) such Entries are completely received by Landmark's cut-off time at the location specified by Landmark to Member from time to time; (ii) the Effective Entry Date satisfies the criteria provided by Landmark to Member; and (iii) the ACH processor is open for business on such Business Day. Member agrees that the ACH processor selected by Landmark shall be considered to have been selected by and designated by Member. The Member will receive immediately available funds for any electronic debit entry initiated by it on the Settlement Date applicable thereto.

10. Same Day ACH Processing.

- 10.1.** Landmark offers same-day ACH processing that allows the processing of credit and debit transactions several times each day. Not all transactions are eligible for same-day ACH processing. Transactions in excess of \$1,000,000 and international transactions ("IATs") are ineligible.
- 10.2.** Landmark processed same-day ACH transactions each Business Day. The deadlines for submitting same-day ACH transactions are set forth in Schedule B to this Service Addendum.
- 10.3.** There is an additional fee for same-day ACH transaction. The fee for same-day ACH transactions is set forth in the analysis statement.

11. Payment for Credit Entries and Returned Debit Entries.

- 11.1.** Member shall settle for all credit Entries issued by Member, User(s), or credit Entries otherwise made effective against Member. Member shall make payment to Landmark on the date as determined by Landmark, in its discretion ("Payment Date").
- 11.2.** Member shall pay Landmark for the amount of each debit Entry returned by a Receiving Depository Financial Institution ("RDFI") or debit Entry dishonored by Landmark. Payment shall be made by Member to Landmark in any manner specified by Landmark.
- 11.3.** Notwithstanding the foregoing, as payment for all payments due under this Agreement, Member shall maintain sufficient collected funds in the Authorized Account(s) to pay for all payments due Landmark under this Agreement on the Payment Date.
- 11.4.** If the Authorized Account or any other Member Landmark account does not have collected funds sufficient on the Payment Date to cover the total amount of all Entries to be paid on that date, Landmark, at its sole discretion, may take either of the following actions:
- a.** Refuse to process all Entries. Landmark shall return the data relating to such credit Entries to Member, whereupon Landmark shall have no liability to Member for the refused Entries; or

- b. Process all credit Entries. The total amount of the funds advanced by Landmark on behalf of Member shall be immediately due and payable by Member to Landmark without any further demand from Landmark.

12. Pre-Funding. Landmark may, at its sole discretion, require Member to pre-fund its Landmark Account prior to the Settlement Date of any ACH file. Member will provide immediately available and collected funds sufficient to pay all Entries initiated by Member not later than 3:45 p.m. CT one banking day before each Settlement Date.

13. Rejection of Entries. Landmark has no obligation to accept Entries that do not comply with the requirements of the Rules or this Agreement. Landmark has no obligation to notify Member of the rejection of an Entry but Landmark may do so at its option. Landmark shall have no liability to Member for rejection of an Entry and shall not be liable to pay interest to Member even if the amount of Member's payment order is fully covered by a withdrawable credit balance in an Authorized Account of Member or Landmark has otherwise received full payment from Member.

14. Cancellation or Amendment by Member.

- 14.1.** Member shall have no right to cancel or amend any Entry after its receipt by Landmark. However, Landmark may, at its option, accept a cancellation or amendment by Member if it is compliant with the Security Procedures. If such a request is received by Landmark before the affected Entry has been transmitted to the ACH processor and Landmark, at its discretion, elects to act on the request, Landmark will use reasonable efforts to cancel or amend the Entry as requested, but Landmark shall have no liability if the cancellation or amendment is not effected.
- 14.2.** If Landmark accepts a cancellation or amendment of an Entry, Member hereby agrees to indemnify, defend all claims and hold Landmark harmless from any loss, damages, or expenses, including but not limited to attorney's fees, incurred by Landmark as the result of its acceptance of the cancellation or amendment.

15. Reversal of Entries.

- 15.1.** Upon proper and timely request by the Member, Landmark will use reasonable efforts to affect a reversal of an Entry or File. To be "proper and timely," the request must (i) be made within five (5) Banking Days of the Effective Entry Date for the Entry or File to be reversed; and (ii) comply with all of the Rules.
- 15.2.** If the Member requests reversal of a Debit Entry or Debit File, it shall concurrently deposit into the Member Account an amount equal to that Entry or File.
- 15.3.** The Member shall notify the Receiver of any Reversing Entry initiated to correct any Entry that the Member has initiated in error. The notification to the Receiver shall include the reason for the reversal and shall be made no later than the Settlement Date of the Reversing Entry.
- 15.4.** Under no circumstances shall Landmark be liable for interest or related losses if the requested reversal of an Entry is not effected. The Member shall reimburse Landmark for any expenses, losses or damages it incurs in effecting or attempting to effect the Member's request for reversal of an Entry.

16. Error Detection. Landmark has no obligation to discover and shall not be liable to Member for errors made by Member, including but not limited to errors made in identifying the Receiver, or an Intermediary or RDFI or for errors in the amount of an Entry or for errors in Settlement Dates. Landmark shall likewise have no duty to discover and shall not be liable for duplicate Entries issued by Member.

17. Prenotification.

- 17.1.** Member, at its option, may send prenotification that it intends to initiate an Entry or Entries to a particular account within the time limits and in the format and medium prescribed for such notice in the Rules.
- 17.2.** If Member receives notice that its prenotification has been rejected by an RDFI within the prescribed period, or that an RDFI will not receive Entries without having first received a copy of the Authorization signed by its customer, Member will not initiate any corresponding Entries to such accounts until the cause for rejection has been corrected or until after it provides the RDFI with the required authorization within the time limits imposed by the Rules.

18. Notice of Returned Entries and Notifications of Change.

- 18.1.** Landmark shall notify Member by email, facsimile transmission, US mail, or other means of the receipt of a returned Entry from the ACH Operator.
- 18.2.** Except for an Entry retransmitted by Member in accordance with the requirements of this Agreement, Landmark shall have no obligation to retransmit a returned Entry to the ACH Operator if Landmark complied with the terms of this Agreement with respect to the original Entry.
- 18.3.** Member shall notify the Receiver by phone or electronic transmission of receipt of each return Entry no later than one Business Day after the Business Day of receiving the notification from Landmark.
- 18.4.** Landmark shall provide Member all information, via encrypted email or facsimile transmission to an Authorized User, as required by the Rules, with respect to each Notification of Change (“NOC”) Entry, Refused Notification of Change, or Corrected Notification of Change (“Corrected NOC”) Entry received by Landmark relating to Entries transmitted by Member.
- 18.5.** Landmark shall provide the information to Member within two (2) Banking Days of the Settlement Date of each NOC or Corrected NOC Entry.
- 18.6.** Member shall ensure that changes requested by the NOC or Corrected NOC are made within six (6) Banking Days of Member's receipt of the NOC information from Landmark or prior to initiating another Entry to the Receiver's account, whichever is later.

19. Entries Returned as Unauthorized; Unauthorized Rate.

- 19.1.** If an Entry is returned as unauthorized or authorization revoked, Member shall contact the necessary parties and resolve any dispute.
- 19.2.** During this process Member may ask Landmark to request from the RDFI a copy of the “Written Statement of Unauthorized Debit (WSUD).” Landmark will make its best effort to obtain the WSUD and will deliver it to the Member when received. Member agrees not to re-originate any transaction returned as unauthorized or as authorization revoked unless and until the Receiver reauthorizes the Entry.

- 19.3.** If the rate of unauthorized transactions exceeds the permissible limit based on the calculations noted in the Rules, Member will share the data requested by Landmark based on the Rules and will immediately begin the process of bringing the rate below that threshold.

20. Account Reconciliation.

- 20.1.** If the Member fails to notify Landmark within ten (10) Calendar Days of receipt of a periodic statement containing the discrepancy, Landmark shall not be liable for any other losses resulting from the Member's failure to give such notice or any loss of interest or any interest equivalent with respect to any Entry shown on such periodic statement.
- 20.2.** If the Member fails to notify Landmark within thirty (30) Calendar Days of receipt of such periodic statement, the Member shall be precluded from asserting any discrepancy against Landmark.

21. Provisional Settlement.

- 21.1.** Member shall make an Entry by the RDFI to the Receiver provisional until RDFI receives the final settlement for such Entry.
- 21.2.** Member acknowledges that it has received notice of this Rule and agrees that, if such settlement is not received, the RDFI shall be entitled to a refund from the Receiver of the amount credited and Member shall not be deemed to have paid the Receiver the amount of the Entry.

22. Member Representations and Warranties.

- 22.1** With respect to each and every Entry transmitted by Member, Member represents and makes the following warranties to Landmark:
- 22.1.1.** For each ACH Entry submitted for processing, Member has obtained all authorizations from the Receiver as required by the Rules, by Regulation E or other applicable law, and this Agreement.
- 22.1.2.** Each person or entity shown as the Receiver on an Entry received by Landmark from Member has authorized the initiation of such Entry and the crediting or debiting of its account in the amount and on the Effective Entry Date shown on such Entry.
- 22.1.3.** Receiver's authorization is operative at the time of transmittal or crediting or debiting by Landmark under this Agreement.
- 22.1.4.** Entries transmitted to Landmark by Member are limited to the types of credit and debit Entries set forth in Schedule B to the Treasury Management Agreement.
- 22.1.5.** Member shall perform its obligations under this Agreement in accordance with all applicable laws, regulations, and orders, including, but not limited to, the sanctions laws, regulations, and orders administered by OFAC; laws, regulations, and orders administered FinCEN; and any state laws, regulations, or orders applicable to the providers of ACH payment services.
- 22.1.6.** Member makes all the warranties to Landmark that Landmark makes to each RDFI and ACH Operator under the Rules for the respective SEC codes for Entries originated by Member.

23. Inconsistency of Name and Account Number. If an Entry describes the Receiver inconsistently by name and account number, payment of the Entry transmitted by Landmark to the RDFI may be made by the RDFI solely on the basis of the account number supplied by the Member, even if it identifies a person different from the named Receiver. The Member shall be obligated to pay the amount of the Entry to Landmark.

24. Data Retention. The Member shall retain adequate data on file to permit the remaking of Entries for five (5) Business Days following the date of their transmittal by Landmark and shall provide such Data to Landmark upon request.

Schedule A
ACH Processing Schedule

Delivery of ACH Files:

- A. Delivery location:** The transmission of Files shall be sent via Landmark's Business Digital Banking.
- B. Format and Content of Entries:** Imported Files will normally be formatted based on the Rules. The Member is referred to Appendix Three in the Rules for the specific formats. If the format used by the Member is different from the standard ACH format the Member may create definitions within the Business Digital Banking Platform to accept the imported file. Additionally, templates for Entries may also be created in the Business Digital Banking to be used one-time or on a recurring basis. The Business Digital Banking Platform will create an acceptable File from the Entries in the template
- C. Acknowledgement of Delivery:** Once a File is uploaded/created and approved by the Member, Landmark shall acknowledge receipt of the File through the Business Digital Banking via email, telephone call or text message
- D. Timing of Delivery:** Except for same-day ACH transactions, files must be approved by the Member no later than 4:00 p.m. CT the business day before the requested settlement day to ensure funds availability at the opening of business on settlement day. If the Member approves an ACH file three days or more before the requested settlement date they will stay on the Scheduled tab in the Business Digital Banking and will be sent to the ACH Queue one business day before the requested settlement date.

For same-day ACH transactions, files must be approved by the Member no later than 1:30 p.m. CT on the requested settlement day.
- E. Notice by Landmark:** If an Entry is rejected, returned or if a notification of change is received, Landmark shall notify the Member.

Schedule B ACH Cut Off Times and Limits

CUT OFF TIMES:

Transactions completed after the below cut-off times on a Business Day or completed on a non-Business Day will be processed the following Business Day.

For non-same-day ACH transactions: Files must be approved by the Member at the latest, by 4:00 p.m. CT the Business Day before the requested settlement day to ensure funds availability at the opening of business on settlement day. If the Member approves an ACH file three days or more before the requested settlement date they will stay on the Scheduled tab in the Business Banking Platform and will be sent to the ACH Queue two business days before the requested settlement date.

For Same-Day ACH Transactions: Files must be approved by the Member no later than 1:30 p.m. CT. Same-day ACH transactions will post to your account by 6:00 p.m. CT.

ACH LIMITS:

The total dollar amount of Credit Entries transmitted by the member to Landmark on any single Business Day shall not exceed \$[AMOUNT].

The total dollar amount of Credit Entries transmitted by the Member to Landmark during any 30 day period shall not exceed \$[AMOUNT].

The total dollar amount of Debit Entries transmitted by the member to Landmark on any single Business Day shall not exceed \$[AMOUNT].

The total dollar amount of Debit Entries transmitted by the Member to Landmark during any 30 day period shall not exceed \$[AMOUNT].

MEMBER SELECTED STANDARD ENTRY CLASS CODE:

- PPD – Prearranged Payment and Deposit Entry**
- CCD – Corporate Credit and Debit Entry**

Member Name(s):

By: _____

Name: _____

Title: _____

Date: _____

This Schedule B replaces and supersedes any prior schedules or agreements as to its subject matter as of the date of its execution.