

CHECK AND ACH POSITIVE PAY SERVICE ADDENDUM

This **Check and ACH Positive Pay 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. Except as otherwise expressly provided in this Addendum, to the extent that this Service Addendum is inconsistent with the provisions of the Agreement or the terms and conditions of the Business Digital Banking Service as described therein, this Service Addendum and any amendment hereto from time to time shall control, but only to the extent necessary to resolve such conflict.

1. Definitions.

“ACH Positive Pay Service” a service that permits you to protect your designated account(s) for ACH Credit Entries and/or ACH Debit Entries. For the security of your account(s) you may wish to block all ACH Entries or block ACH Entries originating from specifically designated originators. ACH Positive Pay service may be used by Member to authorize or reject incoming ACH debits against the Member Account(s) via Landmark’s Digital Banking service.

“Exception Item” means comparative differences between the MICR encoding information of checks (i.e. account number, check number, dollar amount) presented to Landmark (by other depository institutions) with lists of checks issued or canceled by Member which Member transmits electronically to Landmark by a specified time established by Landmark.

“Positive Pay Service” a service that may be used to send Landmark a list of the checks via Landmark’s Digital Banking service that Member has issued so that Landmark may compare the amounts and serial numbers of checks that clear Member’s Account(s) against the list provided to Landmark. Member may only use this service if Member has completed and signed this Service Addendum and any associated documentation required by Landmark, in its sole discretion, that all required I has been submitted to and approved by Landmark, and it remains in effect.

“Service” means each Positive Pay Service that allows Member to identify and make payment decisions regarding exception items.

“User Documentation” means any written information Landmark provides to Member, including information in electronic format, as amended from time to time, which contains detailed instructions regarding the use of a Service.

“You” and “Your” means the Member who is a party to this Service Addendum.

2. Positive Pay Service.

- 2.1.** The Service permits a Member to identify exception items, access electronic images of exception items, request photocopies of exception items, and instruct Landmark whether to pay or return exception items.
- 2.2.** Before using the Service, Member must have applied for, been approved, and be a current User of Landmark’s Digital Banking service. Persons authorized by Member to perform certain duties in connection with Landmark’s Digital Banking service shall be deemed authorized persons for the Service. Landmark may rely on instructions from any person identifying himself or herself as a person so authorized by Member.
- 2.3.** The Positive Pay file must be uploaded or manually input to our system before disbursing checks.

- 2.4.** Positive Pay verifies your Positive Pay file against checks being presented to Landmark for payment. Any item presented to Landmark for payment that does not match the Positive Pay file will be an exception or violation.
- 2.5.** The following sets forth the description of an exception or violation:
 - 2.5.1.** Items presented for payment through Landmark's in-clearings (deposited items) not matching your issue file will be exceptions. You will have an option within Landmark's Digital Banking service to work with your exceptions as they arise. It is your responsibility to work your Positive Pay exceptions daily between the hours of 7:00 a.m. (CT) and 12:00 p.m. (CT).
 - 2.5.2.** Items presented to Landmark for immediate payment (cashing a check at Landmark) not matching your issue file will be a violation. From time to time a Landmark representative may contact you by phone for instruction on a Positive Pay violation. In the event that Landmark cannot contact an authorized contact person for instruction on a Positive Pay violation, Landmark will return or refuse to pay the item.
- 2.6.** Upon request, Landmark will provide you photocopies of electronic images of exception items when necessary.
- 2.7.** If an exception is due to a MICR encoding error (e.g. written dollar amount differs from MICR encoded amount), Member will contact Landmark's Treasury Management Department and report such by the prescribed deadline (currently 12:00 p.m. CT) for correction and resolution of the encoding error.

3. ACH Positive Pay Service.

- 3.1.** Before using the Service, Member must have applied for, been approved, and be using Landmark's Digital Banking service. Persons authorized by Member to perform certain duties in connection with Landmark's Digital Banking service shall be deemed authorized persons for the Service. Landmark may rely on instructions from any person identifying himself or herself as a person so authorized by Member.
- 3.2.** This Service permits a Member to preauthorize ACH Entries by designated originators and to view and decision (honor or reject) non-preauthorized ACH Entries each Banking Day. You will have an option within Landmark's Digital Banking to work with your exceptions as they arise. It is your responsibility to work your ACH Positive Pay exceptions daily between the hours of 7:00 a.m. (CT) and 12:00 p.m. (CT).
- 3.3.** ACH Entries that you choose to pay will flow through the normal ACH processing system and post to your Deposit Account(s). ACH Entries that you choose to reject may not post to your deposit account(s) and may be returned to the originator. Any ACH Entry for which you do not make a decision to pay or reject by 12:00 p.m. (CT) will be returned automatically.
- 3.4.** Member shall identify and define the rules for all pre-authorized ACH Transactions and/or define the filter blocking for all or specific standard entry classes. Member agrees to use Landmark's Digital Banking service for accessing the ACH Positive Pay Service.
- 3.5.** ACH Debit Entries received prior to the setup of the ACH Positive Pay Service (including ACH Filters and/or ACH Positive Pay) may be posted to your deposit account(s) in accordance with the Nacha Rules.
- 3.6.** Your Digital Banking Administrator(s) has the authority to grant additional Users access to the ACH Positive Pay system.

4. Security Procedures.

- 4.1.** All check records and ACH entries must be entered or uploaded into the Positive Pay System. The system may be accessed via Landmark's Digital Banking Services. It is Member's sole responsibility to ensure the security of login credentials used to access the Service. Member agrees to be bound by any order we receive through the Service using the login credentials assigned to Member.
- 4.2.** Member agrees that any file submissions or exceptions acted upon by Landmark following the Security Procedures, whether authorized by Member or not and shall be treated as Member's authorized request.
- 4.3.** Landmark recommends that the person(s) responsible for uploading issue files and reviewing exception files be separate persons.

5. Member Acknowledgements and Agreements.

- 5.1.** Member authorizes Landmark to return or to pay any check/ACH in accordance with Member's instructions and the established procedure of Landmark.
- 5.2.** Member acknowledges that Landmark will have no liability for payment of a check/ACH which is unauthorized or fraudulent if (i) the check/ACH was included in a report of exception items, (ii) Member has not selected return criteria for exception items, and (iii) Member did not instruct Landmark to return the check/ACH in the stipulated timely manner.
- 5.3.** Member acknowledges that the Positive Pay Service does not preclude Landmark's standard check processing procedures, which may cause a check to be dishonored even if Member's instructions or the established procedure do not otherwise require Landmark to return such check.
- 5.4.** Member acknowledges that Landmark has no liability for cashing or accepting an ACH for deposit from another Landmark member, in good faith, a check/ACH presented at one of Landmark's branches even if such check would otherwise be an exception item.
- 5.5.** Member (i) acknowledges that Landmark will use reasonable efforts under the circumstances to respond promptly to proper requests for electronic images or ACH information of exception items and (ii) agrees that Landmark's failure to provide check images or ACH information does not extend the deadlines by which Member must notify Landmark of pay/no-pay decisions.
- 5.6.** Member acknowledges that it must fulfill its responsibilities in connection with this Service on each Business Day whether or not Member is open for business.
- 5.7.** You acknowledge that failure to use the Positive Pay Service (including Check Positive Pay and/or ACH Positive Pay) could substantially increase the likelihood of undetected fraudulent activity on your deposit account(s) and that it is neither unreasonable nor unreasonable under the circumstances for us to require you to use our Positive Pay Service (including Check Positive Pay and/or ACH Positive Pay) upon request. Member agrees that failure to implement the Positive Pay Service (including Check Positive Pay and/or ACH Positive Pay) following our request that Member do so, Member will be precluded from asserting any claim against us (Landmark) for paying an unauthorized, altered, counterfeit or other fraudulent item that the Positive Pay Service (including Check Positive Pay and/or ACH Positive Pay) was designed to detect or deter, and we (Landmark) will not be required to re-credit your deposit account(s) or otherwise be liable to you for paying such item(s).

6. Changes to Processing Instructions.

- 6.1.** You may request us at any time to change the processing instructions for the Service by contacting us. Landmark will not be obligated to implement any requested changes until Landmark has had a reasonable opportunity to act on them. In making such changes, Landmark is entitled to rely on requests purporting to be from Member received at Treasurymanagement@landmarkcu.com through Business Digital Banking secure message or via mail at the address provided in this Service Addendum and addressed to Treasury Management. For certain changes, Landmark may require that Member's requests be in writing, in a form and manner acceptable to Landmark, or be from an authorized person designated by Member. In addition, certain requests may be subject to Landmark's approval.

Agreed and accepted by Member, by their duly authorized representative.

Member Name(s):

By: _____

Name: _____

Title: _____

Date: _____