

**EAST BOSTON SAVINGS BANK  
ACH ORIGINATION AGREEMENT**

This Agreement is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ (“The Customer”) and East Boston Savings Bank (“The Bank”).

The Customer has requested that the Bank permit it to initiate electronic credit or debit entries for payment to accounts maintained at East Boston Savings Bank and at other financial institutions, by means of the Automated Clearing House (“the ACH”).

Now, therefore the Customer and Bank agree as follows:

1. The Customer acknowledges receipt of a copy or has access to a copy of the current operating rules of NACHA, dated \_\_\_\_\_. The Customer agrees to read and to comply with the ACH Rules as well as future updates and abide by the applicable laws of the Commonwealth of Massachusetts and of the United States of America. This includes, but is not limited to sanctions enforced by the Office of Foreign Assets and Control (OFAC). It shall further be the responsibility of the Customer to obtain information regarding such OFAC enforced sanctions.

2. The Customer will obtain written authorization for all entries and shall retain these authorizations for a period no less than two (2) years after the revocation or termination of the authorization. The Customer will comply with all the terms of the Electronic Funds Transfer Act if applicable or Uniform Commercial Code Article 4.5A (UCC4A) if applicable and shall otherwise perform its obligations under this Agreement in accordance with all-applicable laws and regulations.

3. The Customer shall send prenotification (zero-dollar) entries ; at least six (6) days prior to initiating the first live (dollar) entry to a particular account. Such notice shall be provided to the Bank in the format and on the medium provided in the NACHA rules. Should the Customer receive notice that any such prenotification has been rejected by the Receiving Depository Financial Institution (RDFI), the Customer will initiate no further entries to the Receiver until such time as the Customer provides the RDFI with such authorization. At such time, the Customer may initiate entries within the time limits provided in the ACH Rules.

4. The Customer understands and agrees that ACH entries to a Receiver’s account where the individual names does not match the account information will be posted based on the account information provided in the ACH transaction, not based on the name, individual identification or other information provided in the entry. It is the responsibility of the Customer to verify that the individual signing the ACH debit or credit authorization is in fact entitled to use of the specified account.

5. The Bank shall notify the Customer of any returns or notification of change entries received for the Customer no later than three (3) business days after the receipt of the item. This notification may be given by phone to an authorized representative of the Customer, or by fax or mail.

6. Upon receipt of the return items the Customer will cease transmission of said transactions until a new authorization has been obtained or until corrections have been made.

7. Upon receipt of notification of change items, the Customer must make the correction within six (6) banking days, or before the next transaction, whichever is later.

8. The Customer will provide files in the agreed upon medium. All files will be formatted in a NACHA or other pre-approved format. The Bank may reject files not received in the specified format and medium.

9. Each entry or file shall be delivered to the Bank in the agreed upon manner. Credit entries must be received by the Bank no later than two (2) banking days prior to the intended settlement date. Debit entries must be received by the Bank no later than two (2) banking days prior to the intended settlement date.

10. The Customer will maintain an account with the Bank at all times during the term of this Agreement with immediately available funds to offset any credit entries originated by it.

11. The Customer will receive immediate funds for any electronic debit entries initiated by it no later than the settlement date of the items. Provisions may be made for holding accounts to be maintained for posting of any return debit items received, as stated in this agreement and the ACH Rules.

12. The Customer will promptly provide immediately available funds to indemnify the Bank if any debit items are rejected after the Bank has permitted the Customer to withdraw immediately available funds, should funds not be available in the Customer's accounts to cover the rejected items.

13. If the Customer discovers that any entry it has initiated was made in error, it must notify the Bank of the error within 24 hours. In such a case, the Bank will utilize its best efforts to initiate an adjusting entry or stop processing of this entry. Should the Bank be unable to stop the entry from posting, or if it is too late to withdraw the item from the ACH Operator, the Customer may initiate a reversal file to correct that entry, as provided for and abiding by the Rules.

14. Should a reversal be created for an individual entry or entries, as opposed to a complete file reversal, the Receiver(s) of the entries must be notified of the reversal no later than the settlement date of the reversing entry.

15. Should a reversal be created for a complete file reversal, the Customer must advise the Bank within five (5) banking days of settlement.

16. In the event that the ACH Operator for any reason rejects any entries, it shall be the responsibility of the Customer to correct and resubmit such entries. Should the file be rejected due to an error caused by the Bank, the Bank shall be responsible to resubmit the file. In such a case, the Customer will supply sufficient information, upon request, to allow the Bank to recreate the entries for up to five- (5) banking days after midnight of the settlement date.

17. The Customer will indemnify the Bank if it incurs any financial loss or liability (with respect to any entries initiated by the Customer) due to the breach of any of the warranties of an Originating Bank set forth in the ACH Rules, except those due to the negligence of the Bank. This includes reimbursement by the Customer to the Bank of any fines imposed on the Bank due to breaches of ACH Rules by the Customer.

18. The Customer agrees to pay the Bank for the services referred to herein at the prices set forth in the Bank's Business Service Fee Schedule.

19. The Bank shall be responsible only for performing the services expressly provided for in this Agreement and shall be liable only for its negligence in performing those services. The Bank shall not be responsible for the Customer's acts or omissions (including without limitation the amount, accuracy timeliness of transmittal, or due authorizations of any entry received from the Customers) or those of any person, including without limitation any Federal Reserve Financial Institution or transmission or communications facility, any Receiver or receiving Depository Financial Institution (including without limitation the return of the entry by such Receiver or Receiving Depository Financial Institution), and no such person shall be deemed the Banks agent. The Customer agrees to indemnify the Bank against any loss liability, or expense (including attorney's fees and expense) resulting from or arising out of any claim of any person that the Bank is responsible for any act or omission of the Customer, or any other person described in this paragraph.

20. In no event shall the Bank be liable for any consequential, special, punitive or indirect loss or damage which the Customer may incur or suffer in connection with this Agreement, including without limitation, loss of damage from subsequent wrongful dishonor resulting from the Bank's acts or omissions pursuant to this Agreement.

21. Without limiting the generality of the forgoing provisions, the Bank shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission or communication facilities, equipment failure, war, emergency conditions or other circumstances beyond the Bank's control. In addition, the Bank shall be excused from failing to transmit or delay in transmitting an entry if such transmittal would result in the Bank having exceeded the limitation upon its intro-day net fund position established pursuant to present or future Federal Reserve guidelines or which results in the Bank violating any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other United States governmental regulatory authority.

22. Subject to foregoing limitations, the Bank's liability for loss shall be limited to general monetary damages in the amount not to exceed the total amount paid by the Customer for the applicable ACH service, as performed by the Bank under this Agreement for the preceding 30 calendar days.

23. Notwithstanding any other provision to the contrary, in the event of default under the terms of this Agreement by the Customer, the Bank shall have all rights and remedies available at law or in equity.

24. The Customer and the Bank shall comply with established security procedures. The Customer acknowledges that the purpose of the security procedure is for verification of file authenticity and not to detect errors within the transmitted file or individual transactions. No security procedure for detection of any such error has been agreed upon between the Customer and the Bank.

25. From time to time, the Bank may amend any of the terms and conditions contained in this agreement. Such amendments shall become effective upon receipt of notice to the Customer, or as stated in the notice to the Customer.

26. The Bank has the right to terminate or suspend this agreement immediately.

27. The Bank has the right to audit the Customer's compliance with the agreement and rules.

28. The Bank only allows Prearranged Payment and Deposit Entry (PPD) and Corporate Credit or Debit (CCD) files. No International ACH transactions (IAT) will be originated.

29. The Bank will perform an annual review for ACH origination services. Customer will be required to submit requested information. Failure to do so, may result in termination of ACH origination services.

30. This agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts and the NACHA rules. In WITNESS WHEREOF, the undersigned have duly executed the Agreement by their duly authorized officers.

**Customer Name:** \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**East Boston Savings Bank**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_