

**Company Information**

Company Name \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, Zip \_\_\_\_\_  
*hereafter referred to as "Company".*

This Agreement is made on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Company and Lakeland Bank having an address of 250 Oak Ridge Road, Oak Ridge, New Jersey 07438-8906 ("Financial Institution").

**Recitals**

- A. Company has requested that Financial Institution permit it to initiate electronic credit and debit entries through the Financial Institution to accounts maintained at Financial Institution and at other financial institutions by means of the Automated Clearing House Network pursuant to the terms of this ACH Origination Agreement ("Agreement") and the National Automated Clearing House Association's ("NACHA") Operating Rules and Operating Guidelines (collectively, the "Rules"), and Financial Institution is willing to act as an Originating Depository Financial Institution ("ODFI") with respect to such Entries pursuant to the terms of this Agreement. The Rules may be obtained at NACHA's website at [www.nacha.org](http://www.nacha.org).
- B. Unless otherwise defined herein, capitalized terms shall have the meanings provided in the Rules. The terms "Entry" and "Entries" shall have the meaning provided in the Rules and shall also mean the data received from Company hereunder from which Financial Institution initiates each Entry.

Now, therefore, for and in consideration of the mutual promises contained herein, Company and Financial Institution agree as follows:

**Agreement**

- Rules.** Company agrees to comply with and be bound by the Rules as in effect from time to time, as well as the terms of this Agreement. Company represents and warrants that it will not transmit to Financial Institution any Entries that violate the laws of the United States and any other applicable rules or regulations including but not limited to regulations of the Office of Foreign Asset Control ("OFAC"), the Electronic Funds Transfer Act, Federal Reserve Board Regulation E and Article 4A of the Uniform Commercial Code N.J.S.A. 12A:4A-101, et seq., as same may be amended from time to time.
- Transmittal of Entries by Company.** Company shall transmit all credit and debit Entries to the Financial Institution to the location(s) and in compliance with the formatting, content and other requirements set forth in Schedule A attached hereto. Company agrees that its ability to originate entries under this Agreement is subject to exposure limits and Standard Entry Class restrictions and as set forth in Schedule A attached hereto. Financial Institution reserves the right to reject any Entry that exceeds these exposure limits or violate Standard Entry Class restrictions.
- Security Procedures.**

(a) A Security Procedure has been offered to Company by the Financial Institution with respect to the Entries transmitted by Company to Financial Institution, and Company has reviewed and accepted same as a commercially reasonable method of providing security against unauthorized payment orders. Company and Financial Institution shall comply with the security procedure requirements described in Schedule B attached hereto. This Security Procedure, Schedule B, has been agreed upon by Company based upon communications with Financial Institution regarding Company's wishes; the circumstances of Company made known to Financial Institution; alternative security procedures offered to Company; and security procedures in general used by similarly situated companies and receiving financial institutions. As a result of and based upon the foregoing, Company expressly and unconditionally agrees to be bound by any payment order, whether or not authorized, issued in its name and accepted by Financial Institution in good faith and in compliance with the Security Procedure. Company acknowledges that the purpose of such security

procedures is for verification of authenticity and not to detect an error in the transmission or content of an Entry. No security procedures for the detection of any such error have been agreed upon between Financial Institution and Company.

(b) Company is strictly responsible to establish and maintain the procedures to safeguard against unauthorized transmissions. Company represents and warrants that no individual will be allowed to initiate transfers in the absence of proper supervision and safeguards, and agrees to take reasonable steps to maintain the confidentiality of the security procedures and any passwords, codes, security devices and related instructions provided by Financial Institution in connection with the security procedures described in Schedule B. If Company believes or suspects that any such information or instructions have been known or accessed by unauthorized persons, Company agrees to notify Financial Institution immediately followed by written confirmation. The occurrence of unauthorized access will not affect any transfers made in good faith by Financial Institution prior to receipt of such notification and within a reasonable time period to prevent unauthorized transfers.

4. **Compliance with Security Procedures.**

(a) If an Entry (or a request for cancellation or amendment of an Entry) received by Financial Institution purports to have been transmitted or authorized by Company, it will be deemed effective as Company's Entry (or request) and Company shall, with respect to a credit Entry, be obligated to pay Financial Institution the amount of such Entry and, with respect to a debit Entry, maintain sufficient funds in the Company's account to fund the reversal of such Entry, if necessary, even though the Entry (or request) was not authorized by Company, provided Financial Institution accepted the Entry in good faith and acted in compliance with the security procedures referred to in Schedule B with respect to such entry. If signature comparison is to be used as a part of those security procedures, Financial Institution shall be deemed to have complied with that part of such procedures if it compares the signature accompanying a file of Entries (or request for cancellation or amendment of an Entry) received with the signature of an authorized representative of Company ("Authorized Representative") and, on the basis of such comparison, believes the signature accompanying such file to be that of such Authorized Representative.

(b) If an Entry (or request for cancellation or amendment of an Entry) received by Financial Institution was transmitted or authorized by Company, Company shall pay Financial Institution the amount of the credit Entry and shall maintain funds in the Company's account to fund the reversal of such debit Entry, whether or not Financial Institution complied with the security procedures referred to in Schedule B with respect to that Entry and whether or not that Entry was erroneous in any respect or that error would have been detected if Financial Institution had complied with such procedures.

5. **Recording and Use of Communications.** Company and Financial Institution agree that all telephone conversations or data transmissions between them or their agents made in connection with this Agreement may be electronically recorded and retained by either party by use of any reasonable means.

6. **Processing, Transmittal and Settlement by Financial Institution.**

(a) Except as provided in Section 7, **On-Us Entries** and Section 8, **Rejection of Entries**, Financial Institution shall (i) process Entries received from Company that conform to the file specifications set forth in the Rules, (ii) transmit such Entries as an Originating Depository Financial Institution to ACH Operator, and (iii) settle for such Entries as provided in the Rules.

(b) Financial Institution shall transmit such Entries to the ACH Operator, provided (i) such Entries are received by Financial Institution's related cut-off time set forth on Schedule C, and (ii) the ACH Operator is open for business on such Business Day. For purposes of this Agreement, "Business Day" means Monday through Friday, excluding federal holidays. Entries shall be deemed received by Financial Institution, in the case of transmittal by electronic transmission, when the transmission (and compliance with any related security procedures provided for herein) is completed as set forth in Schedule A; and in the case of delivery by electronic media, when received by Financial Institution at the location set forth in Schedule A.

(c) If any of the requirements of clause (i) or (ii) of Section 6(b) is not met, Financial Institution shall use reasonable efforts to transmit such Entries to the ACH Operator by the next deadline which is a Business Day. Financial Institution shall have no liability for Company's failure to meet requirements specified in

section 6 (b) clauses (i) or (ii).

7. **On-Us Entries.** Except as provided in Section 8, Rejection of Entries, in the case of an Entry received for credit to an account maintained with Financial Institution (an "On-Us Entry"), Financial Institution shall credit the Receiver's account in the amount of such Entry on the Effective Entry Date contained in such Entry, provided the requirements set forth in clauses (i) and (ii) of Section 6(b) are met. If either of those requirements is not met, Financial Institution shall use reasonable efforts to credit the Receiver's account in the amount of such Entry no later than the next Business Day following such Effective Entry Date.
8. **Rejection of Entries.** Financial Institution may reject any Entry which does not comply with the requirements of this Agreement. Financial Institution shall notify Company by telephone, electronic transmission (including, but not limited to, electronic mail, facsimile or online message), or in writing of such rejection no later than on the Business Day such Entry would otherwise have been transmitted by Financial Institution to the ACH Operator, or, in the case of an On-Us Entry, its Effective Entry Date. Notices of rejection shall be effective when given. Financial Institution shall have no liability to Company by reason of the rejection of any such Entry or the fact that such notice is not given at an earlier time than that provided for herein. Entries rejected by the Financial Institution or the ACH Operator must be re-created by the Company.
9. **Cancellation or Amendment by Company.** Company shall have no right to cancel or amend any Entry after its receipt by Financial Institution. However, if such request complies with the security procedures described in Schedule B for the cancellation or amendments of Entries, Financial Institution shall use reasonable efforts to act on a request by Company for cancellation of an Entry prior to transmitting it to the ACH Operator, or, in the case of an On-Us Entry, prior to crediting a Receiver's account, but shall have no liability if such cancellation is not effected. Company shall reimburse Financial Institution for any expenses, losses, or damages Financial Institution may incur in effecting or attempting to effect Company's request for the cancellation or amendment of an Entry.
10. **Reversals; Re-Initiation of Entries.** Company may transmit a Reversal Entry pursuant to the Rules. Company shall indemnify Financial Institution against any claim, demand, loss, liability or expense that it incurs as a result of originating this Reversal. Company may not re-initiate an Entry except as prescribed by the Rules.
11. **Notice of Returned Entries and Notifications of Change.**
  - (a) Financial Institution shall notify Company by telephone, electronic transmission (including, but not limited to, electronic mail, facsimile or online message), or in writing of the receipt of a returned Entry from the ACH Operator no later than one Business Day after the Business Day of such receipt. Except for an Entry retransmitted by Company in accordance with the requirements of Section 2 of this Agreement, Financial Institution shall have no obligation to retransmit a returned Entry to the ACH Operator if Financial Institution complied with the terms of this Agreement with respect to the original Entry.
  - (b) Financial Institution shall provide Company all information, as required by the Rules, with respect to each Notification of Change (NOC) Entry or Corrected Notification of Change (Corrected NOC) Entry received by Financial Institution relating to Entries transmitted by Company. Financial Institution must provide such information to Company within two Banking Days of the Settlement Date of each NOC or Corrected NOC Entry. Company shall ensure that changes requested by the NOC or Corrected NOC are made within six (6) Banking Days of Company's receipt of the NOC information from Financial Institution or prior to initiating another Entry to the Receiver's account, whichever is later.
12. **Entries Returned as Unauthorized.** Company shall transmit only those Entries that have been properly authorized by the Receiver in accordance with Rules. In the event that an Entry is returned as unauthorized or authorization revoked, Company agrees to resolve any dispute with the Receiver or other necessary parties. If requested by Company, Financial Institution will request and use reasonable effort to obtain from the Receiving Depository Financial Institution ("RDFI") a copy of the "Written Statement of Unauthorized Debit" and provide it when received. Company agrees not to re-initiate any Entry returned as unauthorized or authorization revoked unless the Receiver re-authorizes the Entry.
13. **Pre-Notification.** As prescribed in the Rules, Company shall transmit a Prenotification Entry at least six (6) Business Days prior to initiating an Entry and upon any change to the account number, financial institution, or individual identification number. If Company receives a notice that the Prenotification Entry was rejected by

the RDFI, Company agrees to not initiate any related Entry until the cause for rejection is resolved pursuant to the Rules.

14. **Unauthorized Return Rate.** In the event that the rate of unauthorized returns of Entries transmitted by Company exceeds .5% of the Company's total Entries as defined in the Rules, Financial Institution shall notify Company by telephone, electronic transmission (including, but not limited to, electronic mail, facsimile or online message), or in writing of such an event. Financial Institution may revoke ACH privileges if the return rate persists.
15. **Payment by Company for Entries.**
  - (a) Company shall pay Financial Institution the amount of each credit Entry transmitted by Financial Institution pursuant to this Agreement at such time on the settlement date of such credit Entry as Financial Institution, in its discretion, may determine, and the amount of each On-Us Entry at such time on the Effective Entry Date of such Entry as Financial Institution, in its discretion, may determine.
  - (b) Company shall promptly pay Financial Institution the amount of each debit entry returned by an RDFI that was transmitted by Financial Institution pursuant to this Agreement.
  - (c) Financial Institution shall pay Company the amount of each debit Entry transmitted by Financial Institution pursuant to this Agreement at such time on the Settlement Date of such debit Entry as Financial Institution, in its discretion, may determine, and the amount of each On-Us Entry at such time on the Effective Entry Date of such Entry as Financial Institution, in its discretion, may determine.
  - (d) Financial Institution shall promptly pay Company the amount of each credit Entry returned by an RDFI that was transmitted by Financial Institution pursuant to this Agreement.
16. **The Account.** Financial Institution may, without prior notice or demand, obtain payment of any amount due and payable to it under this Agreement by debiting the account(s) of Company identified on the ACH Origination Application (the "Account"), and shall credit the Account for any amount received by Financial Institution by reason of the return of an Entry transmitted by Financial Institution for which Financial Institution has previously received payment from Company. Such credit shall be made as of the day of such receipt by Financial Institution. Company shall maintain the Account with Financial Institution at all times during the term of this Agreement, which Account shall, at all times, remain in good standing. The Company shall at all times maintain in the Account immediately available funds sufficient to cover its payment obligations under this Agreement. In the event there are not sufficient available funds in the Account to cover Company's obligations under this Agreement, Company agrees that Financial Institution may debit any account maintained by Company with Financial Institution or any affiliate of Financial Institution or that Financial Institution may set off against any amount it owes to Company, in order to obtain payment of Company's obligations under this Agreement. Upon request of Financial Institution, Company agrees to promptly provide to Financial Institution such information pertaining to Company's financial condition as Financial Institution may reasonably request.
17. **Periodic Statement; Account Reconciliation.** Entries transmitted by Financial Institution will be reflected on Company's periodic statement issued by Financial Institution with respect to the Account pursuant to the agreement between Financial Institution and Company (the "Account Agreement"). Company agrees to notify the Financial Institution promptly in writing of any discrepancy between Company's records and the information in the periodic statement. If Company fails to notify Financial Institution of any discrepancy within thirty (30) days of receipt of a periodic statement containing such information, Company agrees that Financial Institution shall not be liable for any losses resulting from Company's failure to give such notice or any loss of interest or any interest equivalent with respect to the Entry shown on such periodic statement. If Company fails to notify Financial Institution of any such discrepancy within thirty (30) days of receipt of such periodic statement, Company shall be and is hereby deemed to be precluded from asserting such discrepancy and any and all claims against Financial Institution, and does hereby waive such claims including claims for interest, costs or attorney's fees. Furthermore, Company shall be liable to Financial Institution for all damages, expenses and losses incurred by Financial Institution (including attorney's fees and costs) as a result of such failure.

18. **Company Representations and Agreements; Indemnity.** Company represents and warrants to Financial Institution all warranties Financial Institution is deemed by the Rules, or applicable law or regulations, to make with respect to Entries originated by Company. Without limiting the foregoing and without respect to each and every Entry initiated by Company, Company represents and warrants to Financial Institution and agrees that (a) each entry is accurate, is timely, and has been duly authorized by the party whose account will be credited or debited, and otherwise complies with the Rules or applicable law or regulation; (b) each debit entry is for a sum which, on the settlement date with respect to it, will be owing to Company from the party whose account will be debited, is for a sum specified by such party to be paid to Company, or is a correction of a previously transmitted erroneous credit entry; (c) Company has complied with all prenotification requirements of the Rules; (d) Company has and will comply with the terms of the Electronic Funds Transfer Act, if applicable, Uniform Commercial Code Article 4A, if applicable, as well as Federal Reserve Board Regulation J, if applicable, and shall otherwise perform its obligations under this Agreement in accordance with all applicable laws and regulations including the sanctions laws administered by OFAC; and (e) Company shall be bound by and comply with the Rules as in effect from time to time, including, without limitation, the provision making payment of an Entry by the Receiving Depository Financial Institution ("RDFI") to the Receiver provisional until receipt by the RDFI of final settlement for such Entry. Company specifically acknowledges that it has received notice of the Rule regarding provisional payment and of the fact that, if such settlement is not received, the RDFI shall be entitled to a refund from the Receiver of the amount credited and Company shall not be deemed to have paid the Receiver the amount of the Entry.

Company does hereby agree to and shall indemnify, hold harmless and defend, without limitation, Financial Institution from and against any and all demands, claims, losses, liability or expense (including attorney's fees and costs) relating to, arising out of or involving any breach of the representations and warranties set forth in this Agreement. It is intended and Company does hereby agree that Financial Institution shall be by covenant indemnified, held harmless and defended by Company, and shall be shielded from and against any and all claims for damages, of any nature and from any source, arising out of, relating to, or involving any breach of the foregoing representations, warranties, covenants or agreements set forth in this Agreement by Company, or the failure of Company to comply with the terms of this Agreement, the Rules, or any and all other applicable laws or regulations.

19. **Financial Institution Responsibilities; Liability; Limitations on Liability; Indemnity.**

(a) In the performance of the services required by this Agreement, Financial Institution shall be entitled to rely solely on the information, representations, and warranties provided by Company pursuant to this Agreement, and shall not be responsible for the accuracy or completeness thereof. Financial Institution shall be responsible only for performing the services expressly provided for in this Agreement, and shall be liable only for its gross negligence or willful misconduct in performing those services. Financial Institution shall not be responsible for Company's acts or omissions (including without limitation the amount, accuracy, timeliness of transmittal or authorization of any Entry received from Company) or those of any other person, including without limitation any Federal Reserve Bank, ACH Operator, Financial Institution or transmission or communications facility, any Receiver or RDFI (including without limitation the return of an Entry by such Receiver or RDFI), and no such person shall be deemed Financial Institution's agent. Company agrees to indemnify, defend and hold harmless Financial Institution against any loss, liability or expense (including attorney fees and expenses) resulting from or arising out of any claim of any person that the Financial Institution is responsible for any act or omission of Company or any other person described in this Section 19(a).

(b) Financial Institution shall be liable only for Company's actual damages incurred directly by Financial Institution's gross negligence or willful misconduct; in no event shall Financial Institution be liable for any consequential, special, incidental, punitive or indirect loss or damage which Company may incur or suffer in connection with this Agreement, whether or not the likelihood of such damages was known or contemplated by the Financial Institution and regardless of the legal or equitable theory of liability which Company may assert, including, without limitation, loss or damage from subsequent wrongful dishonor resulting from Financial Institution's acts or omissions pursuant to this Agreement.

(c) Without limiting the generality of the foregoing provisions, Financial Institution 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

Financial Institution's control. In addition, Financial Institution shall be excused from failing to transmit or delay in transmitting an Entry if such transmittal would result in Financial Institution's having exceeded any limitation upon its intra-day net funds position established pursuant to present or future Federal Reserve guidelines or in Financial Institution's reasonable judgment otherwise would violate any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other U.S. governmental regulatory authority.

(d) Subject to the foregoing limitations, Financial Institution's liability for loss of interest resulting from its error or delay shall be calculated by using a rate equal to the average Federal Funds Rate at the Federal Reserve Bank of New York for the period involved. At Financial Institution's option, payment of such interest may be made by crediting the Account.

20. **Inconsistency of Name and Account Number.** Company acknowledges and agrees that, if any Entry describes the Receiver inconsistently by name and account number, payment of the Entry transmitted by Financial Institution to the RDFI may be made by the RDFI (or by Financial Institution in the case of an On-Us Entry) on the basis of the account number supplied by Company, even if it identifies a person different from the named Receiver, and that Company's obligation to pay the amount of the Entry to Financial Institution is not excused in such circumstances.
21. **Same Day ACH.** Company may, with prior approval by and at the sole discretion of Financial Institution, transmit Same Day ACH Entries. Entries with an Effective Entry Date of the date of or the date prior to the transmission date received by Financial Institution prior to the applicable cut-off time set forth in Schedule C shall be considered a Same Day Entry. IAT Entries and Entries above \$25,000 are not eligible for Same Day ACH processing. Company agrees to pay applicable Same Day Entry fees set forth in the Business Fee Schedule or under separate addendum attached hereto.  
If a Same Day Entry is received by Financial Institution for a Company that has not received approval or is not set up to initiate Same Day Entries, Company acknowledges and agrees that the Entry, even if not intended to be a Same Day Entry, shall be considered a Same Day Entry. Company agrees to pay applicable Same Day Entry fees set forth in the Business Fee Schedule or under separate addendum attached hereto.
22. **Payment for Services.** Company shall pay Financial Institution the charges for the services provided in connection with this Agreement, as set forth in the Business Fee Schedule. All fees and services are subject to change upon thirty (30) calendar days prior written notice from Financial Institution to Company. Continued use by Company of services pursuant to this Agreement after notice of a fee change by Financial Institution shall be conclusive proof that Company agrees to the new fee schedule and shall be bound by same. Such charges do not include, and Company shall be responsible for payment of, any sales, use, excise, value added, utility or other similar taxes relating to such services, and any fees or charges provided for in the Account Agreement.
23. **Right to Audit.** Company agrees to review its compliance with the Rules on a periodic basis but not less than annually. Company also agrees to permit Financial Institution, upon five (5) Business Days written notice, to review Company's operations and related documentation as they relate to compliance with this Agreement and Company's responsibilities under the Rules.
24. **Amendments.** From time to time, Financial Institution may amend any of the terms and conditions contained in this Agreement, including without limitation, any cut-off time, any Business Day, and any part of Schedules A through C attached hereto. Such amendments shall become effective upon receipt of notice by Company or such later date as may be stated in Financial Institution's notice to Company.
25. **Notices, Instructions, Etc.**
  - (a) Except as otherwise expressly provided herein, Financial Institution shall not be required to act upon any notice or instruction received from Company or any other person, or to provide any notice or advice to Company or any other person with respect to any matter.
  - (b) Financial Institution shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by an Authorized Representative, and

any such communication shall be deemed to have been signed by such person. The names and signatures of Authorized Representatives are set forth in the ACH Origination Application. Company may add or delete any Authorized Representative by duly authorized written notice to Financial Institution. Such notice shall be effective on the first Business Day following the day of Financial Institution's receipt thereof.

(c) Except as otherwise expressly provided herein, any written notice or other written communication required or permitted to be given under this Agreement shall be delivered, sent by United States registered or certified mail, postage prepaid, or by express carrier, and, if to Financial Institution, addressed to:

Lakeland Bank  
250 Oak Ridge Road  
Oak Ridge, NJ 07438-8906  
Attn.: ACH Origination

and, if to Company, addressed to Company at the address indicated on the ACH Origination Application, unless another address is substituted by notice delivered or sent as provided herein. Except as otherwise expressly provided herein, any such notice shall be deemed given when received.

26. **Data Retention.** Company shall retain data on file adequate to permit remaking of Entries for five (5) days following the date of their transmittal by Financial Institution as provided herein, and shall provide such data to Financial Institution upon its request. Without limiting the generality of the foregoing provision, Company specifically agrees to be bound by and comply with all applicable provisions of the Rules regarding the retention of documents or any record, including, without limitation, Company's responsibilities to retain all items, source documents, and records of authorization in accordance with the Rules.
27. **Electronic Media and Records.** All electronic media (e.g. magnetic tapes, disks, CD-ROMs), Entries, security procedures and related records used by Financial Institution for transactions contemplated by this Agreement shall be and remain Financial Institution's property. Financial Institution may, at its sole discretion, make available such information upon Company's request. Any expenses incurred by Financial Institution in making such information available to Company shall be paid by Company.
28. **Evidence of Authorization.** Company shall obtain all consents and authorizations required under the Rules and shall retain such consents and authorizations for two (2) years after they expire.
29. **Third-Party Service Provider.** Company may, with prior approval by and at the sole discretion of the Financial Institution, appoint a third party to act as Company's agent to process Entries on behalf of Company for the purposes of the services provided in this Agreement ("Third-Party Service Provider") as set forth in the ACH Origination Application. Company acknowledges and agrees that Entries (including cancellations, amendments and corrections) transmitted to Financial Institution on behalf of Company are authorized pursuant to this Agreement and the Rules. Company and Third-Party Service Provider agree jointly and severally to indemnify, hold harmless and defend the Financial Institution from all liabilities, losses, damages, costs and expenses (including but not limited to reasonable attorneys' fees). Company and Third-Party Service Provider shall execute an agreement in order to establish appropriate rights and responsibilities of each party as defined in the Rules. Company agrees to notify Financial Institution in writing of any termination of the Third-Party Service Provider's authority to act on Company's behalf. Company agrees that the effective date of such termination will be ten (10) Business Days from (a) the date that the Financial Institution received the written notice of such termination; or (b) any termination date provided in the written termination, whichever is later. Company acknowledges that its obligations with respect to Entries initiated by the Third-Party Service Provider prior to such termination shall survive termination pursuant to this Agreement and the Rules.
30. **Cooperation in Loss Recovery Efforts.** In the event of any damages for which Financial Institution or Company may be liable to each other or to a third party pursuant to the services provided under this Agreement, Financial Institution and Company will undertake reasonable efforts to cooperate with each other, as permitted by applicable law, in performing loss recovery efforts and in connection with any actions that the relevant party may be obligated to defend or elects to pursue against a third party.
31. **Termination.** Company may terminate this Agreement at any time. Such termination shall be effective on the 5th Business Day following the day of Financial Institution's receipt of written notice of such termination or such later date as is specified in that notice. Financial Institution reserves the right to terminate this

Agreement immediately upon providing written notice of such termination to Company. Any termination of this Agreement shall not affect any of Financial Institution's rights and Company's obligations with respect to Entries initiated by Company prior to such termination, or the payment obligations of Company with respect to services performed by Financial Institution prior to termination, or any other obligations that survive termination of this Agreement.

- 32. **Entire Agreement.** This Agreement (including the Schedules attached hereto), together with the ACH Origination Application and the Account Agreement, is the complete and exclusive statement of the agreement between Financial Institution and Company with respect to the subject matter hereof and supersedes any prior Agreement(s) between Financial Institution and Company with respect to such subject matter. In the event of any inconsistency between the terms of this Agreement and the Account Agreement, the terms of this Agreement shall govern. In the event performance of the services provided herein in accordance with the terms of this Agreement would result in a violation of any present or future statute, regulation or government policy to which Financial Institution is subject, and which governs or affects the transactions contemplated by this Agreement, then this Agreement shall be deemed amended to the extent necessary to comply with such statute, regulation or policy, and Financial Institution shall incur no liability to Company as a result of such violation or amendment. No course of dealing between Financial Institution and Company will constitute a modification of this Agreement, the Rules, or the security procedures or constitute an agreement between the Financial Institution and Company regardless of whatever practices and procedures Financial Institution and Company may use.
- 33. **Non-Assignment.** Company may not assign this Agreement or any of the rights or duties hereunder to any person without prior written consent.
- 34. **Waiver.** Financial Institution may waive enforcement of any provision of this Agreement. Any such waiver shall not affect Financial Institution's rights with respect to any other transaction or modify the terms of this Agreement.
- 35. **Binding Agreement; Benefit.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns. This Agreement is not for the benefit of any other person, and no other person shall have any right against Financial Institution or Company hereunder.
- 36. **Headings.** Headings are used for reference purposes only and shall not be deemed a part of this Agreement.
- 37. **Severability.** In the event that any provision of this Agreement shall be determined to be invalid, illegal or unenforceable to any extent, the remainder of this Agreement shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.
- 38. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of New Jersey.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their duly authorized officers.

**COMPANY**

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

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

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

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

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

**FINANCIAL INSTITUTION**

Lakeland Bank

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

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

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

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

**Schedule A - File Remittance**

1. **File Format.** Entries must be formatted according to the Rules defined by the National Automated Clearing House Association (NACHA). Files must be balanced and contain offsetting debit and credit Entry totals.
2. **Transmission Methods.**
  - a. **PC/Internet Transmissions through Business Online Banking.** File transmission through the Business Online Banking system is the primary and preferred method for transmitting Entries. Active enrollment in this system must be maintained and acceptance of the Business Online Banking terms and conditions is required.
  - b. **PC/Internet Transmission through Secure File Upload/Transfer.** File transmission through Lakeland Bank's SecureMail (powered by ZixCorp®) is permitted when the Business Online Banking System is not available to accept/process files. This method is intended for back-up use only and should not serve as the primary transmission method. Contact the Financial Institution for further instructions.
  - c. **Hand delivered files or files by Courier.** Commercially reasonable electronic media files may be delivered to the following location only if the electronic transmission methods above are not available.  
  
File Location: Lakeland Bank  
Milton Operations Center  
5716 Berkshire Valley Rd  
Oak Ridge, NJ 07438  
(973) 948-9520
3. **Standard Entry Class.** Only the following Standard Entry Classes are permitted:
  - PPD (Prearranged Payment and Deposit Entry). Entries posted to a consumer account.
  - CCD (Corporate Credit or Debit). Entries posted to a business (non-consumer) account.
  - CTX (Corporate Trade Exchange). Entries posted to a business account.
4. **Exposure Limits.** Company will be assigned exposure limits for Entries transmitted to Financial Institution. Entries that exceed exposure limits will not be processed and may require further verification, approval, and re-initiation by Company. Contact Financial Institution for Company exposure limits.

**Schedule B – Security Procedures**

Lakeland Bank ("Financial Institution") shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by the Authorized Representative, and any such communication shall be deemed to have been signed by such person.

It is the responsibility of Company to notify Financial Institution in writing of any changes to those individuals designated as Authorized Representative(s) for Company.

File Transmissions from Company to the Financial Institution made over an unsecured electronic network must use at least the minimum level of encryption required by the Rules.

Financial Institution does not verify the accuracy of file attributes, including, but not limited to, effective date(s), account information or bank information.

1. ***PC/Internet File Transmission through Business Online Banking.***

Company's Authorized Representative will access the Online Banking system ("System") by utilizing the prearranged logon procedures and additional verification processes, including, but not limited to, use of security questions and answers, internet browser "cookies", and one-time password devices (e.g. tokens).

Company's Authorized Representative will provide Financial Institution with verification of the totals contained in the transmission. The System will verify that certain file attributes agree with the file provided. In the event of a discrepancy, the system will not accept the file.

2. ***PC/Internet File Transmission through Secure File Upload.***

Company's Authorized Representative will access Financial Institution's secure file transmission system by utilizing the prearranged logon procedures.

The Company's Authorized Representative will provide Financial Institution with verification of the totals contained in the transmission. Financial Institution will verify that certain file attributes agree with the information provided in the control data message. In the event of a discrepancy in the totals, Financial Institution will contact the specified Company's Authorized Representative as set forth on the ACH Origination Application. If an Authorized Representative is not available for notification, the file will not be processed until the Company's Authorized Representative can be contacted.

3. ***Hand Delivered Files.***

Company's Authorized Representative may hand deliver file(s) or send files via courier to the location as set forth in Schedule A. Each hand delivered file must be accompanied by a transmittal register and signed by an Authorized Representative.

Financial Institution will verify that certain file attributes agree with Company's transmittal register. In the event of a discrepancy, Financial Institution will call the specified Company's Authorized Representative. If an Authorized Representative is not available for notification, the file will not be processed until the Company's Authorized Representative can be contacted.

**Schedule C – ACH Processing Deadlines**

Lakeland Bank ("Financial Institution") has set forth the following processing deadlines:

***Credit Entries***

4:00 p.m. E.T. two (2) Business Days prior to the Effective Date.

***Debit Entries***

4:00 p.m. E.T. one (1) Business Day prior to the Effective Date.

***Same Day Entries***

11:15 a.m. E.T. on the Effective Date.

"Business Day" means Monday through Friday, excluding federal holidays.

Effective Date must be a Business Day or the record will be processed on the first Business Day following the Effective Date.