

**VILLAGE OF WATERLOO  
RESOLUTION NO. 12-14-21-06**

**WHEREAS**, the Board of Trustees of the Village of Waterloo signed a contract with Foundation One Bank on November 8, 2011 and renewed on November 24, 2015 to utilize Automatic Clearing House (ACH) files for the purpose of accepting Utility Bill payments and paying Payroll; and

**WHEREAS**, Foundation One Bank would like to update this contract.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF WATERLOO, NEBRASKA, AS FOLLOWS:**

**THAT**, the renewal to the ODFI/Originator Shell Agreement with Foundation First One is approved to allow the Village to continue to submit ACH files for Utility Bill payments and Payroll.

PASSED THIS 14 DAY OF December, 2021

ATTEST:

Melissa Smith

Melissa Smith  
Clerk



Travis Harlow

Travis Harlow  
Chairperson

Schedule [E]

ACH Authorized Signature Form

All ACH transaction files/listings must be delivered with a transmittal document with authorized signature(s).

Date: 12/14/21

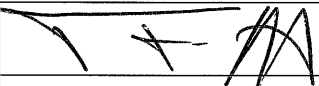
Company: Village of Waterloo

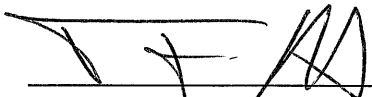
Company ID Number: 47-6006403

Account Number: 1685

The signatures below are the signatures of individuals vested with full authority to sign transmittal registers used in conjunction with the origination of ACH files. Such employees are referred to in the Agreement as "Authorized Representatives."

Number of signatures required to submit a transaction file for processing: \_\_\_\_\_

<u>Printed Name</u>	<u>Signature</u>
1. <del>Melissa Johnson</del> Smith	Melissa Smith
2. Travis Harlow	
3.	
4.	

  
\_\_\_\_\_

Authorized Signature

Village Chairperson

Title

**Schedule [D]**

**ODFI Fee Schedule**

*One-time Fees*

Set Up Fee \$ \_\_\_\_\_

*Regular Monthly Fees*

Debit Items Originated \$ \_\_\_\_\_

Reversing/Correcting Debit Items Originated \$ \_\_\_\_\_

Premium Debits Originated \$ \_\_\_\_\_

Credit Items Originated \$ \_\_\_\_\_

Reversing/Correcting Credit Items Originated \$ \_\_\_\_\_

Per File Origination Fee (Traditional) \$ 10.00

Per File Origination Fee (Same Day) \$ 20.00

Prenote Items Originated \$ \_\_\_\_\_

Addenda Records Originated \$ \_\_\_\_\_

Return Items and Notification of Change \$ \_\_\_\_\_

Minimum Monthly Fee \$ \_\_\_\_\_

**Schedule [C]**  
**Account Agreement**

This schedule identifies Company Account(s) to which settlement should be applied for origination of Entries or settlement of return Entries.

Account Name	Account Number and type
<u>Village of Waterloo</u>	<u>1685</u>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>

Schedule [B]

ODFI Processing Schedule

Consumer *Debit* Transactions

Delivery Method	Deadline	Day of Delivery
Transmission for Next Day-Direct Online Banking	6:00 AM 12:15 AM 6:00 PM	One (1) Business Day Prior to Effective Entry Date
Transmission for Same Day -Direct Online Banking	<u>6:55 AM</u> <u>10:50 AM</u> <u>12:55 PM</u>	Business Day of Entry

Consumer *Credit* Transactions

Delivery Method	Deadline	Day of Delivery
Transmission-Direct Online Banking	6:00 AM 12:15 AM 6:00 PM	One (1) Business Day Prior to Effective Entry Date
Transmission for Same Day -Direct Online Banking	<u>6:55 AM</u> <u>10:50 AM</u> <u>12:55 PM</u>	Business Day of Entry

The Company is solely responsible for the accurate creation, modification, and deletion of the account information maintained on the Company's personal computer. The Company is solely responsible for access by its employees to ACH data files maintained by the Company.

The Company is responsible for operator security procedures on computer(s) used for the program.

The Company will not be allowed to Opt Out of Account Security required by the Financial Institution.

#### *Electronic File Transmission*

ACH File Delivery ACH File transmissions made over an unsecured electronic network must use at least the minimum level of encryption required by the *Rules*.

a. *Internet Banking/ACH Transmission*: The Company's Authorized Representative will transmit files to the Financial Institution through Internet Banking by utilizing prearranged log-on procedures, remote ID, and file ID 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).

b. *Secure File Upload*: File transmission through the Financial Institution's secure File delivery method is available. The Company's Authorized Representative will access Financial Institution's ACH secure File delivery utilizing prearranged logon procedures.

c. *Hand delivered Files or Files by courier*: Files may be hand delivered to the following location only if electronic methods above are not available. Each hand delivered File must be accompanied by a transmittal register, signed by an Authorized Representative as set forth in Schedule [E].

File Location: Foundation One Bank

4141 N 156<sup>th</sup> St, Ste 101

Omaha, NE 68116

402-502-5558

The Company's Authorized Representative will provide the Financial Institution with verification of the totals contained in the hand-delivered file(s) to the Financial Institution's Contact. In no case will the transmittal register accompanying the file be construed as verification.

The company agrees to comply with written procedures and security enhancements provided by the Financial Institution for the creation, maintenance, and initiation of ACH transfers.

The Financial Institution will anticipate the receipt of an ACH File Transmission from the Company on each scheduled processing date identified by the Company in writing and agreed to by the Financial Institution. The Company is responsible for ensuring that the Financial Institution receives the Transmission on each processing date indicated in the processing schedule. The Company's Authorized Representative will notify the Financial Institution if a Transmission will not take place on the prearranged scheduled processing date.

Transmission totals will be provided to the Financial Institution for File verification. In the event of a discrepancy, the Financial Institution will contact the Company's Authorized Representative. If an Account Representative is not available for notification, then the file will not be processed until the Company's Authorized Representative can be contacted on the next business day.

## Foundation One Bank

### Schedule (A)

#### ACH Transmittal and Security Procedures

All ACH files must be formatted according to the *Rules* or other pre-approved format; transmission specifications will be established by the Financial Institution.

##### *Security Procedures*

(a) The 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 is deemed to have been signed by such person.

(b) The Financial Institution will not be responsible for verifying the authenticity of any person claiming to be an Authorized Representative of the Company or the authenticity of any instruction, direction or information provided.

(c) The Financial Institution may, but is under no obligation to, hold suspicious files, files that do not adhere to established security, exceed exposure limits, violate the terms of this Agreement or the *Rules*, or for other reasons. Such files will require authorization by an Authorized Representative of the Company before transmission to the ACH Operator.

(d) The Financial Institution requires the following minimum levels of network and computer security for all Originators

- Reliable, current, and fully patched Security Suites including, at minimum, anti-virus, anti-malware, anti-botnet, and anti-spyware.
- Hardware and software Firewalls.
- Hardware and VPN Encryption.
- Dedicated computer with static IP Address or specified IP range for file initiation.
- Process to patch systems timely.
- Written security policy and procedures designed to protect the Company's network from infection or breach.
- Regular employee training.

The Company shall supply evidence to the Financial Institution of the above security requirements within two (2) business days of such request.

(e) *Account Security*: The Financial Institution requires the following account security:

- Files must be initiated and transmitted under dual control.
- Randomly generated cookie/Token technology created per user session.
- The Company will not process files using Administrator credentials.
- The Company Administrator will set user exposure limits.



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

Village of Waterloo

Company

\_\_\_\_\_

Signed By

\_\_\_\_\_

Printed/Typed Name

\_\_\_\_\_

Title

Foundation One Bank

Financial Institution

\_\_\_\_\_

Signed By

\_\_\_\_\_

Printed/Typed Name

\_\_\_\_\_

Title

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 would result in a violation of any present or future statute, regulation or government policy to which the Financial Institution is subject to, 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 the Financial Institution shall incur no liability to the Company as a result of such violation or amendment.

34. *Non-Assignment.* The Company may not assign this Agreement or any of the rights or duties hereunder to any person without the Financial Institution's prior written consent.
35. *Waiver.* The Financial Institution may waive enforcement of any provisions of this Agreement. Any such waiver shall not affect the Financial Institution's rights with respect to any other transaction or modification of the terms of this Agreement.
36. *Binding Agreement; Benefit.* This Agreement shall be binding upon and benefits the parties to this Agreement 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 the Financial Institution or the Company under this Agreement.
37. *Severability.* If 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.

27. *Third Parties.* The Company shall enter into contract with and assume full liability for any action made by, any third-party processor used by the Company to initiate Entries on its behalf. The Company will notify the Financial Institution of the use of any third-party.
28. *Obligations of a Third-Party Sender.* The *Rules* contain special requirements and impose additional obligations on the Financial Institution when it acts as the Company's Originating Depository Financial Institution ("ODFI") with respect to Entries the Company sends as a Third-Party Sender. If the Company sends the Financial Institution any Entries as a Third-Party Sender, the Company automatically makes the additional agreements and representations to the Financial Institution that are contemplated by the *Rules*.
29. *Reversing Entries.* The Company shall notify the Receiver of the reversing Entry and reason no later than the Settlement Date of the reversing Entry. This notification may be made by the Company's method of choice (fax, telephone, etc.).
30. *Audit.* The Financial Institution has the right to audit the Company's compliance with the *Rules*, U.S. law, and the Financial Institution policies. The Company shall provide reasonable assistance and information to conduct such audit, including reasonable access to operating systems, policies, procedures, records, and other materials.
31. *Termination.* Either party may terminate this Agreement upon (30) days written notice to the other party. In addition, the Financial Institution may terminate this Agreement or suspend the Company's use of the ACH origination service under this Agreement immediately and without giving the Company prior written notice if the Company has breached the *Rules*, any entry the Company transmits to the Financial Institution or any of the Company's acts or omissions might cause the Financial Institution to breach the *Rules* or any representations or warranties the Financial Institution makes under the *Rules*, or the Financial Institution believes termination or suspension is necessary for the Financial Institution to comply with the *Rules*. Any termination or suspension of this Agreement shall not affect any of the Financial Institution's rights or the Company's obligations with respect to Entries transmitted prior to such termination or suspension, or the payment obligations of the Company with respect to services performed by the Financial Institution prior to termination or suspension.
32. *Cooperation in Loss Recovery Efforts.* In the event of any damages for which the Financial Institution or the Company shall be liable to each other or to any third-party pursuant to the services provided under this Agreement, the Financial Institution and the Company shall 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 any third-party.
33. *Entire Agreement.* This Agreement, including the Schedules attached hereto, together with the Account Agreement, is the complete and exclusive statement of the Agreement between the Financial Institution and the Company with respect to the subject matter hereof and supersedes any prior Agreement(s) between the Financial Institution and the

25. *Notices and Instructions.*

- (a) Except as otherwise expressly provided herein, the Financial Institution shall not be required to act upon any notice or instruction received from the Company or any other person, or to provide any notice or advice to the Company or any other person with respect to any matter.
- (b) The 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. The names and signatures of Authorized Representatives are set forth in Schedule [E] attached hereto. The Company may add or delete any Authorized Representative by written notice to the Financial Institution signed by at least two Authorized Representatives other than that being added or deleted. Such notice shall be effective on the first business day following the day of the Financial Institution's receipt.
- (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 or sent to the following 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:

If to the Financial Institution:

Attention: ACH Processing

Address: 4141 N 156<sup>th</sup> St Ste 101

City, State, Zip: Omaha, NE 68116

Fax: 402-884-5726

E-mail: DepositOps@foundationonebank.com

And, if to Company:

Attention: Village of Waterloo

Address: P.O. Box 127

City, State, Zip: Waterloo, NE 68069

Fax: \_\_\_\_\_

E-mail: mjohnson@waterloone.com

- 26. *Data Retention.* The Company shall retain data on file adequate to permit remaking of Entries for ninety (90) days following the date of the transmittal by the Financial Institution as provided here, and shall provide such data to the Financial Institution upon its request.

Entries will not be initiated. Should the Company receive a Notification of Change from a Receiving Depository Financial Institution ("RDFI"), such Entries shall not be initiated unless the requested changes have been made.

(ii) *Uniform Commercial Code Article 4A (UCC-4A) Disclosure.* In regard to the origination of "wholesale credit" Entries, (defined as corporate ACH credit transfers containing Standard Entry Class Codes "CCD" and "CTX"), the following disclosure is provided:

1. the Entry may be transmitted through the ACH;
2. the rights and obligations of the Originator concerning the Entry will be governed by and construed in accordance with the laws of the State of Nebraska;
3. credit given by the Receiving Depository Financial Institution ("RDFI") to the Receiver for the Entry is provisional until the Receiving Depository Financial Institution ("RDFI") has received final settlement through a Federal Reserve Bank or otherwise has received payment as provided for in Section 4A-403(a) of the UCC Article 4A; and
4. if the Receiving Depository Financial Institution ("RDFI") does not receive such payment for the Entry, the Receiving Depository Financial Institution ("RDFI") shall be entitled to a refund from the Receiver in the amount of the credit to the Receiver's account, and the Originator shall not be considered to have paid the amount of the credit Entry to the Receiver.

23. *Payment for Services.* The Company shall pay the Financial Institution the charges for the services provided for in this Agreement as set forth in Schedule [D]. The Financial Institution shall provide the Company written notification of changes in fees and services 30 calendar days prior to such changes going into effect. Such charges do not include, and the Company shall be responsible for payment of, any sales, use, excise, value-added, utility or other similar taxes relating to the services provided for in this Agreement, and any fees or charges provided for in this Agreement between the Financial Institution and the Company with respect to the Account.

24. *Amendments.* From time to time the 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 the Schedules attached hereto. Such amendments shall become effective upon receipt of notice by the Company or such later date as may be stated in the Financial Institution's notice to the Company.

those Entry types. Those additional agreement and representations are set forth for each Entry type below. If the Company sends any of the Entry types below, it automatically makes the additional agreements and representations that are set forth for that Entry type below.

(a) Prearranged Payment and Deposit Entry (PPD).

*Assumption of Origination Depository Financial Institution ("ODFI") Warranties.* The Company warrants to the Financial Institution that the Company makes the warranties and assumes the liabilities of the Financial Institution under the PPD Rules, including the Company:

(i) Will obtain Authorization for PPD Entries in accordance with the *Rules* and U.S. law and shall retain a record of the authorization for a period of two (2) years from the termination or revocation of the Authorization. The Company shall, upon request within 5 business days, provide the Financial Institution an original or copy of the Receiver's Authorization for PPD Entries.

(ii) Will send pre-notifications three (3) banking days prior to initiating the first Entry to a Receiver's account. The Company shall provide any such notice to the Financial Institution in the format and on the medium provided in the *Rules* and Schedule A. Should the Company receive notice that any such pre-notification has been rejected by a Receiving Depository Financial Institution ("RDFI") or the ACH Operator, Entries shall not be initiated. Should the Company receive a Notification of Change from a Receiving Depository Financial Institution ("RDFI"), such Entries shall not be initiated unless the requested changes have been made.

(iii) Provides written notification to the Receiver ten (10) calendar days in advance if the amount of the Entry varies from the previous one unless the Authorization indicates variable amounts.

(iv) Provides written notification to the Receiver seven (7) calendar days in advance of the new debit date if the date of the debit changes.

(b) Corporate Payment Applications (CCD+) (CCD) (CTX).

(i) *Pre-notifications.* The Company shall send pre-notifications three (3) banking days prior to initiating the first Entry to a Receiver's account. The Company will provide any such notice to the Financial Institution in the format and on the medium provided in the *Rules* and Schedule A. Should the Company receive notice that any such pre-notification has been rejected by a Receiving Depository Financial Institution ("RDFI") or the ACH Operator,

Federal Reserve Bank of New York for the period involved. At the Financial Institution's option, payment of such interest may be made by crediting the Account.

17. *Compliance with Security Procedures.*

(a) If an Entry (or a request for cancellation or amendment of an Entry) received by the Financial Institution purports to have been transmitted or authorized by the Company, it will be deemed effective as the Company's Entry (or request) and the Company will be obligated to pay the Financial Institution the amount of such Entry (or request) even though the Entry (or request) was not authorized by the Company, whether or not the Financial Institution acted in compliance with the security procedure referenced in Schedule [A]. If signature comparison is to be used as a part of that security procedure, the Financial Institution shall be deemed to have complied with that part of such procedure if it compares the signature accompanying a file of Entries (or request) with the signature of an Authorized Representative of Company and, on the basis of such comparison, believes the signature to be that of such Authorized Representative.

18. *Inconsistency of Name and Account Number.* The Company acknowledges and agrees that, if an Entry describes the Receiver inconsistently by name and account number, payment of the Entry transmitted to the Receiving Depository Financial Institution ("RDFI") might be made by the Receiving Depository Financial Institution ("RDFI") (or by the Financial Institution in the case of an On-Us Entry) on the basis of the account number even if it identifies a person different from the named Receiver, and that the Company's obligation to pay the amount of the Entry to the Financial Institution is not excused in such circumstances.

19. *Transmittal of Entries by Company.* The Company shall transmit Entries to the Financial Institution in compliance with the formatting and other requirements set forth in the attached Schedule [A], as we update it from time to time.

20. *Exposure Limits.* The Company's ability or originate Entries under this Agreement is subject to ACH exposure limits in accordance with the *Rules*. The total dollar amount of Entries transmitted, frequency of origination and payment application (debits or credits) originated by the Company to the Financial Institution must comply with limits set forth in the attached Schedule [F].

21. *Reporting Requirement.* The Financial Institution shall provide reporting information to NACHA regarding the Company if the Company's return rate for unauthorized Entries exceeds the Unauthorized Entry Return Rate Threshold, the Administrative Return Rate Level or Overall Return Rate Level as required by the *Rules*.

22. *Specific Entry Types.* The *Rules* contain special requirements and impose additional obligations on the Financial Institution when it acts as Originating Depository Financial Institution ("ODFI") with respect to certain Entry types. As a result, the Financial Institution shall obtain additional agreements and representations from the Company with respect to

Entry; and specifically acknowledges that if such settlement is not received, the Receiving Depository Financial Institution ("RDFI") will be entitled to a refund from the Receiver of the amount credited and the Company shall not be deemed to have paid the Receiver. The Company shall indemnify the Financial Institution against any loss liability or expense (including attorneys' fees and expenses) resulting from any breach of any of the foregoing agreements.

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

- (a) The Financial Institution is 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 Financial Institution shall not be responsible for the Company's acts or omissions (including without limitation to the amount, accuracy, timeliness of transmittal or due authorization of any Entry received from the Company) or those of any other person, including without limitation to any Federal Reserve Bank or transmission or communications facility, any Receiver or Receiving Depository Financial Institution ("RDFI") (including without limitation to the return of an Entry by such Receiver or Receiving Depository Financial Institution ("RDFI")), and no such person shall be deemed the Financial Institution's agent. The Company agrees to indemnify the Financial Institution against any loss, liability or expense (including attorneys' fees and expenses) resulting from any claim of any person that the Financial Institution is responsible for, any act of omission by the Company or any other person described in this Section.
- (b) The Financial Institution is only liable for the Company's actual damages due to claims arising solely from the Financial Institution's obligations to the Company with respect to Entries transmitted pursuant to this Agreement. In no event shall the Financial Institution be liable for any consequential, special, punitive or indirect loss or damage that the Company may incur or suffer in connection with this Agreement, including losses or damage from subsequent wrongful dishonor resulting from the Financial Institution's acts or omissions pursuant to this Agreement.
- (c) The 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 the Financial Institution's control. In addition, the Financial Institution shall be excused from failing to transmit or delay in transmitting an Entry if such transmittal would result in the Financial Institution's having exceeded any limitation upon its intra-day net funds position established pursuant to Federal Reserve guidelines or if the Financial Institution reasonably believes it would violate any provision of any risk control program of the Federal Reserve or any rule or regulation of any other U.S. governmental regulatory authority.
- (d) The 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



13. *The Account.* The 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 the Company identified in the attached Schedule [C] and shall credit the Account for any amount received by the Financial Institution by reason of the return of an Entry transmitted by the Financial Institution for which the Financial Institution has previously received payment from the Company. Such credit shall be made as of the day of such receipt by the Financial Institution. The Company shall at all times maintain a balance of available funds in the Account sufficient to cover its payment obligations under this Agreement. If the event there are not sufficient available funds in the Account to cover the Company's obligations under this Agreement, the Company agrees that the Financial Institution may debit any account maintained by the Company with the Financial Institution or any affiliate of the Financial Institution or that the Financial Institution may set off against any amount it owes to the Company, in order to obtain payment of the Company's obligations under this Agreement.

Upon request of the Financial Institution, the Company agrees to promptly provide to the Financial Institution information pertaining to Company's financial condition. The Financial Institution reserves the right to pull a credit report at any time to evaluate the Company's ongoing financial condition.

14. *Account Reconciliation and Periodic Statement.* The periodic statement issued by the Financial Institution for the Company's Account will reflect Entries credited and debited to the Company's Account. The Company agrees to notify the Financial Institution promptly of any discrepancy between the Company's records and the information shown on any such periodic statement. If the Company fails to notify the Financial Institution within 30 days of receipt of a periodic statement, the Company agrees that the Financial Institution will not be liable for any other losses resulting from the Company's failure to give such notice, including any loss of interest or any interest equivalent with respect to an Entry shown on such periodic statement. If the Company fails to notify the Financial Institution within 60 days of receipt of a periodic statement, the Company shall be precluded from asserting such discrepancy against the Financial Institution.

15. *Company Representations and Agreements; Indemnity.* The Company agrees that (a) each person shown as the Receiver on an Entry received by the Financial Institution from the Company has authorized the initiation of such Entry and the crediting of its account in the amount and on the Effective Entry Date shown on such Entry, (b) such authorization is operative at the time of transmittal or crediting by the Financial Institution as provided herein, (c) Entries transmitted to the Financial Institution by the Company are limited to those types of Entries set forth in this Agreement, (d) the Company shall perform its obligations under this Agreement in accordance with all applicable laws and regulations, and (e) the Company shall be bound by and comply with the *Rules* as in effect from time to time, including without limitation the provision of the *Rules* that makes payment of an Entry by the Receiving Depository Financial Institution ("RDFI") to the Receiver provisional until receipt by the Receiving Depository Financial Institution ("RDFI") of final settlement for such

Section 26, to allow the Financial Institution to recreate the entries for up to five (5) business days after midnight of the Settlement Date.

8. *Cancellation or Amendment by Company.* The Company shall have no right to cancellation or amendment any Entry after its receipt by the Financial Institution. However, the Financial Institution shall use reasonable efforts to act on a request by the Company to cancellation of an Entry prior to transmitting it to the ACH Operator, or in the case of an On-Us Entry, prior to crediting or debiting a Receiver's account. The Company will reimburse the Financial Institution for any expenses, losses, or damages the Financial Institution may incur in effecting or attempting to affect the cancellation or amendment of an Entry.
9. *Notice of Returned Entries.* The Financial Institution shall notify the Company by electronic transmission of the receipt of a returned Entry from the ACH Operator no later than one business day after the business day of such receipt.
10. *Notifications of Change.* The Financial Institution will notify the Company by electronic transmission of all Notifications of Change received by the Financial Institution related to the Company's Entries no later than two (2) banking days after receipt thereof. The Company shall ensure that changes requested by Notifications of Change are made within six (6) banking days of the Company's receipt of the information or prior to initiating another Entry to the Receiver's account, whichever is later. If Company fails to correct the Entry, NACHA may impose fines that may be debited from the Company's account.
11. *Re-initiation of Entries.* The Company may not reinitiate Entries except as prescribed by the *Rules*.
12. *Payment by the Company for Entries; Payment by ODFI for Entries.*
  - (a) The Company shall pay the Financial Institution the amount of each credit Entry (including On-Us Entries) transmitted by the Financial Institution pursuant to this Agreement at such time on the date of transmittal by the Financial Institution of such credit Entry as the Financial Institution, at its discretion, may determine.
  - (b) The Company shall pay the Financial Institution the amount of each debit Entry returned by a Receiving Depository Financial Institution ("RDFI") pursuant to this Agreement.
  - (c) The Financial Institution shall pay the Company the amount of each debit Entry (including On-Us Entries) transmitted by the Financial Institution pursuant to this Agreement at such time on the Settlement Date with respect to such debit Entry as the Financial Institution, at its discretion, may determine.
  - (d) The Financial Institution shall promptly pay the Company the amount of each credit Entry returned by a Receiving Depository Financial Institution ("RDFI") pursuant to this Agreement.

- (b) The Financial Institution shall transmit such Entries to the ACH Operator by the deadline set forth in the attached Schedule [B] one business day for Debit transactions and two business days for Credit transactions prior to the Effective Entry Date shown in such Entries, provided (i) such Entries are received by the Financial Institution's related cut-off time set forth in attached Schedule [B] on a business day, (ii) the Effective Entry Date is at least (1) day after such business day or in the case of Same Day ACH Entries, received by the Financial Institution's Same Day ACH cut-off time set forth in the attached Schedule [B] , and (iii) the ACH Operator is open for business on such business day (e.g. excluding Federal holidays). For purposes of this Agreement, Entries shall be deemed received by the Financial Institution, in the case of hand-delivered files, when received by the Financial Institution at the location set forth in Schedule [A], and in the case of electronic file transmission, when the transmission is completed as provided in Schedule [A].
- (c) If any of the requirements of clause (i), (ii), or (iii) of Section 5(b) are not met, the Financial Institution shall use reasonable efforts to transmit such Entries to the ACH Operator by the next deposit deadline on which the ACH Operator is open for business.
6. *On-Us Entries.* Except as provided in Section 7, in the case of an Entry received for credit or debit to an account maintained with the Financial Institution (an "On-Us Entry"), the Financial Institution will credit or debit 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 Section 5(b) are met. If any of those requirements are not met, the Financial Institution will use reasonable efforts to credit or debit the Receiver's account on the next business day following such Effective Entry Date.
7. *Rejection of Entries.* The Financial Institution shall reject any Entry which does not comply with the requirements of Section 19 or Section 4, or which contains an Effective Entry Date more than (2) days after the business day such Entry is received by the Financial Institution. The Financial Institution shall have the right to suspend processing of or reject an On-Us Entry for any reason for which an Entry may be returned under the *Rules*. The Financial Institution shall have the right to suspend processing of or reject any Entry if the Company has failed to comply with its account balance obligations under Section 13. The Financial Institution shall notify the Company by electronic transmission of such rejection no later than the business day such Entry would otherwise have been transmitted by the Financial Institution to the ACH Operator, or in the case of an On-Us Entry, its Effective Entry Date. The Financial Institution shall have no liability to the 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.

In the event any Entries are rejected by the ACH Operator for any reason, it is the responsibility of the Company to remake such Entries. Should the File be rejected due to an error caused by the Financial Institution, the Financial Institution is responsible for remaking the File. In such a case, the Company will supply sufficient information, as required in

Company's violation, the Financial Institution may charge the fine to the Company. The Financial Institution will notify the Company of any changes to the *Rules*.

2. *U.S. Law.* It is the responsibility of the Company to ensure that the Company's origination of ACH transactions complies with U.S. law.
3. *Governing Law.* This Agreement will be construed in accordance with and governed by the laws of the State of Nebraska.
4. *Security Procedures.*
  - (a) The Company and the Financial Institution shall comply with the security procedure requirements described in the attached Schedule [A] with respect to Entries transmitted by the Company to the Financial Institution. The Company acknowledges that the purpose of such security procedures is to verify authenticity and not to detect an error in the transmission or content of an Entry. No security procedures have been agreed upon between the Financial Institution and the Company for the detection of any such error.
  - (b) The Company is strictly responsible for establishing and maintaining commercially reasonable security measures to safeguard against unauthorized transmissions, network infections, and breaches of Protected Information (i.e. non-public consumer data). The Company warrants that such measures will include, but not be limited to, security technology (e.g. secure web-servers) that provides a minimum level of security equivalent to 128-bit Secure Sockets Layers (SSL) encryption technology for the Entry and transmission of Entries over the Internet, and network security to safeguard account information and access from unauthorized parties.

Additionally, the Company warrants that no individual shall be allowed to initiate transfers in the absence of proper supervision and safeguards, and agrees to take reasonable steps to maintain the confidentiality of security procedures and any passwords, codes, security devices and related instructions provided by the Financial Institution in connection with the security procedures detailed in Schedule [A]. If Company suspects that any such information or instructions are accessed by unauthorized persons, the Company will notify the Financial Institution immediately. The occurrence of unauthorized access will not affect any transfers made in good faith by the Financial Institution prior to receipt of notification and within a reasonable time-period to prevent unauthorized transfers.

5. *Processing and Settlement by the Financial Institution.*
  - (a) Except as provided in Section 4, the Financial Institution shall (i) process Entries received from the Company to conform with the File specifications set forth in the *Rules*, (ii) transmit such Entries as an ODFI to MIB- Nebraska Bankers Bank (the "ACH Operator"), and (iii) settle Entries as provided in the *Rules*.

**Foundation One Bank  
ODFI/Originator Shell Agreement**

**COMPANY INFORMATION AND STATEMENT**

Company: **Village of Waterloo**  
*(hereafter referred to as "Company")*

Tax ID Number: **47-6006403**

Approved Exposure Limit(s): Listed in [Schedule F] **\$50,000**

Approved SEC Code(s): **PPD, CCD**

This Agreement is made on December 14, 2021, between the Company and **Foundation One Bank** (hereafter referred to as "*Financial Institution*").

**RECITALS**

A. The Company wishes to initiate credit and debit Entries pursuant to the terms of this Agreement and the *NACHA Operating Rules and Guidelines* (the "*Rules*"), and the Financial Institution is willing to act as an Originating Depository Financial Institution ("ODFI") with respect to such Entries. The Company may only initiate ACH Entries as provided in Section 22.

B. Unless otherwise defined herein, capitalized terms have the meanings provided in the *Rules*. The term "Entry" has the meaning provided in the *Rules* and shall also mean the data received from the Company hereunder from which the Financial Institution prepares Entries.

C. The Financial Institution's Board of Directors does not permit processing of the following SEC Codes as they do not adhere to the Board's directive. The Company may, at no time, process the following SEC Code(s): IAT-International ACH Transaction and XCK-Destroyed Check Entries.

**AGREEMENT**

1. *NACHA Operating Rules and Guidelines*. The Company has access to a copy of the *Rules*, acknowledges receipt of a copy, or may purchase a copy if it so desires. The Company agrees to comply with and be bound by the *Rules*. If the Company violates any of the applicable *Rules* and NACHA imposes a fine on the Financial Institution because of the

**Schedule [F]**  
**Exposure Limit Disclosure**

Credit Origination

Maximum File Amount	<u>50,000</u>
Maximum Entry Amount	<u>50,000</u>
Maximum Frequency	<u>Daily</u>

Debit Origination

Maximum File Amount	<u>50,000</u>
Maximum Entry Amount	<u>50,000</u>
Maximum Frequency	<u>Daily</u>

Overall

Maximum Aggregate Credit Amount	<u>50,000</u>
Maximum Aggregate Credit Amount	<u>50,000</u>
Frequency	<u>Daily</u>

NOTES:

If the ODFI sets limits based upon possible compensating balances, such should be defined in this Schedule. Additionally, the ODFI may note the frequency for limit review or Company procedures required for unscheduled limit reviews for increasing established limits.