

Catskill Hudson Bank

Online Banking Agreement

NetTeller / Bill Pay/ Cash Management

This Agreement describes your rights and obligations as a user of the NetTeller Online Banking service, the Bill Payment service or Cash Management service (each, a “Service” and collectively “Services”). It also describes the rights and obligations of Catskill Hudson Bank. Please read this Agreement carefully before using any of the Services. By requesting and using one of these Services, you agree to comply with the terms and conditions of this Agreement.

Definitions

The following definitions apply in this Agreement:

- **“Authorized User” or “User”** is a person designated as being authorized by a Company’s Primary or Secondary Administrator to access or use any Service on a Company’s behalf
- **“Business Day”** – Monday through Friday excluding legal holidays
- **“Company”** – a Catskill Hudson Bank customer who is a corporation, partnership, limited liability company, or other organization or sole proprietor whose online accounts are used primarily for business and commercial purposes.
- **“Customer”** – any Individual or Business who has an interest in an account or other relationship that is accessible through the Services and any Individual or Business authorized to use the Service
- **“Online Banking”** is the Internet-based service providing access to your Catskill Hudson Bank account(s)
- **“Online Account”** means any Catskill Hudson Bank account from which you will be conducting transactions using a Service
- **“Password”** is the system-generated code sent to you by Catskill Hudson Bank for use during the initial sign-on, or the codes you selected after the initial sign-on, that establishes your connection to the Service
- **“Time of day”** references are to Eastern Standard Time or Eastern Daylight Time, as applicable
- **“You” and “Your”** refer to users of the Service
- **“We”, “us” or “Bank”** refer to Catskill Hudson Bank, which offers the Services and which holds the accounts accessed by the Services.

Other capitalized terms used in the Agreement shall have the meanings ascribed thereto as set forth in this Agreement.

Services

You may use the System to request the following transactions for accounts that may be accessed through the System:

- View any of your Catskill Hudson Bank deposit and loan account balances and transactions
- Transfer funds between your Catskill Hudson Bank accounts (each an “Account” and collectively, “Accounts”)
- Make loan payments
- View and/or download statements into financial management software
- View and print check images
- Initiate Stop Payments (regular fee applies)
- Bill Payment
- Send secure email to Catskill Hudson Bank

- Originate ACH debit and/or credit transactions (for BUSINESS Customers ONLY with separate application, Bank approval and disclosure)

Use of Service/Limited Sublicense

The Services to be provided by the Bank to the Customer consist of access to a secured system (the “System”) that permits the Customer to obtain Services by means of a computer or other Internet-enabled device. The Bank’s Online Banking Provider is the sole owner and licensor of the Services and has granted the Bank the right to sublicense Services to its customers. Bank hereby grants to the Customer a sublicense for use of the System on a computer or other Internet-enabled device(s), subject to the terms and conditions set forth in this Agreement. Customer agrees that the Services and Services documentation are valuable, confidential, and proprietary property of the Bank and/or its Online Banking Provider and agrees not to transfer, distribute, copy, reverse, compile, modify or alter the Services or the Services documentation or any part thereof.

Access to Services

Catskill Hudson Bank will provide instructions on how to use the NetTeller Online Banking service, Bill Payment service or Cash Management service. You may access the Services from our web site located at www.catskillhudsonbank.com. You will gain access to your Online Accounts through the use of your computer or other Internet-enabled device, your internet service provider, your NetTeller Login ID and Password and, in addition, for Business Customers, the Cash Management User ID and Password. For security purposes, you are required to change your password(s) upon your initial log-in to any Service.

Cash Management User ID’s – (Business Customers ONLY)

The Bank will issue a CHB NetTeller Cash Management USER ID and Password to the Company’s Primary Administrator (i.e. the person appointed by the Company and designated on the NetTeller Cash Management Enrollment form as Administrator for all Services).

Your Primary Administrator may designate one or more Secondary Administrators. Your Primary Administrator and any Secondary Administrator may designate one or more Authorized Users, establish transaction and authority limits for each User, edit User authority, unlock blocked Users, and delete Users. You accept as your sole responsibility the designation of any Secondary Administrator by your Primary Administrator and any Authorized User by your Primary Administrator or any Secondary Administrator. You understand that your Primary Administrator and any Secondary Administrator will control, and you authorize your Primary Administrator and any Secondary Administrator to control, access and use by Authorized Users of the Services. *Your Primary Administrator and any Secondary Administrator can add, change or terminate your Authorized Users from time to time in their sole and absolute discretion.* The User’s ID and Password identify the User as an individual who is authorized to conduct transactions within the Company’s account and validate the directions given.

You will require your Primary Administrator, any Secondary Administrator(s) and all Authorized Users to comply with all provisions of this Agreement and all other applicable agreements, and you represent and warrant that they will do so. You acknowledge and agree that you are fully responsible for the failure of your Primary Administrator, any Secondary Administrator or any Authorized User to so comply. You are primarily responsible for (i) any bill payment or transfer made, (ii) any other Services utilized or transaction entered into or completed, and (iii) any charges incurred by your Primary Administrator, any Secondary Administrator and any Authorized User, even if your authorization is exceeded or violated by such person.

Whenever any Authorized User leaves your employ or you otherwise revoke the authority of any Authorized User to access or use the Services, you must notify your Primary Administrator or any Secondary Administrator immediately and the Primary Administrator or Secondary Administrator, as applicable, is solely responsible for deactivating such Authorized User’s Cash Management User ID. You remain fully responsible for all use of the Cash Management User ID and the Services by any such Authorized User.

Whenever any Secondary Administrator leaves your employ or you otherwise revoke the authority of any Secondary Administrator to access or use the Services, you must notify your Primary Administrator immediately and the Primary Administrator is solely responsible for deactivating such Secondary Administrator’s Cash Management User ID. You remain fully responsible for all use of the Cash Management User ID and the Services by any such Secondary Administrator.

Whenever your Primary Administrator leaves your employ or you otherwise revoke your Primary Administrator's authority to access or use the Services, you must notify us immediately. You remain fully responsible for all use of the Services by the Primary Administrator occurring before you notify us and we have had a reasonable opportunity to act upon your notice.

Use of Your Security Password; Authorization

Your Password for the Service is a security method by which we are helping you to maintain the security of your account. You accept responsibility for the confidentiality and security of your Password. You agree that we are authorized to act on instructions received under your Password. You will be denied access to the Service if you do not enter the correct Password or other requested information.

Separation of Duties (Cash Management Business Customers)

The System provides you the ability to require that an approval of certain Services take place before they can be processed. In order to increase your internal security, we recommend that the Company's Primary Administrator assign dual control to initiate transactions such as Funds Transfers and ACH Originations whenever possible.

Commonly Controlled Entities (Cash Management Business Customers)

You represent and warrant that each of the entities listed on Addendum A is under common ownership and/or control with you (each, a "Commonly Controlled Entity"), and each Commonly Controlled Entity has signed an Online Banking Agreement. You consent to being listed as a commonly owned/controlled entity on Addendum A to the Online Banking Agreements signed by each Commonly Controlled Entity. You acknowledge and agree that, by including an entity on Addendum A as a Commonly Controlled Entity, and by agreeing to be included on Addendum A to the Online Banking Agreements of the Commonly Controlled Entities, (i) your Accounts will be accessible to the Commonly Controlled Entities and you will have access to the Accounts of the Commonly Controlled Entities, and (ii) your (and your Commonly Controlled Entities') Primary Administrator, Secondary Administrators and Authorized Users will be able to transfer funds among the Accounts of the Commonly Controlled Entities, and (iii) all checks issued to payees thru the Bill Pay function for any of the Commonly Controlled Entities will have the name of the entity in which the NetTeller/Cash Management account has been established printed on the checks. You agree to designate as your Primary Administrator the same individual designated as such by each Commonly Controlled Entity (which individual shall be an officer of you and of each Commonly Controlled Entity), and you agree that such Primary Administrator will only designate Authorized Users who are officers or employees of you and of each Commonly Controlled Entity. You agree to defend, indemnify and hold us harmless from and against any and all actions, losses, liabilities, claims, damages or expenses (including, without limitation, attorneys' fees, court costs and expenses) arising from or related to (i) your designation of an entity as a Commonly Controlled Entity, (ii) a Commonly Controlled Entity's designation of you as commonly owned/controlled with it, or (iii) the transfer of funds from an Account maintained by you to an Account maintained by a Commonly Controlled Entity, or vice versa. You and all Commonly Controlled Entities shall be jointly and severally liable for this indemnity obligation.

Equipment/Computer Requirements

You are responsible for obtaining, installing, maintaining and operating all computer hardware, software and Internet access services necessary for using the Services. Your computer or Internet access device must, at a minimum, have a browser with capabilities to support a minimum of 128-bit encryption. Supported browsers are Microsoft Internet Explorer (IE) Version 7.0 or higher, Firefox Version 3 and higher, or Safari Version 1.0 and higher. We are not responsible for any losses, damages, injuries, errors or failures caused by any malfunction of your computer or other device or any virus or other problems that may be associated with access to or use of the Services or your computer or other device. We also are not responsible for any losses or delays in transmission of information you provide to us or otherwise arising out of or incurred in connection with the use of any Internet or other service provider providing your connection to the Internet or any browser software.

Security Recommendations

The upward trend of more and more customers using online channels for banking and financial services has expanded the opportunities for criminals and cyber-crime. Cyber criminals using malware, keystroke loggers and/or Trojan viruses have the ability to capture customer information such as Login credentials and Multi-Factor Authentication challenge questions/answers and can highjack the user's computer using their IP address so that the

criminal will appear to be the end-user. Some of the most common approaches for criminals to compromise end user data is to take advantage of end users signing on to unsecured networks, not having up to date virus protection and security patches, visiting compromised web sites or opening attachments with embedded malware or Trojan software. Due to the sophisticated nature of this crime, there is not on single solution for online security. The best approach is a multi-layered approach.

In addition to the information mentioned in the **Use of Your Security Password; Authorization** section:

We require an alpha-numeric password that is 6-8 characters in length. We recommend that you create a password that utilizes both upper and lower case alpha characters. While it may seem like an inconvenience to change your password, this is an essential piece of the multi-layered security approach. We require you to change your password from time to time and do not allow you to use one of your previous four (4) passwords. Your password should not be associated with any commonly known or easily accessible personal identification, such as social security numbers, address, date of birth, names of children, and should be memorized rather than written down.

As an enhanced online security feature, the System utilizes the RSA Multi-Factor Authentication Solution. RSA Authentication provides you added safety by helping ensure that only you can access your bank account. RSA Authentication remembers which computer(s) you normally use, preventing potential fraudsters from logging into your account even if they somehow obtain your login information. When the computer you are using to access the System is not recognized, you must verify your identity by responding correctly to the Challenge Questions that you established during the User enrollment process before you can proceed to access the System.

We recommend that Cash Management Administrators establish a series of valid days of the week and/or time limitations for each User within the User settings. If a User attempts to log in and the day or time does not match what is enabled, they will receive a message indicating that they cannot login.

Catskill Hudson Bank recommends use of a stand-alone computer to perform Cash Management activities ensuring that the computer is hardened, is not used for web-surfing or email, and that anti-virus software and security patches are installed and kept current.

Catskill Hudson Bank is not responsible for any electronic virus or viruses that you may encounter. We suggest that you routinely scan your PC using a continually updated virus protection product that also scans Internet and e-mail files. An undetected virus may corrupt and destroy programs, files and your hardware, and may even affect portions of the software used for Catskill Hudson Bank's online banking.

Banking Transactions with Online Banking

Customer authorizes the Bank to take on the Customer's behalf any action necessary to complete any transaction initiated through the Services. This authority includes, without limitation, the withdrawal of funds from any of Customer's Accounts or obtaining of a loan under any of Customer's loan Accounts (if approved by the Bank), both of which are effective as though Customer had signed a check or withdrawal form to make the withdrawal or signed a direct loan check to obtain the loan.

New services may be introduced for Online Banking from time to time. Catskill Hudson Bank will notify you of the existence of these new services. By using these services when they become available, you agree to be bound by the rules governing the use of such services, which will be made available to you concerning these services.

Balance Reporting

Catskill Hudson Bank shall provide prior day and the current memo posted balance and transaction information on your Accounts. Catskill Hudson Bank shall not be responsible for the accuracy and timeliness of the delivery of any information furnished to the Bank by other reporting banks.

Funds Transfer Service

You may use the funds transfer service to schedule the transfer of funds between your Catskill Hudson Bank checking and savings Accounts with us. You may not use this Service to obtain an advance or to transfer funds from any Online Account that is a Commercial Loan Account. The Service allows you to make funds transfers in the following ways:

- An immediate transfer is a single transfer of funds to be made as soon as possible after you request the transfer.
- A future dated transfer is a single transfer of funds to be made on a date you specify.
- A recurring transfer is one of a series of transfers of a fixed amount of funds on a regular periodic basis.

If you make a deposit to any of your Online Accounts by transferring funds using this Service before 6:00 p.m., Eastern Time, on any Business Day that we are open, we will consider that day to be the day we receive your deposit, unless we tell you otherwise. If you make a deposit to any of your Online Accounts by transferring funds using the Services after 6:00 p.m., Eastern Time, on any Business Day or on any day that is not a Business Day (Saturday, Sunday, Holiday), we will consider your deposit to be received by us on the next Business Day we are open.

You are responsible for the input and verification of all information entered into your Online Banking Account. Catskill Hudson Bank shall have no responsibility to determine the accuracy of such information.

Catskill Hudson Bank may, in its sole discretion, reject any transfer request if there are insufficient Available Balances in your authorized Account(s); or the transfer request (1) is not authenticated to Catskill Hudson Bank's satisfaction or Catskill Hudson Bank believes, in good faith, may not be authorized by you; (2) contains incorrect, incomplete or ambiguous information; or (3) involves funds subject to a lien, hold, dispute or legal process which prevents their withdrawal or transfer. Catskill Hudson Bank shall incur no liability for any loss to you or to any third person occasioned by Catskill Hudson Bank's refusal to make such transfer.

Transfer Limitations

Because federal regulations require us to limit the number of preauthorized, automatic or telephone transfers (including transfers made with this Service) on certain types of deposit accounts, the following limitations apply in accordance with the agreement that governs an Account:

- Statement Savings Account – You can make no more than six (6) transfers per statement cycle by preauthorized or automatic transfer by telephone or Online Banking.
- Money Market Account – You can make no more than six (6) transfers per statement cycle by preauthorized or automatic transfer by telephone or Online Banking and no more than three of these may be by check, draft or debit card.

In accordance with federal law, if you have more than the allowable preauthorized transfers or preauthorized checks or drafts (for money market accounts) in any one period, your Account may be subject to closure by us and the funds placed in another Account that you are eligible to maintain or we may take away the transfer and draft capabilities of the Account.

Bill Payment Service

The Bill Payment Service is provided by Jack Henry & Associates ("JHA"). The Bill Payment Service permits you to use your Internet-enable device to direct payments from your designated online Bill Pay Account to third parties you wish to pay. Your Bill Pay Account must be a checking account. You may designate multiple Bill Pay Accounts. Through the Bill Payment Service, you can pay bills from your Bill Pay Account to businesses or individuals. While Catskill Hudson Bank coordinates the Bill Payment Service with JHA, JHA performs all functions in connection with the Bill Payment Service. By using the Bill Payment Service, you acknowledge and agree that JHA is solely responsible for administration of the Bill Payment Service and waive all claims against the Bank arising out of your use of such Service.

All payments you make will be deducted from the Account that you designated for that payment. Any payments you wish to make through this Service must be payable in U.S. dollars to a payee located in the continental United States. JHA reserves the right to restrict types of payees to whom payments may be made using the Service from time to time. You should not use the Bill Payment Service to make payments to settle securities purchases, payments to interest bearing accounts, tax payments, or court ordered payments. Payments for these payees will be your sole responsibility if delayed or improperly processed or credited.

Funds must be available in your Bill Pay Account on the scheduled payment date. If the date you schedule a payment to be initiated falls on a non-business day (Saturday, Sunday or holiday), funds must be available in your Bill Pay Account the previous business day (e.g., Friday). Funds are withdrawn from your Bill Pay Account immediately when the payment is sent electronically. Payments sent by check will be deducted from your Account when the check is presented for payment by the payee. You may choose to schedule payments to recur in the same amount at regular weekly, bi-weekly, monthly, semi-monthly, quarterly, annual or semi-annual intervals (a “recurring payment”). If a recurring payment is chosen, the bill will be paid automatically each billing period. If the payment is not a recurring payment, it will be a “one-time payment”. One-time payments are not made until you enter the amount of the current bill and the date of payment. You may also change or skip payments that are recurring payments. However, you must allow at least three (3) business days after we receive any change to information you have given us about a payee for JHA to reflect the change in its records.

When you create a new payee in the Bill Payment Service, it has a temporary status until JHA has had sufficient time to set up the account, and, for your business payees, to verify information about your Account. You should schedule a payment to a new payee at least ten (10) business days before any payment due date, to allow JHA time to set up the payee and verify information about your Account with the payee.

For all subsequent payments, you should allow for a reasonable time period, generally at least 3 to 4 business days for electronic payments and 5-7 business days for check payments between the date you schedule a payment to be initiated and the payment due date (that is, the due date shown on your invoice or provided in your agreement with the payee, not taking into account any applicable grace period). If you do not, you will be fully responsible for all late fees, finance charges or other action taken by the payee.

Catskill Hudson Bank does not have any duty to monitor the payments that are made through the Bill Payment Service. JHA and Catskill Hudson Bank are only responsible for exercising ordinary care in processing and sending payments upon your authorization in accordance with this Agreement. JHA and Catskill Hudson Bank will not be liable in any way for damages you incur if you do not have sufficient funds in your Bill Pay Account to make the payment on the processing date, for delays in mail delivery, for changes to the payee’s address or account number unless you have advised us of the change sufficiently in advance, for the failure of any payee to correctly account for or credit the payment in a timely manner, or for any other circumstances beyond the reasonable control of JHA or Catskill Hudson Bank.

Payments made through the Bill Payment Service are processed at 3:00 a.m. EST and 1:00 p.m. EST. Payments scheduled before 1:00 p.m. EST are considered effective on that business day. Otherwise, it will be considered received on the following business day. For all entries made using the Service, the time recorded by the Online Banking Service controls.

If your Bill Pay Account does not have sufficient funds to make a payment as of the date the transfer or payment is attempted or scheduled to be made, the transfer or payment will be attempted until the funds are made available. For recurring payments, the payment will be attempted until the date of the next scheduled payment. In all cases, you are solely responsible for either making alternate arrangements for the payment or rescheduling the payment through the Service.

You can modify or delete bill payments, but modifications or deletions must be made before the payment is processed. No modifications or deletions can be made after the payment has been processed. You may request a stop payment of a check payment. See the Stop Payment Orders section of this Agreement for more information. **You cannot request stop payment of an electronic payment.**

ACH Origination Entries (Cash Management – Business Customers ONLY)

Subject to application and approval by the Bank, you can use this Service to initiate ACH debits and credits to consumer and commercial US bank accounts. You authorize us to process, transmit, receive and settle for entries through Automated Clearing House (ACH) and to credit or debit Entries to an Online Account, except if your Online account is a Passbook Savings, Certificate of Deposit or Commercial Loan Account.

If you elect to use this Service, you must enter into a separate ACH Agreement with us. You acknowledge and agree that this Service is also governed by our ACH Agreement and that if any provision of the ACH Agreement is inconsistent with or otherwise conflicts with this Agreement, the provisions of the ACH Agreement will govern and apply to this Service. If your ACH Agreement is terminated for any reason, we may, in our sole discretion and without notice to you, terminate your use of this Service.

Stop Payment Orders

You can use this Service to initiate a stop payment request online for any check drawn against any of your Online Accounts. Each time you initiate a stop payment request, you warrant that the information describing the check, including the check date, the exact amount, the check number, and payee are correct. You agree that we will not be responsible for stopping payment unless we receive your stop payment request within a reasonable time for us to act on it. You understand that your stop payment request is conditional and subject to verification by us that the check has not already been paid or that some other action to pay the check has not been taken by you. Your stop will be removed from the system after 14 days if you do not mail or fax the signed confirmation page to us at the address or fax number listed on the confirmation page that you print.

A stop payment request against a check is effective only against the check that is identified as described above. A written request will be valid for 6 months, unless you renew your request in writing before the expiration of this time period. Otherwise, if you do not timely renew your request in writing and the check is presented to us for payment following the expiration of this time period, we may pay the check without any liability to you. We will charge you a separate fee for each stop payment request you make using this Service. The amount of this fee is disclosed in our Other Account Fees schedule.

If you make a stop payment request using this Service after 6:00 p.m., Eastern Time, on any Business Day or any day that is not a Business Day, we will consider your request to be received by us on the next Business Day we are open.

Online Banking Alerts (when available)

When you activate an alert, you agree to the following:

- Online Banking Alerts allow you to create a variety of automated alert messages for your online banking accounts.
- Each alert has different options available, and you will be asked to select from these options upon activation of your alert services.
- Electronic alerts will be sent to the email address you have provided as your primary email address for Online Banking. If you change your email address you are responsible for informing us of the change.
- You understand and agree that your alerts may be delayed or prevented by a variety of factors. We neither guaranty nor warrant the delivery nor the accuracy of the contents of any alert. You also agree that we shall not be liable for any delays, failure to deliver, or misdirected delivery of any alert; for any errors in the content of an alert; or for any actions taken or not taken by you or any third party in reliance of an alert.

Electronic Mail

If you send Catskill Hudson Bank an electronic mail message, Catskill Hudson Bank will deem it received on the following business day. Catskill Hudson Bank will have a reasonable time to act on your e-mail.

You should **not** rely on electronic mail if you need to communicate with Catskill Hudson Bank immediately – for example, if you need to report an unauthorized transaction from one of your Accounts or if you need to stop a payment that is scheduled to occur.

You agree that Catskill Hudson Bank may respond to you by electronic mail with regard to any matter related to a Service, including responding to any claim of unauthorized electronic funds transfer that you make. Any such electronic mail sent to you by Catskill Hudson Bank is deemed received within three (3) days of the date sent by Catskill Hudson Bank, regardless of whether or not you sign on to use the Service within that time frame.

Statements

You will continue to receive your regular account statement either monthly or quarterly, depending on the type of Account.

Compliance

You and we agree that all bill payments, transfers and other Services will be subject to and will comply with applicable law, including without limitation, any applicable federal and state laws, codes, rules and regulations, such as the Internal Revenue Code and the operating circulars of the Federal Reserve System (collectively, “Applicable Law”), and the operating rules of networks, associations and systems, such as the rules of the National Automated Clearing House Association and any regional ACH (collectively, “Applicable Rules”) that we may use from time to time to provide the Services, and any Office of Foreign Assets Control (OFAC) requirements, each as amended from time to time. You acknowledge that no bill payments, transfers or other Services will be initiated that violate any Applicable Laws, Applicable Rules, or requirement.

You understand that information regarding OFAC requirements can be obtained by calling the OFAC Compliance Hotline, toll free, at 1-800-540-OFAC. You also understand that failure to comply with applicable operating rules of networks, associations and systems could result in liability for fines and other penalties assessed against us pursuant to those rules, which you agree to pay directly or to reimburse us promptly upon demand.

OFAC is a division of the United States Treasury Department and is mandated to implement and enforce economic sanctions imposed by the U.S. Government against hostile foreign countries, their nationals, or other “specially designated” individuals or entities. These sanctions restrict banks and other businesses from doing business with those designated countries and entities.

Other Agreements

In addition to this Agreement, you and Catskill Hudson Bank agree to be bound by and comply with the requirements of the agreements applicable to each of your Online Accounts. Your use of the Online Banking Service, the Bill Payment Service, or Cash Management Service is your acknowledgment that you have received and read these agreements and are bound by them. You should review other disclosures received by you when you open your Accounts at Catskill Hudson Bank including the charges that may be imposed for electronic funds transfers or the right to make transfers listed in the fee schedules accompanying those disclosures and the fee schedule at the end of this Agreement. We will automatically deduct any fees related to any Service used by you from your Bill Pay Account each month.

Business Days & Hours of Operation

The Services are available 24 hours a day, seven days a week, except during special maintenance periods. For purposes of transactions, Catskill Hudson Bank’s business days are Monday through Friday, excluding holidays. All Online Banking transaction requests received after 6:00 p.m. on business days and all transactions, which are requested on Saturdays, Sundays, or holidays on which Catskill Hudson Bank chooses to remain closed, will be processed on the next business day. Catskill Hudson Bank’s business day begins at 8:00 a.m.

Joint Accounts

When your Online Banking service is linked to one or more joint Accounts, we may act on the verbal, written or electronic instructions of any authorized signer on such Account. Joint Accounts using the same Online ID will be identified as one Service. However, we recommend that each authorized signer on joint accounts have their own individual Online ID.

Modifications to this Agreement

Amendment

Except as otherwise required by Applicable Law or Applicable Rule, the Bank may change the terms of this Agreement (including any applicable Services fees) and any other agreement described herein from time to time and at any time. When changes are made, we may notify the Customer by mail, through internal e-mail and/or by posting the amendment to our web site. We will update the Agreement on our web site on or before the effective date of the change, unless the change must be made before we can update the Agreement in order to maintain adequate security of the System or unless an Applicable Law or Applicable Rule mandates that the change be made at an earlier date. If such a change is made, and it cannot be disclosed without compromising the security of our

System, this Agreement will be updated within 30 days after the change. Customer may choose to accept or decline changes by continuing or discontinuing the use of the Services. Customer's continued use of the Services shall constitute Customer's acceptance of the amended Agreement.

In Case of Errors or Questions About Your Electronic Transfers

In case of errors or questions regarding Online Banking or Bill Payment transactions or if you think your statement is wrong or if you need more information about a transfer listed on your statement, call Catskill Hudson Bank at (845) 794-9203 or write to us **as soon as you can** at:

*Catskill Hudson Bank
Operations Department
P.O. Box 855
Rock Hill, NY 12775*

We must hear from you at the specified telephone number or address no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. We will need:

- Your name and Account number (if any)
- A description of the error or the transfer in question and an explanation concerning why you believe it is an error or need more information.
- The dollar amount of the suspected error and date on which it occurred.

If the report is made orally, you must send the complaint or question to Catskill Hudson Bank in writing within 10 business days.

For CONSUMERS ONLY:

We will notify you with the results of the investigation within 10 business days after you notified us. If we need more time, however, we may take up to 45 days to investigate a complaint or question. If this occurs, we will credit your account within 10 business days for the amount you think is in error. This will allow you to use the money during the time it takes us to complete our investigation. If your complaint or question is not received by us in writing within 10 business days, we may not credit your account.

If an alleged error involves new Account or an electronic funds transfer outside a state or territory or possession of the United States, the applicable time periods for action by us are 20 business days (instead of 10) and 90 calendar days (instead of 45).

We will inform you of the results of our investigation within 3 business days after completing our investigation. If we determine that no error occurred, we will send you a written explanation or our determination, and any credit to your account with respect thereto shall be reversed. You may request copies of the documents that we used in our investigation.

You agree that Catskill Hudson Bank may respond to you by electronic mail with regard to any claim of unauthorized electronic funds transfer related to the Service. Any such electronic mail sent to you by Catskill Hudson Bank shall be considered received within three (3) days of the date sent by Catskill Hudson Bank, regardless of whether or not you sign on to the Service within that time frame.

Your Liability

If you believe your password has been lost, stolen, used without your authorization, or otherwise compromised, you should immediately log in and change your password and then CONTACT US as soon as possible at (845) 794-9203. An immediate telephone call to us is the best way to reduce any possible losses. You could lose all the money in your accounts (plus overdraft line of credit, if any).

For CONSUMERS ONLY:

If you tell us within two (2) business days after you learn of the loss, theft, compromise, or unauthorized use of your password to make an electronic fund transfer, you can lose no more than \$50 if someone used your password without your permission. If you do NOT tell us within two (2) business days after you learn of the loss, theft, compromise, or unauthorized use of your password, and we can prove we could have stopped someone from using your password to access your Accounts without your permission if you had told us in time, you could lose as much as \$500.

Also, if your paper statement shows transfers that you did not make, contact us as once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost through transactions made after the 60 day time period if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or hospital stay) kept you from contacting us, we will extend the time periods. If you believe that your password has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call us at (845) 794-9203, or write us at:

*Catskill Hudson Bank
Operations Department
P.O. Box 855
Rock Hill, NY 12775*

You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without permission.

BUSINESS Customers:

You acknowledge, represent and warrant that all Company Accounts that can be accessed under a Business NetTeller and /or Cash Management Online Banking account are not accounts established primarily for personal, family or household purposes.

Additional risk is associated with use of NetTeller Online Banking and Cash Management by Business Customers. You will not have the benefit of any consumer law limiting liability for the unauthorized use of your NetTeller Online Banking or Cash Management. You accept and agree to undertake the additional risk and greater measure of liability associated with the use of NetTeller Online Banking or Cash Management. You are liable for transactions you did not authorize if we can prove that we processed the transaction in good faith and in compliance with a commercially reasonable security procedure to which we both agreed, unless otherwise required by Applicable Law. You agree to defend, indemnify and hold us harmless from and against any and all actions, losses, liabilities, claims, damages or expenses (including, without limitation, attorneys' fees and court costs and expenses) arising from or related to the access or use of any such Service.

If you have reason to believe that your Primary Administrator User ID and Password have been lost, stolen or otherwise compromised (or may be compromised) or that a bill payment, funds transfer or other Service has been or may be made with your Primary Administrator User ID and Password without your permission, you must call us at (845) 794-9203 during normal business hours or write us at the address listed above. You should also immediately change your Primary Administrator User ID and Password. You will not be liable for any unauthorized transaction that occurs after we receive your notice and have had a reasonable opportunity to act on it, unless we can prove that your failure to comply with this Agreement or to otherwise exercise ordinary care contributed to the unauthorized bill payment, funds transfer or other Service.

If you have reason to believe that any User ID has been lost, stolen or otherwise compromised (or may be compromised) or that a bill payment, funds transfer or other Service has been or may be made with any User ID without your permission, you must contact your Primary Administrator or any Secondary Administrator. Your Primary Administrator or Secondary Administrator, as applicable, must deactivate, and has the sole responsibility for deactivating, any such User ID. In no event will we be liable for any unauthorized transaction that occurs with any User ID (including Secondary Administrator).

Our Liability for Failure to Make a Transfer

If we do not properly complete a transfer to or from your Account on time or in the correct amount according to our Agreement with you, we will be liable for the amount of any actual (but not incidental or consequential) damages incurred by you and resulting directly from such failure. However, we will not be liable in the following instances:

1. If through no fault of Catskill Hudson Bank, you do not have enough money in your Account to make the transfer.
2. The transaction you request would exceed the funds in your Account plus any available overdraft credit.
3. If circumstances beyond our control (such as fire, flood, power outage, equipment or technical failures or breakdown, or the unauthorized actions of a third party) prevent the transfer, despite reasonable precautions that we have taken.
4. If there is a hold on your Account, or if access to your Account is blocked, in accordance with banking policy.
5. If your funds are subject to legal process or other encumbrance restricting the transfer.
6. The failure is due to an equipment breakdown which you knew about when you started the transaction.
7. You attempt to complete a transaction using the Service which is not a permissible transaction.
8. The transaction would exceed security limitations on the use of the Service.
9. If your transfer authorization terminates by operation of Applicable Law.
10. Access of your Accounts without your permission.
11. You have not properly followed the scheduling instructions on how to make a transfer included in this Agreement.
12. If we have received incomplete or inaccurate information from you or a third party involving that Account or transfer.
13. Failure by JHA to properly complete a bill payment on time or in the correct amount under the Bill Payment Service.
14. If we, in good faith, believe that the transaction instruction was given without the Company's authorization, has not been properly authenticated or is fraudulent or we have other reasonable cause not to honor a transaction for the company or for our protection.
15. If you default under this Agreement, the deposit account agreement, a credit agreement, or any other agreement with us, or if we or you terminate this Agreement.

There may be other exceptions stated in this Agreement and in other agreements with you. In no event shall we be liable for damages in excess of your actual loss due to our failure to complete an authorized transfer, and we will not be liable for any incidental or consequential damages, which are hereby waived.

If any of the circumstances listed in subparagraph 3 or 13 above shall occur, we shall assist you with reasonable efforts in taking appropriate corrective action to reprocess the transactions that may not have been completed or to correct incorrect transactions that have been processed.

Disclosure of information to third parties

We will disclose information to third parties about your Account or the transfer you make:

- Where it is necessary to complete transfers or investigate transaction errors and verify transactions; or
- In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant or payee; or
- In order to comply with court or government agency orders or court, government or administrative agency summonses, subpoenas, orders, examinations and escheat reports or other reporting requirements; or,
- If you give us your written permission; or
- As required or allowed by Applicable Law.

More information regarding disclosure of information to third parties is contained in the Catskill Hudson Bank Online Banking Privacy Policy and Catskill Hudson Bank's Notice of Your Privacy Rights, which are urged to read and are incorporated in this Agreement by reference.

Notices/Address Changes

To the extent permitted by Applicable Law, any notice or communication to us will not be effective until we receive and have had a reasonable opportunity to act on such notice or communication.

You authorize us to, and you agree that we may, send any notice or communication that we are required or permitted to give you under this Agreement to your mailing address or e-mail address as it appears on our records, and that any such communication or notice will be effective and deemed delivered when provided to you in such a manner. You agree to notify us promptly about any change in your mailing address or e-mail address, and you acknowledge and agree that no such change will be effective until we have had a reasonable opportunity to act on your notice. If your Online Account is owned by more than one person or entity, you agree that we may consider any such notice or communication as being given to all Online Account owners when such notice or communication is given to any one Online Account owner.

You agree that we may send confidential information including your User IDs to your current address shown in our records for your Primary Online Account, whether or not our records include delivery instructions to a particular individual. You also agree that we will not be responsible or liable in any way in the event that such properly addressed information is intercepted by an unauthorized person either in transit, at your home, at your place of business or otherwise.

Inactivity; Termination

You are responsible for complying with all the terms of this Agreement and with the terms of the agreement governing the deposit accounts which you access using electronic banking services. We can terminate any or all of your electronic banking privileges under this Agreement without notice to you if you do not pay any fee required by this Agreement when due, or if you do not comply with the agreement governing your deposit or loan accounts, or your Accounts are not maintained in good standing, or for any other reason or no reason at the discretion of Catskill Hudson Bank. We will promptly notify you if we terminate this Agreement or your use of the Services for any other reason.

Unless you are paying a monthly service charge to the Bank for the Service, we may convert your Account to inactive status if you do not sign on to the Service or have any transaction scheduled through the Service during any consecutive 180-day period. If your Account is considered inactive, you must contact us to have the Service activated before you will be able to schedule any transaction through the Service.

If this Agreement is terminated for any reason, you must cancel all outstanding bill payments, funds transfers and other Services, including any automatic or recurring bill payments or funds transfers. We may continue to issue bill payments, to transfer funds and to perform other Services you have previously authorized or may subsequently authorize; however, we are not under any obligation to do so. We will not be liable if we choose to issue any bill payment, to transfer funds or to perform any other Service you previously authorized or subsequently authorize after this Agreement terminates.

To cancel Online Banking, Bill Payment and/or Cash Management service, you must notify Catskill Hudson Bank and provide your name; address; whether you are discontinuing Online Banking, Bill Payment, Cash Management or a combination of Services; and the effective date to stop the Service. When Bill Payment is terminated, any prescheduled bill payments made through Online Banking will also be terminated. Your final charge for the Bill Payment Service will be assessed at the end of your statement cycle. You may notify Catskill Hudson Bank by one of the following methods:

- By sending an e-mail to **chb@catskillhudsonbank.com**
- By calling (845) 794-9203, 8:00 a.m. to 5:00 p.m. (Eastern Time), Monday through Friday
- By writing a letter and either sending it to the following address or giving it to a Personal Banker at any Catskill Hudson Bank location:

*Catskill Hudson Bank
Operations Department
P.O. Box 855
Rock Hill, NY 12775*

Use of External E-mail Address

With the Online Banking Service, we may send messages to your external email address and notify you those responses to your payment inquiries or customer service inquiries are available. We cannot act on instructions sent by you from an external email address. You should use the Online Banking secure email notification to send instructions to Catskill Hudson Bank.

Contact by Catskill Hudson Bank

No Catskill Hudson Bank employee, or any company affiliated with Catskill Hudson Bank Online Banking will contact you via email or phone requesting your Online User ID or Password. If you are contacted by anyone requesting this information, please contact us immediately.

Governing Law

This Agreement is governed by the laws of the State of New York and Applicable federal Law.

Fees for Services

The Bank reserves the right to impose fees for Online Banking, Bill Payment Services, and other Services. You will be notified of the fees for such Services before the fees go into effect. Fees for Online Banking, Bill Payment Services and other Services are subject to change.

Waiver

We may waive, or delay exercising, any of our rights under this Agreement without notifying Customer. Such a delay or waiver will not affect any other rights we may have. The waiving of any of our rights on any occasion shall not be deemed to be a waiver of such right in the future. This Agreement may not be amended by course of dealing.

Assignment

Customer shall not assign this Agreement or Customer's rights hereunder, voluntarily or involuntarily, by operation of law (i.e., a merger) or any other manner, without our prior written consent. Any purported assignment in violation of this section is null and void. This Agreement shall be binding on Customer and Customer's successors and assigns and shall inure to our benefit and the benefit of our successors and assigns.

Miscellaneous

This Agreement is the final and complete agreement between Customer and the Bank concerning the Services and supersedes any prior agreements, oral or written, or other communication between Customer and the Bank related to the Services including any marketing or other similar materials. If any part of this Agreement is determined by a court to be invalid, the rest will remain in effect. If any provision is determined by a court of competent jurisdiction to be invalid, the provision shall be deemed amended to the extent necessary to be valid, and all other provisions shall remain in effect. No failure, partial exercise or delay by us in exercising any of our rights or remedies shall constitute a waiver of any of them or require notice for subsequent exercise at any time of any of our rights or remedies. This Agreement may not be amended by course of dealing. Customer agrees that a copy of this Agreement and/or evidence that Customer entered into any agreement on-line, kept in the normal course of our business, may be entered into evidence as an original.

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Acceptance of Agreement (Consumer)

You acknowledge and agree that any access to or use of the Services constitutes acceptance of the terms of this Agreement. By checking the "I agree" box and clicking the Accept button on the web site, you confirm you have read and accept all of the terms and conditions of this Agreement.

Acceptance of Agreement (Business)

By signing this Agreement, the undersigned acknowledge that they have read and accepted the terms and conditions of this Agreement, and agree to be bound by its terms. The person signing warrants that he/she has full authority to do so and that this Agreement binds the Company.

ACCEPTED BY:

COMPANY Name

Signature

Printed Name

Date

Email address of company or signer

ACCEPTED BY:

Catskill Hudson Bank

Signature

Printed Name

Date

Addendum A
Commonly Controlled Entities

This Addendum sets forth additional terms and conditions with respect to accessing multiple businesses via one NetTeller/Cash Management online banking sign on. The definition, terms and conditions of the NetTeller/Bill Pay/Cash Management Online Banking Agreement are hereby incorporated in this Addendum by reference. The provisions of this Addendum are controlled by the rights, obligations and liabilities established in the Online Banking Agreement. The BANK is not liable for the actions omissions any authorized contact for any Commonly Controlled Entity takes or omits to take with respect to any other Commonly Controlled Entity (each a “Business”) included in Online Banking under this Addendum.

Eligible Business Account for Linking

Each Commonly Controlled Entity executing this Addendum authorizes the authorized contacts for each other Commonly Controlled Entity listed herein to act on its behalf through the NetTeller/Bill Pay/Cash Management Online Banking and/or Online Banking systems. Each Commonly Controlled Entity also acknowledges that it is bound by the rights, obligations, and liabilities of the COMPANY as defined, established, and obligated in the Online Banking Agreement and as “You” or “Your” as defined, established, and obligated in the Online Banking Agreement as if the executing Commonly Controlled Entity executed those documents in its own name as the COMPANY. Businesses that COMPANY requests to be linked must have common ownership as established in each business’s organizational documents. Businesses that COMPANY requests to be linked must be listed below and must execute this Addendum.

Business Name	Account Number(s)	Tax ID#

Termination

Either the BANK or any executing Business may terminate this Addendum at any time upon ten (10) Business Days prior written notice of termination. If a Business is terminating this Addendum, it must provide notice to Bank and each listed Business. If Bank terminates this Addendum, it must provide notice to each executing Business.

By signing below, you are certifying the representations made and agreeing to all of the terms and conditions set forth in the Agreement and this Addendum.

Company

By: (Authorized Signature)

Name

Title

Date

Company

By: (Authorized Signature)

Name

Title

Date

Company

By: (Authorized Signature)

Name

Title

Date

Company

By: (Authorized Signature)

Name

Title

Date