

BALLSTON SPA NATIONAL BANK

Online Banking Service Agreement

Agreement

This Agreement which includes the *Application Form*¹, and *Terms and Conditions of Your Deposit Account*², is a contract which establishes the rules which cover your electronic access to your accounts at Ballston Spa National Bank ("BSNB") through *Online Banking*. By using BSNB *Online Banking*, you accept all the terms and conditions of this Agreement. **Please read it carefully and retain a copy for your records.** The *Terms and Conditions of Your Deposit Account*, account disclosures for each of your BSNB accounts, and your other agreements with BSNB (e.g., individual loans), continue to apply notwithstanding anything to the contrary in this Agreement.

This Agreement is also subject to applicable federal laws and the laws of the State of New York (except to the extent this Agreement can and does vary from such rules or laws). If any provision of this Agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. You may not assign this Agreement. This Agreement is binding upon the parties' heirs, successors and assigns. Certain of the obligations of the parties pursuant to this Agreement, that by their nature would continue beyond the termination, cancellation or expiration of this Agreement (including, but not limited to fees and transactions in process), shall survive. This Agreement, together with the *Online Banking Fee Schedule*, *Application Form*, *Terms and Conditions of Your Deposit Account*, *Electronic Fund Transfer Disclosure*³ and the *Online Banking External Service Agreement*, constitutes the entire Agreement between you and BSNB with respect to the subject matter hereof, and there are no understandings or agreements relative hereto which are not fully expressed herein.

Section 1. Definitions

As used in this Agreement, the words

- "We," "our," "us" and "BSNB" mean Ballston Spa National Bank.
- "You" and "your" refers to the person(s) or entity authorized by BSNB to use *Online Banking* under this Agreement and anyone else authorized by that account holder to exercise control over the account holder's funds through *Online Banking*.
- "Business Day" means any day except Saturday, Sunday and Federal holidays. The BSNB *Online Banking* Business Day ends at 8:00 PM Eastern Standard Time (EST) unless otherwise posted. Any transfer transaction made through *Online Banking* on or after 8:00 PM will be processed on the following business day.
- "Account(s)" means the Designated Checking Account and other deposit, loan and other accounts you have at BSNB to which you have access through *Online Banking*.

"Accounts" eligible for *Online Banking* include:

1. Checking accounts
2. NOW or Interest Bearing Checking accounts
3. Statement Savings accounts
4. Passbook Savings accounts
5. Money Market Investment accounts

6. Holiday Club accounts
7. Installment Loans
8. Commercial Loans
9. Home Equity Lines of Credit
10. Home Equity Loans
11. Overdraft Lines of Credit
12. Mortgage Loans

The BSNB Terms and Conditions of Your Deposit Accounts governing the Accounts are incorporated by reference herein.

- "Access ID" means Access Identification and is the unique name that identifies you within *Online Banking*.
- "Passcode" means your secret sequence of typed characters that are required to gain access to *Online Banking*.
- "Designated Checking Account" means the BSNB Checking Account that will be used to pay *Online Banking* charges and fees for the use of *Online Banking*. A Designated Checking Account must be a demand deposit, NOW or interest bearing checking account. A Designated Checking Account cannot be a Savings or Money Market Investment Account (MMIA).
- "Electronic funds transfers" means ATM withdrawals, preauthorized transactions, point-of-sale transactions and transfers to and from BSNB accounts using *Online Banking*, including bill payments. *Online Banking* pursuant to this Agreement includes Bill Payment services.

Section 2. Access

To use *Online Banking*, you must have at least one eligible account at BSNB, access to *Online Banking*, and an e-mail address. Also, your browser must support full 128-bit encryption and must be a currently supported browser in order to access BSNB *Online Banking* at <http://www.bsnb.com>, or such other Internet address we may provide.

No additional software is required for *Online Banking* access. Once we have received your online application, which is your request and consent to allow access to your accounts through BSNB *Online Banking*, and verified your account information, we will contact you by telephone to complete the application process.

Continued access to *Online Banking* is based on the frequency with which you access the service. If, for example, our records indicate that you have not signed on [have not employed your **Access ID** and **Passcode** as defined in Section 1] to *Online Banking* for a six-consecutive-month period, we reserve the right to terminate access. If access to *Online Banking* is terminated, it will affect only your ability to access your account(s) via *Online Banking*, including your ability to a.) view your account history online; b.) transfer funds between accounts online; or, c.) make payments from your accounts using the Bill Pay system.

If we terminate your access to *Online Banking* as described above, and you wish to re-establish access, you must contact us at (518)885-6781 to reactivate your access.

Section 3. Online Banking

You can use BSNB *Online Banking* to check the balance in your BSNB account(s), view BSNB account histories, transfer funds between your eligible BSNB accounts, transfer funds between non BSNB accounts and, if you are a registered user of our *Online Banking* Bill Payment services, pay bills from your Designated Checking Account in the amounts and in accordance with your payment instructions.

Section 4. Your Access ID and Passcode

When you complete an *Online Banking* application, you will be asked to choose an Access ID and Passcode, which **you must retain for purposes of accessing BSNB Online Banking**. Once we have received your properly completed Online Application and we have verified your identity, you will be authorized for use of BSNB *Online Banking*.

For security reasons, you can change your Passcode for *Online Banking* at any time. **YOU MAY BE REQUIRED TO CHANGE YOUR PASSCODE PERIODICALLY** and comply with other security related requirements that we may deploy for your protection.

Your access to *Online Banking* will be blocked in the event your Passcode is entered incorrectly on three (3) consecutive access attempts. If this occurs, please call BSNB *Online Banking* Support at 518-885-6781 (8:00 AM to 6:00 PM EST) or any other number that we may designate for *Online Banking* Support in the future. You may also use the Forgotten Passcode feature by clicking on the "Forgot Passcode" link located below the normal passcode entry field.

You authorize us to follow any instructions entered through *Online Banking* using your Access ID and Passcode. You agree to indemnify and hold the Bank harmless from any liability, cost, expense, or damages, including reasonable attorney's fees, which the Bank may incur as a result of acting upon instructions or implementing transactions which bear your Access ID and Passcode. Further, you agree that the Bank is not liable for any payment, transfer, or transaction from or to any account where the payment, transfer, or transaction bears the appropriate Access ID and Passcode.

You agree that e-mail or other communications viewed or transmitted between us through the *Online Banking* service shall be treated as a "writing" and shall bind each of us in the same way as written communications. You agree that use of your Access ID and/or Passcode to access the *Online Banking* service through our web site in connection with a communication that you send to us shall be treated as your signature.

Section 5. Changing Existing Accounts

You can delete from this Agreement any of your Ballston Spa National Bank accounts that BSNB *Online Banking* supports, subject to verification by us. If at any time you wish to change or delete any of your accounts linked by BSNB *Online Banking*, you must provide us with advance written notice via a secure message through *Online Banking*, postage mail, or in person. You must notify us at least three (3) Business Days prior to the date on which you wish to have your account(s) changed, added or deleted from BSNB *Online Banking*. We reserve the right, however, due to extenuating circumstances as determined by the Bank, to take up to ten (10) Business Days to implement any of the aforementioned requested changes.

Access to your accounts through *Online Banking* will be based upon the ownership of accounts, your Access ID, and your Passcode. We undertake no obligation to monitor transactions through *Online Banking* to determine that they are made on behalf of the account holder. You agree to hold the bank harmless as a result of any damages you may incur as a result of same.

Section 6. Security

You understand the importance of your role in preventing misuse of your accounts through *Online Banking* and you agree to promptly examine your account statement for each of your BSNB accounts as soon as you receive it. You agree to protect the confidentiality of your account and account number, and your personal identification information, such as your driver's license number and social security number. You understand that personal identification information by itself, or together with information related to your account, may allow

unauthorized access to your account(s). Data transferred via *Online Banking* is encrypted in an effort to provide transmission security and *Online Banking* utilizes identification technology to verify that the sender and receiver of *Online Banking* transmissions can appropriately be identified by each other. Notwithstanding our efforts to insure that the *Online Banking* system is secure, you acknowledge that all data transfers, including electronic mail, occur openly on the internet and potentially can be monitored and read by others. We cannot and do not warrant that all data transfers utilizing *Online Banking*, or e-mail transmitted to and from us, will not be monitored or read by others. By accepting the terms of this Agreement and using *Online Banking*, you agree to accept this risk.

Section 7. Fees and Charges

You agree to pay the fees and charges for your use of *Online Banking* as set forth in the *Online Banking Fee Schedule*, and that pricing is subject to change anytime at the Bank's discretion. If you are unwilling to accept a price change, you may terminate access to this account and discontinue *Online Banking* at no cost to you. You agree that all such fees and charges will be deducted from the BSNB checking account designated as the "Designated Checking Account". If you close your Designated Checking Account, you must contact us immediately to designate another account as your Designated Checking Account. You are also responsible for telephone and Internet line fees you incur in connection with your use of *Online Banking*.

Section 8. Transfers

By entering this Agreement, you are authorizing us to honor your preauthorized transfers. Any attempted payment, which exceeds the available balance in your Checking Account, (9:00 AM to 8:00 PM EST) may be rejected and returned. Any payment returned for insufficient funds is subject to an NSF Return Fee as outlined in the *Online Banking Fee Schedule*. The NSF Return Fee is subject to change and is determined at the sole discretion of BSNB. One-time transfers or bill payments, or the first in a recurring schedule of transfers or bill payments, will occur on a Business Day. If a recurring transfer has been previously scheduled to take place and is scheduled to be debited from your account on a date which is not a Business Day, the transfer or bill payment will be deducted from the appropriate account the following Business Day.

Transfers may be made between Eligible Accounts. An "Eligible Account" is an Account linked to *Online Banking* that does not have withdrawal restrictions. To schedule a transfer of funds between Eligible Accounts, you must provide the Eligible Accounts from and to which the transfer is to be made, the amount to be transferred, and the date or dates the transfer is to be made. Any attempted transfer which exceeds the available balance in the Eligible Account from which the funds are to be transferred will not be made. Loan payments to BSNB may be deducted directly from any of your checking or savings accounts as a transfer transaction, provided that both the loan and deposit accounts have been identified for *Online Banking*.

By law, you are limited to making no more than six (6) pre-authorized or automatic or telephonic (including data transmission) transfers from a savings or money market account, to another of your account(s), or from your savings or money market account, for purposes of pre-authorized payments or transfers to a third party, during a monthly statement period. If, in our determination, you repeatedly exceed the allowable limits, you may be charged a fee for each excess transaction and, by law, we will be required to close your savings or money market account. There is no limit on the number of ATM withdrawals made directly to you during a monthly statement period.

You may schedule duplicate payments or transfers. A duplicate payment or transfer is one that is scheduled to be made to the same payee on the same business day for the same amount. At the end of each *Online Banking* transaction, you will receive a confirmation message of your activity within your *Online Banking* session.

Section 9. Initiation and Delivery of Transfers

Although you can enter transaction instructions through *Online Banking* seven (7) days a week, 24 hours a day, payments and scheduled transfers can be "processed" only on Business Days (See Section 1). The date on which a transaction or payment is to be "initiated" is the date on which funds will be deducted from the appropriate Account.

Section 10. Timing of Payments and Transfers

For transfers between accounts at BSNB, You may schedule a transfer to be initiated on the same day you place your request on *Online Banking* provided you send the information to us on a Business Day before 8:00 PM EST.

For transfers to or from a non BSNB account, You may schedule a transfer to be initiated on the next business day you place your request on *Online Banking* provided you send the information to us on a Business Day before 4:00 PM EST.

Future Transfers

If you schedule a future payment or transfer for a non-Business Day, your transaction will be initiated on the following Business Day.

Recurring Transfers

You may schedule transfers that do not vary in amount to initiate automatically on a regular schedule of your choice. If you choose a day near the end of the month for a recurring transfer that does not exist in a particular month, then the transfer will be initiated on the day immediately following Business Day.

If the scheduled recurring transfer falls on a day that is not a Business Day in a particular month, the transaction will be initiated on the following Business Day. For example, if you schedule a recurring transfer for the 10th of each month and the 10th of September falls on a Saturday, then your transaction will be initiated on the following Business Day, Monday, the 12th of September.

Section 11. Canceling or Changing Payments and Transfers

You may use *Online Banking* to change both the amount and the initiation date of any scheduled transfer. A scheduled transfer for the same Business Day, including recurring transfers, may be canceled, changed or rescheduled in this manner any time prior to 8:00 PM EDT on the scheduled initiation date.

Scheduled transfers, including recurring transfers and bill payments, including recurring bill payments, will be automatically cancelled if access to *Online Banking* is terminated as outlined in Sections 2. and 19. You agree that, if your access to *Online Banking* is terminated, you hold BSNB harmless for any returned payments and/or any and all related fees and costs incurred as a result of termination of access.

Section 12. Reviewing Account History, Payments and Transfers

Any scheduled future payments or transfers are stored for viewing. Past payments and transfers may be downloaded as transaction history to your personal computer. You may download the transaction history of your account(s) to your personal computer, during the time period they are accessible on the *Online Banking* system.

Section 13. Inquiries

You may use *Online Banking* to check the balances and activity of your Accounts. In order to initiate an inquiry, you must first use your Access ID and Passcode to connect to *Online Banking*. Deposit balance information displayed by *Online Banking* during your connection will be the Available Balance reported by the bank's system and will change throughout the day based on your activity.

Section 14. Disclosure of Account Information and Transfers

You understand information about your accounts or the transfers you make may automatically be disclosed to others. For example, tax laws require disclosure to the government of the amount of interest you earn, and some transactions, such as large currency and foreign transactions, must be reported to the government. We may also provide information about your accounts to persons or companies we believe would use the information for reasonable purposes, such as when a prospective creditor seeks to verify information you may have given in a credit application or a merchant calls to verify a check you have written. In addition, we routinely inform credit bureaus when accounts are closed because they were not handled properly. We may also seek information about you from others, such as the credit bureau, in connection with the opening or maintaining of your account or in connection with approving your access to *Online Banking*. You agree and hereby authorize all of these transfers of information, to the extent permitted by law.

Section 15. Documentation, Verification of Transfers and Periodic Statements

No printed receipts of transactions are issued by BSNB *Online Banking*. Transfers and bill payments made through BSNB *Online Banking* will be shown on the SUMMARY AND TRANSFER TRANSACTION HISTORY OR PENDING TRANSACTIONS screen(s) on your computer. All of your transfers and bill payments made through BSNB *Online Banking* will also appear on your printed statement(s) for the accounts from which and to which transfers are made. You will receive an account statement(s) at least monthly for any month in which an electronic transfer occurs or at least quarterly if no electronic transfer has occurred. You will not receive a separate *Online Banking* statement.

Section 16. Change in Terms

We may change any term of this Agreement at any time. If the change would result in increased fees for any *Online Banking* service, increased liability for you, fewer types of available electronic fund transfers, or stricter limitations on the frequency or dollar amount of transfers, we agree to give you notice at least thirty (30) days before the effective date of any such change, unless an immediate change is necessary to maintain the security of an account on our electronic funds transfer system. We will post any required notice of the change in terms on the BSNB website or forward it to you by postal mail (or by e-mail if permitted by law). Your continued use of any or all of the subject *Online Banking* services indicates your acceptance of the change in terms. If you are unwilling to accept the change in terms, you may terminate access to this account and discontinue *Online Banking* at no cost to you. We reserve the right to waive, reduce or reverse charges or fees in individual situations. You acknowledge and agree that changes to fees applicable to specific accounts are governed by the applicable deposit agreements and disclosures.

Section 17. Our Liability for Failure to Make a Transfer

All other language in this Agreement, notwithstanding, it is the intent of BSNB to complete transfers to or from your account, including bill payments, on time and in the correct amount. However, the parties specifically agree that, in exchange for the services provided by BSNB under this Agreement and the other terms of this Agreement, BSNB shall have no liability whatsoever for failure to make such transfers correctly or in a timely manner, except as may otherwise be provided by law. You understand and agree that, except as provided by law, BSNB shall not be responsible for direct, indirect and/or consequential damages for such failure, including interest, penalties or late fees for a payment missed or not timely made.

Section 18. Disclaimer of Warranty and Limitation of Liability

We make no warranty of any kind expressed or implied, including any implied warranty of merchantability or fitness for a particular purpose, in connection with *Online Banking Services* provided to you under this Agreement. We do not and cannot warrant that *Online Banking* will operate without errors, or that any or all *Online Banking Service* will be available and operational at all times. Except as specifically provided in this Agreement, or otherwise required by law, you agree that our officers, directors, employees, agents or contractors are not liable for any indirect, incidental, special or consequential damages under or by reason of any *Online Banking* or products provided under this Agreement or by reason of your use of or access to *Online*

Banking, including loss of profits, revenue, data or use by you or any third party, whether in an action in contract, tort, warranty or equity.

Section 19. Termination

You may cancel your *Online Banking Service* with written notice at any time by:

- Contacting BSNB *Online Banking Support* at 518-885-6781 (8:00 AM to 6:00 PM EST)
- Writing to Ballston Spa National Bank at 87 Front St., PO Box 70, Ballston Spa, NY 12020
- Sending us an electronic (e-mail-type) message through our *Online Banking*.

We reserve the right to terminate at any time your access to *Online Banking*, in whole or in part, without prior notice. This includes termination based on the frequency with which you access the service. If, for example, our records indicate that you have not signed on [have not employed your **Access ID** and **Passcode**] to *Online Banking*, within a six-consecutive-month period, we reserve the right to terminate access. If we terminate access to *Online Banking*, termination of the service will affect only your ability to access your account(s) via *Online Banking* including the ability to a.) view your account history online; b.) transfer funds between accounts online; or, c.) *make payments from your accounts using the Bill Pay system [see Section 12]*.

If we terminate your access to *Online Banking* as described above, and you wish to re-establish access, you must contact us at (518)885-6781 to reactivate your online profile.

Section 20. Communications between BSNB and You

Unless this Agreement provides otherwise, you can communicate with us in any one of the following ways:

- Securely via e-mail through our *Online Banking*.
- Telephone: *Online Banking Support* at 518-885-6781 (8:00 AM to 6:00 PM)
- Facsimile: 518-885-4477
- Postal Mail: Ballston Spa National Bank 87 Front St., PO Box 70, Ballston Spa, NY 12020
- In Person: Visit us at any one of our banking locations during banking hours.

If you believe an unauthorized transfer of funds has been or may be made, you agree to notify us immediately by any of the above methods.

Section 21. Consent to Electronic Delivery of Notices

You agree that any notice or other type of communication provided to you pursuant to the terms of this Agreement, and any future disclosures required by law, including electronic funds transfer disclosures, may be made electronically by posting the notice on the BSNB *Online Banking* website or by other electronic means. In addition, where required by law, a paper copy of any required disclosure or notice of change will be mailed or delivered to you. You agree to notify us immediately of any change in your e-mail mailing address.

Addendum 1- Electronic Fund Transfer Disclosure

This section applies only to customers who use Online Banking services for personal or household purposes. It does not apply to customers who use Online Banking services for business purposes.

In Case of Errors or Questions about Your Electronic Funds Transfers and Bill Payments

Contact us as soon as you can, if you think your account statement mailed to you is wrong, or if you need more information about a transfer listed on your account statement. We must hear from you no later than sixty (60) days after we sent the FIRST account statement upon which the problem or error appeared. When you contact us regarding:

Transfers

- Tell us your name and account number and the date and amount of the transaction in question.
- Tell us the dollar amount of the suspected error.
- Give us a description of the transaction you are unsure of and an explanation of why you believe there is an error or why you need more information.

Bill Payments

- In addition to the above information: Contact Bill Payment Customer Service at 1-(800)-823-7555
- Identify the account number used to pay the bill, payee name, the date the payment was sent, payment amount, Confirmation No., and the payee account number for the payment. You may contact us in the following ways:
 1. Contact BSNB *Online Banking* Support at 518-885-6781 (8:00 AM to 6:00 PM EST).
 2. Write to Ballston Spa National Bank at 87 Front Street, PO Box 70, Ballston Spa, NY 12020.
 3. Send e-mail to us through our *Online Banking*.

If you contact us by telephone or by an electronic (e-mail-type) message through our *Online Banking* Guestbook, we may require that you send us written confirmation of your request or question by postal mail or fax within ten (10) business days.

We will communicate to you the results of our investigation within ten (10) business days after you contact us and will correct any error promptly. If we need more time, however, we may take up to ninety (90) days to investigate your complaint or question. If we decide to do this, we will provisionally credit your account within ten (10) business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and WE DO NOT receive it in the form of a paper writing within ten (10) business days after your initial contact to us, we may not provisionally credit your account.

If we decide that there was no error, we will send you a written explanation within three (3) business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation. If we have made a provisional credit, a corresponding debit will be made from your account.

Your Liability for Unauthorized Transfers

CONTACT US AT ONCE if you believe your passcode has been lost, stolen, used without your authorization, or otherwise compromised, or if someone has transferred or may transfer money from your accounts without your permission (See Section 23 for ways to contact us). An immediate telephone call to us is the best way to reduce any possible losses. You could lose all the money in your account plus, if applicable, your maximum overdraft line of credit. If you contact us within two (2) business days after you learn of the loss, theft, compromise, or unauthorized use of your passcode, you can lose no more than \$50 if someone used your passcode without your permission. If you do NOT contact us within two (2) business days after you learn of the loss, theft, compromise or unauthorized use of your passcode, and we can prove we could have stopped

someone from using your passcode to access your accounts without your permission if you had told us, you could lose as much as \$500. Also, if your paper statement shows transfers that you did not make, contact us at once. If you do not tell us within sixty (60) days after the paper statement was mailed to you, you may not get back any money you lost through transactions made after the sixty (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 legally sufficient extenuating circumstance kept you from contacting us, we will extend the time periods.

Member FDIC

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¹ The Application Form is the document you used to register for Online Banking.

² These Terms and Conditions were provided to you when you opened your deposit account. A current copy may be requested via our Guestbook located on www.bsnb.com.

³ This disclosure is located in Addendum 1 of this document.