

Arrow Bank National Association

ACH Originator Terms & Conditions

By using the ACH Service, you accept all of the Terms & Conditions outlined below. Please read all parts carefully.

RECITALS

Customer wishes to initiate Credit and/or Debit Entries by means of the Automated Clearing House Network pursuant to the terms of these Terms & Conditions and the rules of the National Automated Clearing House Association (NACHA), the Electronic Payments Network (EPN) and the Federal Reserve Bank, and Bank is willing to act as an Originating Depository Financial Institution (ODFI) with respect to such Entries.

These Terms & Conditions along with the rules of the National Automated Clearing House Association (NACHA), the Electronic Payments Network (EPN), and the Federal Reserve Bank (collectively, hereafter referred to as the "Rules") describe the terms and conditions by which Bank provides Customer automated clearing house transfer services.

Unless otherwise defined herein, capitalized terms shall have the meanings provided in the Rules. The term "Entries" shall have the meaning provided in the Rules and shall also mean the data received from Customer hereunder from which Bank prepares Entries.

AGREEMENT

In consideration of the mutual promises set forth below, the parties agree as follows:

1. Transmittal of Entries by Customer

Customer shall transmit PPD (Prearranged Payments & Deposits), CCD (Cash Concentration or Disbursement), or other mutually agreeable credit or debit Entries to Bank at 250 Glen Street, Glens Falls, New York, and in compliance with the formatting and other requirements set by Bank. However, under no circumstances will IAT (International ACH Transaction) Entries be transmitted or accepted. The total dollar amount of Entries transmitted by Customer to Bank shall not exceed established Total Exposure, Template and Transaction limits amounts specified by Bank. Any ACH Templates that have not been settled are counted towards the Total Exposure Limit. Transmission of entries bearing SEC Codes other than PPD, CCD, or other mutually agreeable types will result in the Customer's entire file being rejected and not being processed. The Customer will be responsible for reinitiating any valid entries.

2. Security Procedure

- (a) Customer and Bank shall comply with the security procedure requirements described herein with respect to Entries transmitted by Customer to Bank. Customer acknowledges that the purpose of such security procedure is for verification of authenticity and not to detect an error in the transmission or content of an Entry. Customer is responsible for errors in transmission or content of any entry and is responsible for maintenance of security procedures set forth in these Terms & Conditions.
- (b) Customer is strictly responsible to establish and maintain procedures to safeguard against unauthorized or incorrect transmissions. Customer warrants that no individual will be allowed to initiate transfers in the absence of proper Customer supervision and safeguards, and agrees to take reasonable steps to maintain the confidentiality of the security procedures and any logons, passwords, codes, security devices and related instructions provided by Bank in connection with these security procedures for the access rights granted and other bank-provided programs allowing access to automated clearing house services. If Customer believes or suspects that any such information or instructions have been discovered or accessed by unauthorized persons, Customer agrees to notify Bank immediately followed by written confirmation. The occurrence of unauthorized access will not affect any transfers made in good faith by Bank prior to receipt of such notification and within a reasonable time period for Bank to act to prevent unauthorized transfer.
- (c) Bank grants access to the Business Online Banking Service, as defined in any pertinent Business Online Banking Agreement or Terms & Conditions, which is incorporated herein by reference, to perform authorized transactions. Customer agrees to establish security standards and policies that include proper safeguards to protect the confidentiality of all Login IDs, Passwords and other authentication identifiers that are assigned to or chosen by Customer for initiating transactions using this system. Any transaction initiated or authorized using a valid combination of Login ID, Password and other authentication means established by Bank, will be considered authentic, valid and binding by Customer and Bank. Upon request, Bank agrees to provide reasonable assistance to establish Login IDs and Passwords, training, and support to Customer for properly using the services. With regard to Internet Entries, Customer warrants and agrees:
 - (1) That each Internet Entry has been originated in a manner which employs a commercially reasonable fraudulent transaction detection system.
 - (2) That Customer has (I) established to its own satisfaction in a commercially reasonable manner the identity of the person originating an Entry; (II) established a procedure to monitor Entries relative to its limits across multiple settlement dates; and (III) has verified that all routing numbers are valid and accurately entered.
 - (3) That Customer will employ a secure Internet environment using commercially reasonable industry standard security technology.
 - (4) That Customer will conduct an annual audit to ensure that all information it receives and sends is protected by security practices and procedures that include, at a minimum, adequate levels of (1) physical security to protect against theft, tampering, damage, unauthorized use and access; (2) personnel and control to ensure security as provided herein; and (3) network and communication security to ensure security as provided herein. The audit will be made available to Bank upon its request.
- (d) **If Customer suspects or believes that any such information has been compromised, or that unauthorized files have been transmitted via the service, it shall immediately call Bank's Electronic Banking Customer Service Center at 800-246-2415. Electronic Banking Hours are Mondays through Fridays 8:00 a.m. to 6:00 p.m. and Saturdays 9:00 a.m. to 1:00 p.m.**
- (e) Bank shall not be liable for any damages whatsoever arising from or caused by Customer's failure to comply with these provisions. Furthermore, Bank will not be liable for any damages arising from or caused by any third parties, other than those damages directly arising from the gross negligence or willful misconduct of its employees after Bank had obtained actual knowledge that an Entry, payment or transfer was being placed in effect by a person without authority. Customer shall be solely liable for any losses arising from, through or as a result of its establishment or use of its security standards, policies and/or safeguards. Any unauthorized payment or transfer shall be presumed to have been caused by Customer's lack of care in the establishment or use of such security standards, policies and/or safeguards.

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3. Compliance with Security Procedures

- (a) If an Entry (or a request for cancellation or amendment of an Entry) received by Bank purports to have been transmitted or authorized by Customer, it will be deemed effective as Customer's Entry (or request) and Customer shall be obligated to pay Bank the amount of such Entry even though the Entry (or request) was not authorized by Customer, provided Bank acted on the entry in good faith and acted in compliance with the security procedure referred to herein with respect to such Entry. If signature comparison is to be used as part of a facsimile transmission received as a secondary means of transmission, as in the case of an emergency, Bank shall be deemed to have complied with that part of such procedure if it compares the signature accompanying a file of Entries (or request for cancellation or amendment of an Entry) received with the signature of an authorized signer on Account (an "Authorized Signer"), as set forth on the Depository Resolution maintained at Bank for the Primary Account identified by Customer, and, on the basis of such comparison, reasonably believes the signature accompanying such file to be that of such Authorized Signer.
- (b) Nevertheless, if an Entry (or request for cancellation or amendment of an Entry) received by Bank was transmitted or authorized by Customer, Customer shall pay Bank the amount of the Entry, whether or not Bank complied with the security procedure referred to herein with respect to that Entry and whether or not that Entry was erroneous in any respect or that error would have been detected if Bank had complied with such procedure.

4. Recording and Use of Communications

Customer and Bank agree that all telephone conversations, emails or data transmissions between them or their agents made in connection with these Terms & Conditions may be electronically recorded and retained by either party by use of any reasonable means.

5. Transaction Settlement/Delivery Timeframes

All ACH credit Entries should be delivered at least two (2) business days prior to the Effective Date of the transactions (Delivery Date or Send on Date). All ACH debit Entries should be delivered at least one (1) business day prior to the Effective Date of the transactions. If the Entries are not delivered within the required timeframe, Bank does not guarantee the transactions will be accepted by ACH processors, or be received/posted on the Effective Date by the recipient's financial institution. Nonetheless, Bank may accept these Entries and they will be forwarded to the ACH processor no later than Bank's next regularly scheduled delivery time.

For purposes of these Terms & Conditions, a business day is defined as a calendar day other than Saturday, Sunday or a Federal holiday. **The end-of-day cutoff time is 4:00 p.m. EST or EDT (as the case may be). The end-of-day cutoff time for same-day is 1:00pm EST.**

All ACH credit originations represent financial obligations for Customer and Bank. Bank may reject any Entry if Customer has failed to comply with its account balance obligations under Section 12. The immediately available balance showing in the Business Online Banking Service associated with the account designated as the settlement account for the Entries must be sufficient to cover the total originations on the Delivery Date (Send on Date). If the settlement account does not have sufficient immediately available funds at that time, Bank may, without any liability, deny, reject or process the Entries. If the Entries are processed, Customer shall pay Bank for the Entries.

Bank shall debit or credit the Account(s) of Customer as identified (I) within the transmitted Template for payment of the Customer's credit originations on the day of the Effective Date; (II) within Online Cash Management by the Customer; or (III) on a facsimile transmission. The Customer is responsible for settling immediately with Bank any overdrafts caused by an ACH Template originated by Customer. Bank reserves the right to debit other accounts owned by Customer to cover an overdraft caused by settlement of an ACH Template originated by Customer.

6. Processing, Transmittal and Settlement by Bank

- (a) Except as provided in Section 7, On-Us Entries, and Section 8, Rejection of Entries, Bank shall (I) process Entries received from Customer to conform with the file specifications set forth in these Rules; (II) transmit such Entries as an Originating Depository Financial Institution(ODFI) to Bank's automated clearing house; and (III) settle for such Entries as provided in the Rules.
- (b) Bank shall transmit or complete the necessary Template authorization of such ACH Entries by the Delivery Date (Send on Date) deadline of the ACH set forth herein prior to the Effective Date shown in such Entries, provided (I) such Entries are received by Bank's cut-off time set forth herein on a business day; (II) the Effective Date is at least two (2) business days after such business day; and (III) the ACH is open for business on such business day. Entries shall be deemed received by Bank when the transmission (and compliance with any related security procedure provided for herein) is completed.
- (c) If any requirements of Section 6(b) are not met, Bank shall use reasonable efforts to transmit such Entries to the ACH by the next deposit deadline of the ACH following that specified in the security procedures described herein, which is a business day and a day on which the ACH is open for business.

7. On-Us Entries

Except as provided in Section 8, Rejection of Entries, in the case of an Entry received for credit to an account maintained with Bank (an "On-Us Entry"), Bank shall credit the Receiver's account in the amount of such Entry on the Effective Date contained in such Entry, provided the requirements set forth in clauses (I) and (II) of Section 6(b) are met. If either of those requirements is not met, Bank shall use reasonable efforts to credit the Receiver's account in the amount of such Entry no later than the next business day following such Effective Date.

8. Rejection of Entries

Bank may reject any Entry which does not comply with the requirements of Section 1, Transmittal of Entries By Customer, or Section 2, Security Procedure, or which contains an Effective Date more than two (2) business days after the business day such Entry is received by Bank. Bank may reject an On-Us Entry, for any reason for which an Entry may be returned under the Rules. Bank may reject any Entry if Customer has failed to comply with its account balance obligations under Section 12, The Account. Bank may reject any Entry of Customer which does not adhere to security procedures as described herein. Bank shall notify Customer by phone, electronic transmission, including email, or in writing of such rejection no later than the Delivery Date (Send on Date) or, in the case of an On-Us entry, its Effective Date. Notices of rejection shall be effective when given. Bank shall have no liability to Customer 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.

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9. Cancellation or Amendment by Customer

Bank shall have no obligation to cancel or amend any Entry after its receipt by Bank. However, Bank shall use reasonable efforts to act on a request by Customer for cancellation of an Entry prior to transmitting it to the ACH or, in the case of an On-Us Entry, prior to crediting a Receiver's account, provided such request complies with the security procedure set forth in Section 2.

10. Notice of Returned Entries

Bank shall notify Customer by email of the receipt of a returned entry from the ACH no later than two (2) business days after the business day of such receipt by Bank. Except for an Entry retransmitted by Customer in accordance with the requirements of Section 1, Transmittal of Entries By Customer, Bank shall have no obligation to retransmit a returned Entry to the ACH if Bank complied with the terms of these Terms & Conditions with respect to the original Entry. Debits returned using Reason Return Codes R01 (Insufficient Funds) or R09 (Uncollected Funds) of Appendix Four of the NACHA Rules may be reoriginated one additional time after the original transaction has been returned.

11. Payment by Customer for Entries

Customer shall pay Bank the amount of each Entry transmitted by Bank pursuant to these Terms & Conditions as specified in the Fee Schedule.

12. The Account

Bank may without prior notice or demand obtain payment of any amount due and payable to it under these Terms & Conditions by debiting the account(s) of Customer identified by Customer (the "Account"), and shall credit or debit the Account for any amount received by Bank by reason of the return of an Entry transmitted by Bank for which Bank has previously received payment or credit from Customer. Such credit or debit shall be made as of the day of such receipt by Bank.

Customer shall maintain immediate available funds in the Account sufficient to cover its payment obligations under these Terms & Conditions by the Delivery Date (Send on Date), which is two (2) business days prior to the Effective Date of a credit entry. In the event there are not sufficient immediate available funds in the Account maintained with Bank to cover Customer's obligations under these Terms & Conditions, Customer agrees that Bank may debit any account maintained by Customer with Bank or any affiliate of Bank or that Bank may set off against any amount it owes to Customer, in order to obtain payment of Customer's obligations under these Terms & Conditions.

13. Account Reconciliation

Entries transmitted by Bank or credited to a Receiver's (as defined in Rules) account maintained with Bank will be reflected on Customer's periodic statement issued by Bank with respect to the Account pursuant to the agreement between Bank and Customer. As set forth herein, Customer agrees to notify Bank promptly of any discrepancy between Customer's records and the information shown on any periodic statement. If Customer fails to notify Bank of any discrepancy within fifteen (15) days of receipt of a periodic statement containing such information, Customer agrees that Bank shall not be liable for any losses resulting from Customer's failure to give such notice or any loss of interest or any interest equivalent with respect to any Entry shown on such periodic statement. If Customer fails to notify Bank of any such discrepancy within fifteen (15) days of receipt of such periodic statement, Customer shall be precluded from asserting such discrepancy against Bank.

14. Customer Representations and Agreements; Indemnity

With respect to each and every Entry initiated by or in the name of Customer, Customer represents and warrants to Bank and agrees that (I) each person shown as the Receiver on an Entry received by Bank from Customer has authorized the initiation of such Entry and the crediting or debiting of its account in the amount and on the Effective Date shown on such Entry; (II) such authorization is operative at the time of transmittal or crediting/debiting by Bank as provided herein; (III) Entries transmitted to Bank by Customer are limited to those types of Credit or Debit Entries set forth in Section 1, Transmittal of Entries By Customer; (IV) Customer shall perform its obligations under these Terms & Conditions in accordance with all applicable laws and regulations, including, but not limited to, the Health Insurance Portability and Accountability Act (HIPAA), the Bank Secrecy Act (BSA), the sanctions laws administered by OFAC; and (V) Customer shall be bound by and comply with the Rules as in effect from time to time, including without limitation, the provision making payment of an Entry of the Receiving Depository Financial Institution(RDFI) to the receiver provisional until receipt by the Receiving Depository Financial Institution(RDFI) of final settlement for such Entry. Customer specifically acknowledges that it has received notice of the Rule regarding provisional payment and of the fact that, if such settlement is not received, the Receiving Depository Financial Institution(RDFI) shall be entitled to a refund from the Receiver of the amount credited and Customer shall not be deemed to have paid the Receiver the amount of the Entry. Customer shall indemnify, defend and hold Bank harmless against any and all Losses and Litigation Expense arising out of or relating to any breach by Customer (including its agents, servants, employees or subcontractors) of any of the foregoing representations or agreements. For purposes of this section "Loss" means any Liability, loss, claim, settlement payment, cost and expense, interest, award, judgment, damages (including punitive damages), fines, fees and penalties or other charge, other than a Litigation Expense. For purposes of this Section, "Litigation Expense" means any court filing fee, court cost, witness fee, and each other fee and cost of investigating and defending or asserting a claim for indemnification under this Section, including without limitation, in each case, attorneys' fees, other professionals' fees and disbursements.

15. Bank Responsibilities; Liability; Limitations on Liability; Indemnity

(a) In the performance of the services required by these Terms & Conditions, Bank shall be entitled to rely solely on the information, representations, and warranties provided by or in the name of Customer pursuant to these Terms & Conditions, and shall not be responsible for the accuracy, validity or completeness thereof. Bank shall be responsible only for performing the services expressly provided for in these Terms & Conditions, and shall be liable only for its gross negligence or willful misconduct in performing those services. Bank shall not be responsible for Customer's acts or omissions (including without limitation the amount, accuracy, timeliness of transmittal or authorization of any Entry received from or in the name of Customer) or those of any other person, including without limitation, any Federal Reserve Financial Institution, Automated Clearing House or transmission or communications facility, any Receiver or Receiving Depository Financial Institution(RDFI) (including, without limitation, the return of an Entry by such Receiver or Receiving Depository Financial Institution(RDFI)), and no such person shall be deemed Bank's agent. Customer shall indemnify, defend and hold Bank harmless against any and all Losses and Litigation Expense arising out of or relating to any claim or assertion of any person or entity to the effect that Bank is responsible for any act or omission of Customer (including its agents, servants, employees or subcontractors) or any other person described in this Section 15(a). For purposes of this section "Loss" means any Liability, loss, claim, settlement payment, cost and

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expense, interest, award, judgment, damages (including punitive damages), fines, fees and penalties or other charge, other than a Litigation Expense. For purposes of this Section, "Litigation Expense" means any court filing fee, court cost, witness fee, and each other fee and cost of investigating and defending or asserting a claim for indemnification under this Section, including without limitation, in each case, attorneys' fees, other professionals' fees and disbursements.

- (b) Any Bank liability, which can only arise from the gross negligence or willful misconduct of the Bank, shall be limited to Customer's actual damages; in no event shall Bank be liable for any consequential, special, incidental, punitive or indirect loss or damage which Customer may incur or suffer in connection with, arising out of or related to a breach of these Terms & Conditions by Bank (including its agents, servants, employees or subcontractors), whether or not the likelihood of such damages was known or contemplated by Bank and regardless of the legal or equitable theory of liability which Customer may assert, including, without limitation, loss or damage from subsequent wrongful dishonor resulting from Bank's acts or omissions pursuant to these Terms & Conditions.
- (c) Without limiting the generality of the foregoing provisions, Bank shall be excused from failing to act or a delay in acting if such failure or delay is caused by legal constraint, interruption of mechanical, transmission or communication facilities, equipment failure, war, acts of terrorism, emergency conditions, criminal acts of third parties or other circumstances beyond Bank's control. In addition, Bank shall be excused from failing to transmit or a delay in transmitting an Entry if such transmittal would result in Bank's having exceeded any limitation upon its intra-day net funds position established pursuant to presenter future Federal Reserve guidelines or in Bank's reasonable judgment otherwise in violation any provision of any present or future risk control program of the Federal Reserve or any rule or regulation or any other U.S. governmental regulatory authority.
- (d) Subject to the foregoing limitations, Bank's liability for loss of interest resulting from its error or delay shall be calculated by using a rate equal to the average Federal Funds rate at the Federal Reserve Financial Institution of New York for the period involved. At Bank's option, payment of such interest may be made by crediting the Account resulting from or arising out of any claim of any person that Bank is responsible for any act or omission of Customer or any other person described in Section 15(a).

16. Inconsistency of Name and Account Number

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

17. Notification of Change

Bank shall notify Customer of any Notifications of Change (N.O.C.) received by Bank relating to Entries originated by Customer; this notification will be in the form of e-mail, or other agreed upon method, and will be sent no later than two (2) business days after receipt of a N.O.C. In addition, Customer must make any corrections indicated by the N.O.C. within six (6) banking days of notification by Bank or prior to the initiation of the next entry, whichever is later.

18. Reversal of Entries

Customer may initiate a reversing entry to correct an erroneous credit or debit entry, as described in the NACHA Rules that had been previously initiated into a receiver's account. The reversing entry must be transmitted to the Receiving ACH Operator in such time as to be transmitted or made available to the RDFI by midnight of the fifth business day following the Settlement Date of the erroneous entry. The originator must notify the Receiver of the reversing entry and the reason for the reversing entry no later than the Settlement Date of the reversing entry. In this event that it is necessary for the Originator to reverse an entry made in error, it is the sole responsibility of the Originator to initiate that entry through Online Cash Management either by creating a reversal Template or by sending an ACH created with third party software.

19. Payment for Services

Customer shall pay Bank the charges for the services provided in connection with these Terms & Conditions, as set forth in the Schedule of Fees. These charges will be auto-debited from the Account monthly from the designated fee account. All fees and services are subject to change upon twenty-one (21) calendar days prior written notice from Bank to Customer. Such charges do not include and Customer shall be responsible for payment of any sales, use, excise, value added, utility or other similar taxes relating to such services, and any fees or charges provided for in the agreement between Bank and Customer.

20. Amendments

From time to time Bank may amend any of the terms and conditions contained in these Terms & Conditions, including, without limitation, any cutoff time, any business day, or other. Such amendments shall become effective upon notice when required to Customer or such later date as may be stated in Bank's notice to Customer.

21. Notices, Instructions, Etc.

- (a) Except as otherwise expressly provided herein, Bank shall not be required to act upon any notice or instruction received from Customer or any other person, or to provide any notice or advice to Customer or any other person with respect to any matter.
- (b) Bank 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 signer, and any such communication shall be deemed to have been signed by such person.
- (c) Except as otherwise expressly provided herein, any written notice or other written communication required or permitted to be given under these Terms & Conditions shall be delivered, or sent by United States mail, email, and, if to Bank, addressed to:

Arrow Bank National Association
Attn: Electronic Banking
250 Glen Street
Glens Falls, New York 12801

Unless another address is substituted by notice delivered or sent as provided herein. Except as otherwise expressly provided herein, any such notice

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shall be deemed given when received.

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22. Data Retention

Customer shall retain data on file adequate to permit remaking of Entries for ten (10) days following the date of their transmittal to Bank as provided herein, and shall provide such Data to Bank upon its request.

23. Electronic Data

All forms of electronic data used by Bank for transactions contemplated by these Terms & Conditions shall be and remain Bank's property. Bank may, at its sole discretion, make available such information upon Customer's request. Any expenses incurred by Bank in making such information available to Customer shall be paid by Customer.

24. Evidence of Authorization

Customer shall obtain all consents and authorizations required under the Rules and shall retain such consents and authorizations for two years after they expire or any longer period as may be required in Rules.

25. Cooperation in Loss Recovery Efforts

In the event of any damages for which Bank or Customer may be liable to each other or to a third party pursuant to the services provided under these Terms & Conditions, Bank and Customer will undertake reasonable effort 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 refund or elects to pursue against a third party.

26. ACH File Upload

For customers who choose to send a file created using third-party software the NACHA file requirements must be met. A sample file format can be provided upon request: A balanced file of credits and debits must equal. In addition, the bank is not able to provide any technical support for third-party software. Customer must contact its vendor regarding technical issues. Prior to sending files using third-party software, the Customer must provide the bank with a test file in order to ensure that all formatting requirements have been met. Customers who switch third-party software products must also provide a sample file for testing prior to initiating live entries. Test files must be provided in a timely fashion prior to the planned "go live" date. Additionally, please contact the bank prior to sending any test files and allow adequate time for testing.

27. NACHA Rules

Customer agrees to adhere to the most recent NACHA Rules as published by National Automated Clearing House Associating (NACHA). This includes any rules not specifically stated in these Terms & Conditions. Customer is solely responsible for obtaining a copy of the NACHA Rules, which can be purchased online at www.nacha.org or from a number of other sources.

28. Unlawful Internet Gambling Enforcement Act

In accordance with the Unlawful Internet Gambling Enforcement Act it is the policy of Arrow Financial Corporation and its subsidiaries to not allow customers to originate ACH transactions for the purpose for unlawful internet gambling. Customer attests that their business does not involve Internet Gambling, nor will it process ACH transactions on behalf of another business involved with Internet Gambling.

29. Termination

Customer may terminate these Terms & Conditions at any time with or without cause. Such termination shall be effective within five (5) business days following the day of Bank's receipt of written notice of such termination or such later date as is specified in that notice. Bank reserves the right to terminate these Terms & Conditions, with or without cause, immediately by providing written notice of such termination to Customer. Any termination of these Terms & Conditions shall not affect any of Bank's rights and Customer's obligations with respect to Entries initiated by Customer prior to such termination, or the payment obligations of Customer with respect to services performed by Bank prior to termination, or any other obligations that survive termination of these Terms & Conditions. **The Account shall not be closed until at least sixty (60) days after the termination date to permit clearing of items and amounts due.** At Bank's discretion, a reserve fund may be withheld from Customer's account to provide for any uncollected entries.

30. Entire Agreement

These Terms & Conditions, the NACHA Rules, together with the Business Online Banking User Agreement or Terms & Conditions, is the complete and exclusive statement of the agreement between Bank and Customer with respect to the subject matter hereof and supersedes any prior agreement(s) between Bank and Customer with respect to such subject matter. In the event of any inconsistency between the terms of these Terms & Conditions and the Business Online Banking User Agreement or Terms & Conditions, the terms of these Terms & Conditions shall govern. In the event performance of the services provided herein in accordance with the terms of these Terms & Conditions would result in a violation of any present or future statute, regulation or government policy to which Bank is subject, and which governs or affects the transactions contemplated by these Terms & Conditions, then these Terms & Conditions shall be deemed amended to the extent necessary to comply with such statute, regulation or policy, and Bank shall incur no liability to Customer as a result of such violation or amendment. No course of dealing between Bank and Customer will constitute a modification of these Terms & Conditions, the Rules, or the security procedures or constitute an agreement between Bank and Customer regardless of whatever practices and procedures Bank and Customer may use.

31. Non-Assignment

Customer may not assign these Terms & Conditions or any of the rights or duties hereunder to any person, whether resulting from transfer, merger, consolidation, sale or other business arrangement, without Bank's prior written consent.

32. Waiver

Bank may waive enforcement of any provision of these Terms & Conditions. Any such waiver shall not affect. Bank's rights with respect to any other transaction or modify the terms of these Terms & Conditions.

33. Binding Agreement; Benefit

These Terms & Conditions shall be binding upon the parties hereto and their respective legal representatives. These Terms & Conditions is not for the benefit of any other person or entity, and no other person or entity shall have any right against Bank or Customer hereunder.

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34. Severability

In the event that any provision of these Terms & Conditions shall be determined to be invalid, illegal or unenforceable to any extent, the remainder of these Terms & Conditions shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law

35. Governing Law

These Terms & Conditions shall be governed by the laws of New York State and by applicable federal law. The Customer submits to the jurisdiction of the state courts located in Warren County of the State of New York and the United States District Court for the Northern District of New York, without prejudice to the Bank's right to bring an action in any other forum. The Customer waives personal service of process and consents to service of process by certified or registered mail, return receipt requested, directed to the Customer at its address set forth in the records of the Bank. The Customer waives trial by jury in any proceeding brought by either party involving, directly or indirectly, any matter in any way arising out of, related to, or connected with, these Terms & Conditions, and the Customer also waives any objection based on forum non-conveniens, improper venue or personal jurisdiction, for any proceeding brought in any federal or state court located in the State of New York.

36. Limitation of Claims

No suit, action, or claim, regardless of form, arising out of or related to these Terms & Conditions shall be brought by Customer more than one year after any such cause of action or claim shall have occurred.

ACH FEE SCHEDULE

SERVICE FEES

ACH Service Fee: \$20.00 per month, \$0.10 per item, \$0.25 per Same Day item

ACH NOC Fee: \$3.00 per item

ACH Return Fee: \$3.00 per item

Fees associated with these ACH Terms & Conditions are subject to change at the Bank's discretion at any and all times. The Bank will evaluate the fee(s) for these services minimally on an annual basis. Notice of such change will be provided in accordance with Section PAYMENT FOR SERVICES of these Terms & Conditions.