



## Business Online Banking Digital Banking Agreement

This Agreement, dated as of March 8, 2018, is between Company or Companies and PEOPLESBANK, A Codorus Valley Company ("Bank").

### AGREEMENT

Standard features of the service:	
Balance & Activity Reporting	Deposit Account Transfers
Loan Payment Initiation	Stop Payment Creation
Account Activity Download	Alerts Subscription
View Check & Deposit Images	Secure Messaging
E-Statement Access	Mobile Banking
Custom Reporting	

Additional features available to Company:
Commercial Bill Payment
Mobile Deposit Capture

**Definitions:**

"Company(ies)", "you", and "your" refer to the business(es), and/or organization(s) that have open and active account(s) with the Bank and choose to collectively combine such accounts for online access.

"Entry(ies)", "transaction(s)", "action(s)" refers to any act or process attempted or accomplished through the Service.

"Lead Company" – One of the Companies, which is to be used in the titling of the online access, along with its identifying information. This Lead Company's accounts are the only accounts eligible for electronic statements.

"By electronic means" and "electronically" refers to technology having electrical, digital, online, wireless, mobile, and/or similar means.

"Business Online Banking" and "Service" refers to the digital banking system as accessed via computer or mobile device.

"PeoplesBank", "Bank", "us", "we", and "our" refers to PeoplesBank, A Codorus Valley Company.

**1. Security Procedure.**

(a) Company and Bank shall comply with the security procedures described in Schedule C attached hereto with respect to Entries transmitted by Company to Bank. Company 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. No security procedure for the detection of any such error has been agreed upon between the Bank and Company.

(b) Company is strictly responsible to establish and maintain procedures to safeguard against unauthorized transmissions. Company warrants that no individual will be allowed to initiate Entries in the absence of proper 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 the Bank in connection with the security procedures described in Schedule C for the access rights granted under Schedule A or Schedule B. If Company believes or suspects that any unauthorized person knows or has access to such information or instructions, Company agrees to notify Bank immediately. The occurrence of unauthorized access will not affect any entries made in good faith by Bank prior to receipt of such notification and within a reasonable period of time to prevent unauthorized entries.

(c) Company hereby agrees to designate at least two (2) Administrators as specified in Schedule B, to 1) manage the Service for Company and 2) create and administer designated, authorized additional users ("User(s)"). Company acknowledges that the Administrators have access to all services, as specified in Schedule A, and all available Company accounts. Bank will establish separate initial login credentials for each Administrator. Company grants Administrators the capability and full responsibility to create and modify User ID profiles, to provide differing permitted account and transaction privileges, and to administer the access requirements for the Users.

(d) For all transactions that involve the exchange or transmission of banking information (which may include, but is not limited to, an entry, entry data, a routing number, an account number, and a PIN or other identification symbol) via an unsecured electronic network, the Bank and Rules require that such banking information be either (1) encrypted using a commercially reasonable security technology that, at a minimum, is equivalent to 128-bit RC4 encryption technology, or (2) transmitted via a secure session that utilizes a commercially reasonable security technology that provides a level of security that, at a minimum, is equivalent to 128-bit RC4 encryption technology.

## **2. Compliance with Security Procedure.**

(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 Company, it will be deemed effective as Company's Entry (or request) and Company shall be obligated to pay Bank the amount of such Entry even though the Entry (or request) was not authorized by Company, provided Bank accepted the Entry in good faith and whether or not the Bank complied with the security procedure referred to in Schedule C with respect to such Entry. If signature comparison is to be used as a part of that security procedure, 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 representative of Company (an "Authorized Representative" or "Authorized Agent") and, on the basis of such comparison, believes the signature accompanying such file to be that of such Authorized Representative.

(b) If an Entry (or request for cancellation or amendment of an Entry) received by Bank was transmitted or authorized by Company, Company shall pay Bank the amount of the Entry, whether or not Bank complied with the security procedure referred to in Schedule C 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.

(c) Company agrees that the security procedures as outlined in Schedule C are and shall be deemed commercially reasonable.

## **3. Access.**

To use the Service, the Company's Administrators and Users must have an internet-enabled computer or mobile device.

## **4. Recording and Use of Communications.**

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

#### **5. Company Instructions.**

The Bank may, but shall not be obligated to, accept instructions delivered by the Company, or its Authorized Agent. The Bank shall execute the accepted instructions through one or more of Wire Transfer requests and/or ACHs, in accordance with the Rules and Bank policy and procedure.

#### **6. Account.**

Company agrees that Bank may debit any deposit or credit-facility account ("Account") maintained by Company with Bank or any affiliate of Bank or that Bank may set off against any amount it owes to Company, in order to obtain payment of Company's obligations under this Agreement in the event there are not sufficient available funds in the Account to cover Company's obligations under this Agreement. Bank may, without prior notice or demand, obtain payment of any amount due and payable to it under this Agreement by debiting the Account(s) of Company, 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 Company. Such credit or debit shall be made as of the day of such receipt by Bank. Company shall at all times maintain a balance of available funds in the Account sufficient to cover its payment obligations under this Agreement.

#### **7. Account Reconciliation.**

Entries transmitted by Bank or credited to a Company's account maintained with Bank will be reflected on Company's periodic statement issued by Bank with respect to the Account pursuant to the agreement between Bank and Company. Company agrees to notify Bank promptly of any discrepancy between Company's records and the information shown on any periodic statement. If Company fails to notify Bank of any discrepancy within ten (10) days of receipt of a periodic statement containing such information, Company agrees that Bank shall not be liable for any other losses resulting from Company'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 Company fails to notify Bank of any such discrepancy within thirty (30) days of receipt of such periodic statement, Company shall be precluded from asserting such discrepancy against Bank.

#### **8. Rejection of Entries.**

Bank may reject any Entry, which does not comply with the requirements of Section 1, Security Procedure, or which contains an Effective Date more than two 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 Company has failed to comply with its account balance obligations under Section 6, Account. Bank may reject any entry of Company that does not adhere to security procedures as described in Schedule C. Bank shall notify Company by phone or electronic transmission, including email, of such rejection, no later than the business day such Entry would otherwise have been transmitted by Bank to the ACH Operator and/or Wire Transfer system or, in the case of an On-Us entry, its Effective Entry Date. Notices of rejection shall be effective when given. Bank shall have no liability to Company due to the rejection of any such Entry or the fact that such notice is not given at an earlier time than that provided for herein.

#### **9. Cancellation or Amendment by Company.**

Company shall have no right to cancel or amend any Entry after its receipt and verification by Bank. However, if such request complies with the security procedures described in Schedule C for the cancellation of data, Bank shall use reasonable efforts to act on a request by Company for cancellation of an Entry prior to transmitting it to the ACH Network or, in the case of an On-Us Entry, prior to crediting a Receiver's account, but shall have no liability if such cancellation is not effected. Company shall reimburse Bank for any expenses, losses, or damages Bank may incur in affecting or attempting to affect Company's request for the reversal of an Entry.

#### **10. Mobile Banking: Service**

Mobile Banking requires User's credentials and a valid mobile phone number. Bank reserves the right to cancel.

### **11. Commercial Bill Payment: Service**

- (a) Company must opt-in to Commercial Bill Payment with PeoplesBank via Schedule A.
- (b) Company may choose to use the Bank's commercial bill payment service to direct us, and our Agent, to make payments from the designated funding account(s) to the chosen recipients in accordance with this Agreement.

### **12. Mobile Deposit Capture: Service**

- (a) Company must opt-in to Mobile Deposit Capture with PeoplesBank via Schedule A.
- (b) Following the receipt of any deposit and/or deposited item, Bank reserves the right to verify or authenticate any deposit request with the Company, or its Agent, Administrator, and/or applicable User. Bank's failure to verify any such request shall not be evidence of Bank's failure to exercise reasonable care or good faith.

### **13. Company Representations and Agreements; Indemnity.**

With respect to each and every Entry initiated by the Company, Company represents and warrants to Bank and agrees that (a) each person shown as the Receiver and each Entry has been properly authorized, (b) such authorization is operative at the time of transmittal or crediting/debiting by Bank as provided herein, (c) Company shall perform its obligations under this Agreement in accordance with all applicable laws and regulations, and (d) Company shall be bound by and comply with the Rules as in effect from time to time, including, without limitation, the provisional payment of an Entry by the Receiving Depository Financial Institution to the Receiver is provisional until receipt by the Receiving Depository Financial Institution of final settlement for such Entry. Company specifically acknowledges that it has received notice of the Rule regarding provisional payment and of the fact that, if such settlement is not received, the Receiving Depository Financial Institution shall be entitled to a refund from the Receiver of the amount credited and Company shall not be deemed to have paid the Receiver the amount of the Entry. Company shall indemnify Bank against any loss, liability or expense (including attorneys' fees and expenses) resulting from or arising out of any breach of any of the foregoing representations or agreements.

It shall be the responsibility of the Company that the origination of ACH transactions and Wire Transfer requests comply with U.S. law. This includes, but is not limited to sanctions enforced by the Office of Foreign Assets Control ("OFAC"). It shall further be the responsibility of the Company to obtain information regarding such OFAC enforced sanctions (This information may be obtained directly from the OFAC Compliance Hotline at 800-540-OFAC.).

### **14. Liability; Limitations on Liability; Indemnity.**

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

(b) Bank shall be liable only for Company's actual damages; in no event shall Bank be liable for any consequential, special, incidental, punitive or indirect loss or damage which Company may incur or suffer in connection with this Agreement, whether or not the likelihood or such damages was known or contemplated by the Bank and regardless of the legal or equitable theory of liability which Company may assert, including, without

limitation, loss or damage from subsequent wrongful dishonor resulting from Bank's acts or omissions pursuant to this Agreement.

(c) Without limiting the generality of the foregoing provisions, Bank shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission or communication facilities, equipment failure, war, emergency conditions or other circumstances beyond Bank's control. In addition, Bank shall be excused from failing to transmit or 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 present or future Federal Reserve guidelines or in Bank's reasonable judgment otherwise violate 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 or other 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 Bank's primary correspondent for the period involved. At Bank's option, payment of such interest may be made by crediting the Account from which the Entry was originated.

#### **15. Service Subscriptions**

With the consent of the Bank, the Client may, from time to time, change its feature subscriptions on the Authorized Services form (Schedule A), by replacing the current form with an updated form or new Agreement, as applicable. The Bank shall not be bound by any form unless and until an authorized representative of the Bank has executed such form. For purposes of this Agreement, a "business day" is a day on which Bank is open to the public for carrying on substantially all of its business, other than a Saturday or Sunday.

#### **16. Payment for Services.**

Company shall pay Bank the charges for the services provided in connection with this Agreement, as set forth in Schedule D attached hereto. All fees and services are subject to change upon thirty (30) calendar days prior written notice from Bank to Company. Such charges do not include, and Company shall be responsible for payment of, any sales, use, excise, value added, utility or other similar taxes relating to such services, and any fees or charges provided for in the agreement between Bank and Company with respect to the Account (the "Account Agreement").

The Company must maintain at least one active Checking Account, Savings Account, and/or Line of Credit to accept the service fee debits.

#### **17. Amendments.**

From time to time Bank may amend any of the terms and conditions contained in this Agreement, including without limitation, any cutoff time, any business day, and any part of Schedules A through D attached hereto. Such amendments shall become effective upon receipt of notice by Company or such later date as may be stated in Bank's notice to Company.

#### **18. Notices, Instructions, Etc.**

(a) Except as otherwise expressly provided herein, Bank shall not be required to act upon any notice or instruction received from Company or any other person, or to provide any notice or advice to Company.

(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 one (1) Authorized Representative, and any such communication shall be deemed to have been signed by such person.

The names and signatures of Authorized Representatives are set forth in the Company's legal organizing documents. The Company is responsible for notifying Bank of changes to the list of Authorized Representatives.

Such notice shall be effective on the second business day following the day of Bank's receipt thereof.

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

**PEOPLESBANK, A Codorus Valley Company  
Corporate Center  
105 Leader Heights Road, York, Pennsylvania 17403  
Attn: Electronic Banking**

and if to Company, the address on file with the Bank unless another address is substituted by notice delivered or sent as provided herein. Except as otherwise expressly provided herein, any such notice shall be deemed given when received.

**19. Data Retention.**

Company shall retain transmission data on file adequate to permit remaking of Entries for five (5) days following the date of their transmittal by Bank as provided herein, and shall provide such transmission data to Bank upon its request.

**20. Tapes and Records.**

All magnetic tapes, Entries, security procedures and related records used by Bank for transactions contemplated by this Agreement shall be and remain Bank's property. Bank may, at its sole discretion, make available such information upon Company's request. Any expenses incurred by Bank in making such information available to Company shall be paid by Company.

**21. Cooperation in Loss Recovery Efforts.**

In the event of any damages for which Bank or Company may be liable to each other or to a third party pursuant to the services provided under this Agreement, Bank and Company will undertake reasonable efforts to cooperate with each other, as permitted by applicable law, in performing loss recovery efforts and in connection with any actions that either party may be obligated to defend or elects to pursue against a third party.

**22. Termination.**

Company may terminate this Agreement at any time. Such termination shall be effective on the second business day 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 this Agreement in whole or in part immediately upon providing written notice of such termination to Company. Any termination of this Agreement shall not affect any of Bank's rights and Company's obligations with respect to Entries initiated by Company prior to such termination, or the payment obligations of Company with respect to services performed by Bank prior to termination, or any other obligations that survive termination of this Agreement. The termination of this agreement has no effect or bearing on any other services agreed to by and between the Company and Bank.

**23. Entire Agreement.**

This Agreement (including the Schedules attached hereto) together with the Account Agreement, is the complete and exclusive statement of the agreement between Bank and Company with respect to the subject matter hereof and supersedes any prior agreement(s) between Bank and Company with respect to such subject matter. In the event of any inconsistency between the terms of this Agreement and the Account Agreement, the terms of this Agreement shall govern. In the event performance of the services provided herein in accordance with the terms of this Agreement would result in a violation of any present or future statute, regulation or government policy to which Bank is subject, and which governs or affects the transactions contemplated by this Agreement, then this Agreement shall be deemed amended to the extent necessary to comply with such statute, regulation or policy,

and Bank shall incur no liability to Company as a result of such violation or amendment. No course of dealing between Bank and Company will constitute a modification of this Agreement, the Rules, or the security procedures or constitute an agreement between the Bank and Company.

**24. Non-Assignment.**

Company may not assign this Agreement or any or any of the rights or duties hereunder to any person without Bank's prior written consent.

**25. Waiver.**

Bank may waive enforcement of any provision of this Agreement. Any such waiver shall not affect Bank's rights with respect to any other transaction or modify the terms of this Agreement. Any exception or waiver of any provision of this agreement shall be effective only in the specific instance and for the specific purpose for which given.

**26. Binding Agreement; Benefit.**

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns. This Agreement is not for the benefit of any other person, and no other person shall have any right against Bank or Company hereunder.

**27. Headings.**

Headings are used for reference purposes only and shall not be deemed a part of this Agreement.

**28. Counterparts.**

Agreement may be executed in several counterparts and may include facsimile signatures, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

**29. Severability.**

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

**30. Governing Law.**

This Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania except as to matters governed by federal law.

**Schedule A: Authorized Services**

This schedule will specify which cash management services are enabled using the Bank's digital banking service, or other means, in accordance with the attached agreement. All actions shall be conducted in accordance with the instructions provided by either the system or Bank personnel. The allowed services granted to the Company may consist of multiple features, such as web-enabled data entry screens, file transfers and uploads.

Additional Features	Yes	No
Commercial Bill Payment		
Mobile Deposit Capture		

Description of Fees	Fee Account
Charge All Fees to	Account # xxxxxxxxxx

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**Schedule B: Designated Administrators**

This schedule will identify the Administrators designated by the Company to manage the Digital Banking System for the Company.

<b>Administrator 1 (Required)</b>	
Administrator Name:	
Requested User ID:	
Social Security Number: (used for security verification purposes)	
Date of Birth:	Street:
City:	State Zip:
Administrator Phone Number:	Email:

<b>Administrator 2 (Required)</b>	
Administrator Name:	
Requested User ID:	
Social Security Number: (used for security verification purposes)	
Date of Birth:	Street:
City:	State Zip:
Administrator Phone Number:	Email:

<b>Administrator 3 (Optional)</b>	
Administrator Name:	
Requested User ID:	
Social Security Number: (used for security verification purposes)	
Date of Birth:	Street:
City:	State Zip:
Administrator Phone Number:	Email:

*Please copy pages as necessary.*

**Schedule C: Security Procedures and Transaction Settlement/Delivery Timeframes**

The Bank grants access to the Service to perform actions authorized in the Agreement and Schedule A. The Company agrees to establish prudent security standards and policies that include proper safeguards to protect the confidentiality of all Login credentials that are assigned to the Company. Any transaction initiated or authorized using a valid combination of a Login ID, Password, and/or other security procedures will be considered authentic and binding upon final transaction verification between Company and Bank. The Bank agrees to provide reasonable assistance to establish Administrator credentials, training, and support to the Company for properly using the services. If files or entries need to be delivered to the Bank, the information must be delivered to the address below. If the Company suspects or believes any such information has been compromised, it shall immediately contact the Bank at the following address:

<b>Emergency Contact</b> <u>Susan Lang</u>	<b>Title</b> <u>VP, Client Care Center Manager</u>
<b>Bank Name</b> <u>PEOPLESBANK, A Codorus Valley Company</u>	<b>City/St/Zip</b> <u>York, PA 17403</u>
<b>Street Address</b> <u>105 Leader Heights Road</u>	<b>Fax</b> <u>717-741-0398</u>
<b>Telephone Number</b> <u>888-846-1970</u>	<b>Email</b> <u>clientcare@peoplesbanknet.com</u>
<b>Secondary Contact</b> <u>Todd A. Tyson</u>	<b>Title</b> <u>Sr. Vice President, General Services</u>
<b>Bank Name</b> <u>PEOPLESBANK, A Codorus Valley Company</u>	<b>City/St/Zip</b> <u>York, PA 17403</u>
<b>Street Address</b> <u>105 Leader Heights Road</u>	<b>Fax</b> <u>717-741-9181</u>
<b>Telephone Number</b> <u>717-747-1510 or 747-1528</u>	<b>Email</b> <u>ttyson@peoplesbanknet.com</u>

In the event the Bank needs to contact the Company, if delivered to whom, the following contact information shall constitute notice:

<b>Emergency Contact</b>	<b>Title</b>
<b>Company Name</b>	<b>City/St/Zip</b>
<b>Street Address</b>	<b>Fax</b>
<b>Telephone Number</b>	<b>Email</b>

**Schedule D: Service Subscription Fees**

Monthly Base Feature Subscription

\$10.00 per month

Mobile Deposit Capture, Standard

Mobile Deposit Capture costs  
defined in Service Pricing Schedule

Mobile Deposit Capture, Commercial

Mobile Deposit Capture costs  
defined in Service Pricing Schedule

Commercial Bill Payment Subscription

This subscription allows for 25  
payments at no additional cost.

Included in Base Subscription  
\$0.45 for each additional payment

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