

Mobile Deposit Agreement

The following information represents the C&N Mobile Deposit Agreement ("Agreement") between you ("Customer, you, or your") and Citizens & Northern Bank ("Bank," "we," "our," "ours"). This Agreement sets forth the terms and conditions governing the provision of the C&N Mobile Deposit services ("Services"), which are located within C&N Mobile Banking services, to you and describes your and our rights, responsibilities and obligations. By clicking the "Accept" button at the conclusion of this Agreement, and/or using one or more of the Services, you agree to, and shall be bound by, the terms, conditions and provisions in this Agreement. This Agreement and other separate documents relating to your account, including, but not limited to: Consumer Deposit Account Agreement, Funds Availability Policy, Privacy Policy, Truth in Savings Disclosure, Electronic Funds Transfer Disclosure, Schedule of Fees and Account Signature Card are collectively the "Account Documentation" between Bank and you. The terms of those agreements are hereby ratified, affirmed and incorporated herein and shall continue to apply in all respects, as amended hereby. In the event of a conflict between the terms of this Agreement and the Uniform Commercial Code, the terms of this Agreement shall govern and control with respect to the Service at issue. In order to activate this Service, you must have at least one Account with us linked to Online Banking.

Terms and Conditions

- 1. General Description of the Service.** Subject to the terms, provisions and conditions of this Agreement, Bank shall provide the Service to Customer, which allows Customer to make mobile deposits (each such deposit "**Mobile Deposit**" and collectively "**Mobile Deposits**") to Customer's deposit accounts that are available for Mobile Deposits (each such deposit account an "**Account**" and, collectively, the "**Accounts**") by using a mobile device with the C&N Mobile Banking downloadable mobile application "**Software**" to capture images of paper checks and to transmit the images and information required hereby to Bank or Bank's designated processor (a "**Processor**"). Customer acknowledges that Service is accessed using designated online banking Login ID that is unique to Customer and shall not be shared with any other persons including joint account owners. Customer acknowledges and agrees that Mobile Deposits made by Customer using this Service are not an "**Electronic Fund Transfer**" as that term is defined in Federal Reserve Board Regulation E. The terms "Bank" and "Processor" may be used interchangeably when used in relation to any services performed by a Processor on behalf of Bank including, but not limited to, the receipt and processing of images and check data and any notices related thereto. The mobile device must capture an image of the front and back of each check (as herein defined) to be deposited in accordance with the procedures outlined in the Agreement and provided to Customer in the Service documentation, ("**Procedures**"). After capture of the front and back images and all other required data and information from the paper check, Customer will transmit, via the Internet, the Mobile Deposit containing the Images and all other required data and information from or pertaining to the check to Bank or Processor using the Software. Subject to compliance with the terms, provisions and conditions of this Agreement, Bank will provisionally credit the Account or Accounts designated by Customer for the amount of the deposit(s) on the day of receipt of the Mobile Deposit and enter the images of the checks into the collection process, in accordance with the provisions of Bank's then current deposit account agreement and disclosure pertaining to the Account(s) into which the Mobile Deposit is to be made (the "**Deposit Agreement**") and this Agreement. Customer acknowledges and agrees that Bank may discontinue, and/or change the terms of the Service or any related content, features, products or services associated therewith, at any time without notice or liability to Customer or any third party. Customer hereby agrees that Bank shall be the exclusive provider of the Service provided in accordance with this Agreement and that Customer will not use the same or similar services of any other party.
- 2. Hardware and Software.** Customer understands it must, and hereby agrees to, at its sole cost and expense, use a mobile device and Software that meets all technical requirements for the proper delivery of the Service and that fulfills Customer's obligation to obtain and maintain secure access to the Internet. Customer understands and agrees it may also incur, and shall pay, any and all expenses related to the use of the Service, including, but not limited to, telephone service or Internet service charges. Customer is solely responsible for the payment of any and all costs and expenses associated with meeting and maintaining all technical requirements and additional items necessary for the proper use of the Service. Customer understands and agrees that it is solely responsible for the operation, maintenance and updating of all equipment, software and services used in connection with the Service and the cost thereof, and Customer hereby agrees that it will perform, or cause to be performed, all vendor recommended maintenance, repairs, upgrades and replacements. Bank is not responsible for, and Customer hereby releases Bank from, any

and all claims or damages resulting from, or related to, any computer virus or related problems that may be associated with using electronic mail or the Internet. Bank is not responsible for, and Customer hereby releases Bank from, any and all claims or damages resulting from, or related to, defects in or malfunctions of Customer's computer hardware or software, or failures of or interruptions in any electrical, telephone or Internet services. Bank hereby advises Customer, and Customer hereby agrees to scan its computer hardware and software on a regular basis using a reliable computer virus detection product in order to detect and remove computer viruses.

All right, title and interest in and to (a) any and all computer programs, including, but not limited to, the object and source codes therefore, and any and all updates, upgrades, fixes and enhancements thereto and any and all documentation, user guides and instructions pertaining thereto (everything in this clause (a), collectively "**Software**"), and (b) any and all users guides, instructions and other documentation provided to, or used by, Customer in connection with the Service, collectively, (the "**Documentation**") shall be, and remain, the property of Bank or any third party Software provider, as applicable. Unless otherwise expressly authorized, Customer may not (a) copy, reproduce, transmit, retransmit, disseminate, display, publish, sell, broadcast, circulate, distribute, transfer, assign, commercially exploit, reverse engineer, reverse compile or create derivative works of, the Software in any form or (b) copy, reproduce, transmit, retransmit, disseminate, display, publish, sell, broadcast, circulate, distribute, transfer, assign, or commercially exploit the Documentation.

1. **Checks Deposited and Security Interest.** Customer hereby agrees that it will only scan and deposit a check(s) as that term is defined in Federal Reserve Board Regulation CC ("**Reg CC**"). Customer agrees that the image of the check that is transmitted to Bank (each such check and other item a "**Check**" and, if more than one, "**Checks**") shall be deemed an "item" within the meaning of Article 4 of Pennsylvania's version of the Uniform Commercial Code (13 Pa. C.S.A. 4101 et seq). Customer further agrees that it will not use the Service to deposit any checks or other items that: (a) are payable to any person or entity other than Customer, (b) are prohibited by Bank's then current Procedures pertaining to the Service or are in violation of any law, rule or regulation, (c) Customer knows or suspects, or should know or suspect, is fraudulent or otherwise not authorized by the owner of the account on which the Check is drawn, (d) have not been previously endorsed by a bank and are either "substitute checks" (as defined in Reg CC or other applicable federal law or regulation) or "image replacement documents" that purport to be substitute checks, without Bank's prior written consent, (e) are drawn on financial institutions that are located outside of the United States or Territories of the United States, and (f) are not acceptable to Bank for deposit into a deposit account as provided in the Deposit Agreement, which is incorporated herein by reference and made a part hereof (Checks described in clauses (a) through (f) each a "**Prohibited Check**" and, collectively, "**Prohibited Checks**"). If Customer deposits a Prohibited Check, Customer agrees to indemnify and reimburse Bank for, and hold Bank harmless from and against, any and all losses, costs and expenses (including reasonable attorneys fees) Bank may incur associated with any warranty, indemnity or other claim related thereto. Furthermore, if, after first having obtained Bank's written consent to do so, Customer provides Bank with an electronic representation of a substitute check for deposit into an Account instead of an original Check, Customer agrees to indemnify and reimburse Bank for, and hold Bank harmless from and against, any and all losses, costs and expenses (including reasonable attorneys fees) Bank incurs because any such substitute check resulting from such electronic representation does not meet applicable substitute check standards and/or causes duplicate payments.

Customer grants Bank a security interest in all Accounts or other deposits (whether general or special) of Customer's at the Bank, and in all funds in such Accounts or other deposits, to secure Customer's obligations to Bank under this Agreement. This security interest will survive termination of this Agreement.

1. **Scanning of Checks and Transmission of Mobile Deposits.** Customer shall properly download and use all software required by this Agreement or otherwise required for, or related to, the use of the Service. Before scanning the Check, Customer shall endorse each Check with your name or the legend "For Deposit Only." Customer shall scan the front and back of each Check to be deposited and thereby capture the image of the front and back of each Check and any other required data from each Check and transmit the Images to be deposited and all other required data and information from or pertaining to such Checks to Bank or its Processor in accordance with the Procedures. Bank reserves the right to amend the Procedures, with or without prior notice to Customer. Customer agrees to, at all times to comply with the login procedures established for access to C&N Mobile Banking ("**Security Procedures**") and to safeguard the confidentiality and security of the Security Procedures and all other proprietary property or information Bank

provides to Customer in connection with the Service and to notify Bank immediately if Customer has any reason to believe the security or confidentiality required by this provision has been or may be breached. Customer acknowledges, understands and agrees the Security Procedures are not designed for the detection of errors. Bank is not, and will not be, obligated to detect errors by Customer or others, even if Bank takes certain actions from time to time to do so.

To ensure accuracy, Customer shall key the dollar amount of each check prior to transmitting the Mobile Deposit in accordance with the Procedures. Customer may send multiple Mobile Deposits to Bank or Processor throughout the day, not to exceed the daily and monthly limits set by Bank for the maximum dollar amount or the maximum number of Mobile Deposits submitted, (collectively defined as the "**Limits**"). Bank may, at its option, refuse to accept a Mobile Deposit that exceeds the Limit, or Bank may accept and process the Mobile Deposit. To be eligible for processing on the day transmitted, Mobile Deposits must be received by Bank on or before 5 p.m. Eastern Time on a business day that the Bank is open. (the "**Cut-Off Time**") Every day is a business day except Saturdays, Sundays, and Federal Holidays. A Mobile Deposit is considered received by Bank when a complete copy of the Mobile Deposit has been written on a Bank electronic storage device in conformity with Bank's technical and operational requirements. To meet the Cut-Off Time, the Mobile Deposit must be received by Bank prior to the Cut-Off Time and successfully pass the edits for conformity with the technical requirements. For purposes of determining when a Mobile Deposit has been delivered and received, Bank's records shall be determinative. A Mobile Deposit that is received after the Cut-Off Time shall be deemed to have been received on the business day following the business day on which the Mobile Deposit is actually received by Bank. Bank reserves the right to change Limits and the Cut-Off Time. All such changes shall be effective immediately and may be implemented prior to Customer's receipt of notice thereof. Customer may contact Bank at any time to verify the Limits and the Cut-Off Time.

1. **Maintenance and Destruction of Original Check.** Customer shall write "Deposited" and the current date on the face of the original Check after the process of scanning the Check in accordance with Section 4 of this Agreement. Customer shall securely store all original Checks for a period of five business days (5) days after Customer has received notice from Bank that the Mobile Deposit containing the images of such Checks has been accepted (such period the "**Retention Period**"). During the Retention Period, Customer shall take appropriate security measures to ensure that: (a) only authorized personnel shall have access to original Checks, (b) the information contained on such Checks shall not be disclosed, (c) such Checks will not be duplicated or scanned more than one time and (d) such Checks will not be deposited or negotiated in any form. Customer shall destroy original Checks upon the expiration of the Retention Period applicable to such Checks. Customer will use commercially reasonable methods of destruction approved by Bank to destroy original Checks after expiration of the Retention Period. Customer hereby indemnifies Bank for, and holds Bank harmless from and against, any and all claims, demands, actions, causes of action, losses and damages, of whatever nature or kind, and regardless of the theory upon which the same is (are) based, caused directly or indirectly by, arising out of, related to, in connection with or resulting wholly or partially from, the destruction of original Checks by Customer. Customer will promptly (but in all events within 5 business days) provide any retained Check (or, if the Check is no longer in existence, a sufficient copy of the front and back of the Check) to Bank as requested to aid in the clearing and collection process or to resolve claims by third parties with respect to any Check.
2. **Image and MICR Quality.** Each Mobile Deposit transmitted by Customer to Bank shall contain Images of the front and the back of the Checks scanned and remotely deposited by Customer. Each Image of each Check shall be of such quality that the following information can clearly be read and understood by sight review of such Image:
 - a. the amount of the Check;
 - b. the payee of the Check;
 - c. the signature of the drawer of the Check;
 - d. the date of the Check;
 - e. the Check number;
 - f. the information identifying the drawer and the paying bank that is preprinted on the Check, including the MICR line; and
 - g. all other information placed on the Check prior to the time an image of the Check is captured, such as any required identification written on the front of the Check and any endorsements applied to the back of the Check.

Each Image shall also meet all standards for image quality established by the American National Standards Institute ("**ANSI**"), the Board of Governors of the Federal Reserve or any other regulatory agency, clearing house or association.

Customer shall ensure the scanned Image of the Check transmitted to Bank includes the full-field MICR encoding on each Check

1. **Receipt of Mobile Deposit.** Customer agrees that Customer shall be solely liable for, and Bank shall not have any liability whatsoever to Customer for, any Mobile Deposit or the Images or other information contained therein that are not received by Bank or for Mobile Deposit or the Images or other information contained therein that are intercepted or altered by an unauthorized third party. Customer agrees that Bank has no obligation to accept a Mobile Deposit and, therefore, may reject any Mobile Deposit or the Images or other information contained therein submitted by Customer. Bank has no obligation to notify Customer of the rejection of a Mobile Deposit or the Images or other information contained therein. Bank shall have no liability to Customer for the rejection of a Mobile Deposit or the Images or other information contained therein or for the failure to notify Customer of such rejection. Upon receipt of a Mobile Deposit submitted by Customer, Bank may examine such Mobile Deposit and the Images and other information contained therein to ensure that Customer has complied with this Agreement and followed the Procedures. If Bank determines that Customer has not complied with this Agreement or followed the Procedures or if errors exist in the Images or other information contained in the Mobile Deposit, Bank, in its sole discretion, may either reject the Mobile Deposit or elect to correct the error and accept and process the corrected Mobile Deposit (a "**Corrected Mobile Deposit**"). As a form of correction, Bank may credit Customer's Account for the full amount of the deposit and make any necessary adjustments to the Account to correct the error. Bank may, at its option, also perform a risk management analysis of one or more Mobile Deposits submitted by Customer to detect potentially fraudulent Checks, and, in its sole discretion, Bank may reject any such Mobile Deposit or the Images or other information contained therein. If after examination of a Mobile Deposit and the Images and other information contained therein, Bank determines that Customer has complied with this Agreement and processed and transmitted the Mobile Deposit in accordance herewith and with the Procedures, the Bank shall accept the Mobile Deposit for deposit to Customer's Account. Notwithstanding the fact that Bank has accepted a Mobile Deposit for processing, any credit made to Customer's Account shall be provisional, and Customer shall remain liable to Bank for any errors, inaccuracies, breach of warranties and any other loss sustained by, or claim made against, Bank.
2. **Provisional Credit and Availability of Funds.** Upon acceptance of the Mobile Deposit, Bank shall grant Customer's Account Provisional Credit (as herein defined) for the total amount of the Corrected Mobile Deposit or the accepted Mobile Deposit, as applicable. As used herein, "Provisional Credit" means that the credit is made to Customer's Account subject to final payment of the Checks and subject to the terms of the Deposit Agreement. For the purpose of determining availability of funds, Bank may hold funds for the period of time permitted by Bank's funds availability disclosure.
3. **Laws, Rules and Regulations.** Customer agrees to comply with all existing and future operating procedures used by Bank for processing of transactions. Customer further agrees to comply with, and be bound by, all applicable state or federal laws, rules, regulations, orders, guidelines, operating circulars and pronouncements, affecting checks and drafts, including, but not limited to, all rules and procedural guidelines established by the Board of Governors of the Federal Reserve and the Electronic Check Clearing House Organization ("**ECCHO**") and any other clearinghouse or other organization in which Bank is a member or to which rules Bank has agreed to be bound. The Rules are incorporated herein by reference. These procedures, rules, and regulations (collectively the "**Rules**") and laws are incorporated herein by reference. In the event of conflict between the terms of this Agreement and the Rules, the Rules will control.
4. **Collection of Checks.** Bank, in its sole discretion, shall determine the manner in which Images shall be presented for payment to the drawee bank. Bank, in its sole discretion, shall select the clearing agents used to collect and present the Images, and Bank's selection of the clearing agents shall be considered to have been designated by Customer. Bank shall not be liable for the negligence of any clearing agent. Collection of Checks is also subject to the Rules and the terms of the Deposit Agreement.
5. **Contingency Plan.** Customer agrees that, in the event Customer is not able to capture, process, produce or transmit a Mobile Deposit to Bank, or otherwise comply with the terms hereof or of the Procedures, for any reason, including, but not limited to, communications, equipment or software outages, interruptions or failures, Customer will transport the originals of all Checks to the closest office of Bank and deposit original Checks with Bank until such time that the outage, interruption or failure is identified and resolved. The deposit of original Checks at an office of Bank shall be governed by the terms and conditions of the Deposit Agreement and not by the terms of this Agreement. Notwithstanding the foregoing, and to the extent applicable, Section 12 of this Agreement dealing with warranties shall apply to the deposit of original Checks.
6. **Warranties.** Customer represents, warrants and covenants the following to Bank:

1. Checks Deposited. Customer shall only deposit Checks that are authorized by this Agreement, the Procedures and the Deposit Agreement;
 2. Image Quality. Each Image transmitted by Customer to Bank contains an accurate representation of the front and the back of each Check and complies with the requirements of this Agreement;
 3. Accuracy of Information. All data and other information submitted by Customer to Bank, including, but not limited to, data contained in the MICR line of each Check is complete and accurate and complies with the requirements of this Agreement;
 4. No Duplicates. Customer will not: (i) create duplicate Images of the Checks, (ii) transmit a duplicate Image or File to Bank, or (iii) deposit or otherwise negotiate the original of any Check of which an Image was created. Customer further warrants that no subsequent transferee, including but not limited to Bank, a collecting or returning bank, drawer, drawee, payee or endorser, will be asked to pay the original Item from which the Image(s) was created or a duplication (whether paper or electronic, including ACH entries) of the Item(s);
 5. No Loss. No subsequent transferees of the Item(s), including but not limited to Bank, a collecting or returning bank, drawer, drawee, payee or endorser, shall sustain a loss as the result of the fact that the Image was presented for payment or returned instead of the original Check;
 6. Information. All information provided by Customer to Bank is true, complete and accurate.
 7. Authority and Legality. (i) this Agreement is valid and enforceable against Customer in accordance with its terms; and (ii) the entry into, and performance of, this Agreement by Customer will not violate any law, or conflict with any other agreement, to which Customer is subject;
 8. No Litigation. There is no action, suit or proceeding pending or, to Customer's knowledge, threatened which, if decided adversely, would adversely affect Customer's financial condition or operations.
 9. Transactions. All Checks and transactions of Customer are, and will be, bona fide. All signatures on Checks are authentic and authorized.
 10. Rule Compliance. Customer submits Images in compliance with this Agreement, the Procedures, applicable law and the Rules.
 11. Indemnity. Customer agrees to indemnify Bank for, and hold Bank harmless from and against, any and all claims, losses, liabilities, costs, and expenses (including, without limitation, reasonable attorneys' fees) arising from a breach of any of Customer's warranties, representations and/or obligations under this Agreement or any other agreement between Customer and Bank, including, but not limited to, the Deposit Agreement, and the terms of this paragraph shall survive the termination of this Agreement.
7. **Returned Checks**. If Images of Checks deposited by Customer are dishonored or otherwise returned unpaid by the drawee bank, or are returned by a clearing agent for any reason, including, but not limited to, issues relating to the quality of the Image, Customer understands and agrees that, since Customer either maintains the original Check or has destroyed the original Check in accordance with Section 5 of this Agreement, the original Check will not be returned, and Bank may charge back an Image of the Check to Customer's Account. Customer understands and agrees that the Image may be in the form of an electronic or paper reproduction of the original Check or a substitute check. Unless otherwise instructed by Bank, Customer agrees not to deposit the original Check if an Image or other debit as previously described is charged back to Customer.
8. **Fees and Charges**. So long as this Agreement remains in effect, Customer agrees to pay to Bank the normal deposit account service charges established from time to time by Bank and, in addition thereto, the fees and charges set forth in the Fee Schedule provided to Customer. Customer authorizes Bank to deduct any charges for the Service from any Account, even if such deduction causes an overdraft in the Account. Should Customer fail or refuse to pay any charges under this Agreement, Customer agrees to pay all collection costs (including reasonable attorney's fees) that may be incurred by Bank. Bank shall have the right to increase or decrease charges imposed for the Service and will notify Customer of the changes, to the extent required by law. Customer's use of the Service after changes have been made shall constitute Customer's agreement to the same.

In addition to the Service fees, Customer agrees to pay all taxes, tariffs and assessments levied or imposed by any government agency in connection with the Service, this Agreement, and/or the software or equipment made available to Customer (excluding any income tax payable by Bank). Customer is also responsible for the costs of any communication lines and any data processing charges payable to third parties.

1. **Amendments**. Bank may amend the terms of this Agreement at any time, in its sole discretion, by giving notice to Customer. If required by this Agreement or by applicable law, notice will be given for the applicable

required number of days in advance of each such amendment. Customer's continued use of the Service shall constitute Customer's agreement to such amendments. No amendments requested by Customer shall be effective unless received, and agreed to in writing, by Bank.

2. **Confirmation: Account Reconciliation.** Bank will provide notice of receipt of deposits to Customer's Account on the periodic statement for such Account. Customer is responsible for detecting and reporting to Bank any discrepancy between Customer's records and the records Bank provides to Customer. If Customer does not detect and notify Bank of such a discrepancy within 30 days of Customer's receipt of any terminal printout, mailed report or periodic statement (each a "**Report**"), whichever is received first, then such transactions shall be considered correct, and Customer shall be precluded from asserting such error or discrepancy against Bank.
3. **Update Notice.** Customer shall provide written notice to Bank of any changes to the information previously provided by Customer to Bank. Such notice must be received by Bank within 5 business days of the change. Customer shall provide any additional information requested by Bank within 5 days of such request. Bank retains the right to: (i) review Customer's Checks, Mobile Deposits and activities from time to time and (ii) re-price or terminate the Service based on changes to information previously provided to Bank by Customer.
4. **Bank's Duties.** Bank's duties and responsibilities are limited to those described in this Agreement, the Deposit Agreement and any other agreements governing the Accounts. Bank will use commercially reasonable care in performing its responsibilities under this Agreement.
5. **Bank's Responsibilities.** Customer agrees to monitor its account balances and charges, to promptly notify Bank if any Report conflicts with Customer's records, and to refrain from acting on information it has reason to believe is erroneous. In all instances, Bank's and, if the services of a third party provider are utilized in the provision of the Service, such third party's sole liability to Customer shall be limited to the correction of any errors made. Bank shall not be responsible for suspension of performance of all or any of its obligations, responsibilities or covenants hereunder, whether expressed or implied, if at any time, or from time to time, compliance therewith is prevented or hindered by, or are in conflict with, any federal or state law, regulation or rule, the order of any court of competent jurisdiction, any act of God or of the public enemy, war, epidemic, strike, or work stoppages of the U.S. Postal Service and commercial carrier(s), or electric power disruption or shortage, telecommunications failure or computer failures; acts, omissions or errors of any carrier and/or agent operating between Customer and Bank or Bank and any Federal Reserve Bank or other agency utilized to exercise transfers or any recipients of transferred funds; any incorrect, unauthorized or fraudulent use or other fraud by any person other than Bank's employees; or, without limiting the generality of the foregoing, any other cause or circumstance beyond Bank's control or other conditions or circumstances not wholly controlled by Bank, which would prohibit, retard or otherwise affect Bank's complete or partial performance under this Agreement.
6. **Internet Disclaimer.** Bank does not, and cannot, control the flow of any documents, files, data or other information via the Internet, whether to or from Bank's network, other portions of the Internet or otherwise. Such flow depends in large part on the performance of Internet services provided or controlled by third parties. Actions or inactions of such third parties can impair or disrupt Customer's connections to the Internet (or portions thereof). Bank cannot guarantee that such events will not occur. Accordingly, Bank disclaims any and all liability arising out of, resulting from or related to, such events, and in no event shall Bank be liable for any damages of any kind (whether in contract, in tort or otherwise) that are attributable or in any way related to the Internet infrastructure or Customer's or Bank's ability or inability to connect to the Internet.
7. **Indemnification and Liability; Third Party Claims.** Customer hereby indemnifies Bank and each of its parents, subsidiaries and affiliates and their respective officers, directors, employees, members, partners, agents, insurers and attorneys (each an "**Indemnified Party**" and, collectively, the "**Indemnified Parties**") for, and holds each of the Indemnified Parties harmless from and against, all actions, causes of action, claims, damages, liabilities and expenses (including reasonable attorneys' fees) of any nature or kind (including those by third parties) arising out of, or related to, this Agreement, including all actions, causes of action, claims, damages, liabilities and expenses arising out of, related to or resulting from: (a) Customer's (i) failure to report required changes, (ii) transmission of incorrect data to Bank or (iii) failure to maintain compliance with the Rules, (b) (i) Bank's provision of the Service, (ii) Bank's action or inaction in accordance with, or in reliance upon, any instructions or information received from any person reasonably believed by Bank to be Customer, (c) Customer's breach of any of Customer's representations, warranties, covenants or other agreements or responsibilities under this Agreement and/or (d) Customer's breach or violation of any Rules; provided, however, Customer is not obligated to indemnify Bank for any damages solely and proximately caused by Bank's gross negligence or willful misconduct.
8. **Limit of Liability.**

1. ANY PROVISION IN THIS AGREEMENT, ANY OTHER AGREEMENT OR THE RULES TO THE CONTRARY NOTWITHSTANDING, BANK SHALL ONLY BE LIABLE FOR DAMAGES SOLELY AND PROXIMATELY CAUSED BY ITS GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, AND BANK'S LIABILITY SHALL IN NO EVENT EXCEED THE LESSER OF (i) CUSTOMER'S ACTUAL DAMAGES OR (ii) THE TOTAL FEES PAID BY CUSTOMER TO BANK FOR THE SERVICE. IN NO EVENT SHALL BANK OR ANY PROVIDER BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR INCIDENTAL DAMAGES, LOSSES OR INJURIES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS, LOSS OF USE, LOSS OF DATA OR COST OF COVER) ARISING OUT OF, OR RELATED TO, THE USE BY CUSTOMER OF THE SERVICE OR ANY SERVICE OR THE FAILURE OF BANK OR ANY PROVIDER TO PROPERLY PROCESS AND COMPLETE TRANSACTIONS THEREUNDER, EVEN IF BANK OR SUCH PROVIDER(S) HAVE BEEN SPECIFICALLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, LOSSES OR INJURIES.
2. CUSTOMER ACKNOWLEDGES AND AGREES THAT CUSTOMER'S USE OF THE SERVICE SHALL BE AT CUSTOMER'S SOLE RISK, AND THAT THE SERVICE IS PROVIDED BY BANK ON AN "AS IS" BASIS.
3. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BANK MAKES ABSOLUTELY NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, IN LAW OR IN FACT, TO CUSTOMER OR TO ANY OTHER PERSON, AS TO THE SERVICE OR ANY ASPECT THEREOF, INCLUDING (WITHOUT LIMITATION) ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUALITY, ACCURACY, OR SUITABILITY, AND BANK HEREBY DISCLAIMS ANY AND ALL OF THE SAME. CUSTOMER AGREES THAT NO ORAL OR WRITTEN ADVICE OR REPRESENTATION OBTAINED FROM ANY BANK EMPLOYEE OR REPRESENTATIVE SHALL CREATE A WARRANTY OR REPRESENTATION FOR PURPOSES OF THIS AGREEMENT OR THE SERVICE TO BE PERFORMED PURSUANT HERETO.
4. TO THE FULLEST EXTENT ALLOWED BY LAW, AND SUBJECT TO THE FOREGOING PROVISIONS OF THIS SECTION DEALING WITH BANK'S LIABILITY FOR DAMAGES SOLELY AND PROXIMATELY CAUSED BY ITS GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, BANK'S LIABILITY TO CUSTOMER UNDER THIS AGREEMENT SHALL BE LIMITED TO CORRECTING ERRORS RESULTING FROM BANK'S FAILURE TO EXERCISE ORDINARY CARE.
5. BANK MAKES ABSOLUTELY NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, IN LAW OR IN FACT, TO CUSTOMER OR TO ANY OTHER PERSON AS TO ANY COMPUTER HARDWARE, SOFTWARE OR EQUIPMENT IN CONNECTION WITH THE SERVICE, INCLUDING, BUT NOT LIMITED TO, CUSTOMER'S COMPUTER SYSTEMS OR RELATED EQUIPMENT, CUSTOMER'S SOFTWARE, OR CUSTOMER'S INTERNET SERVICE PROVIDER OR ITS EQUIPMENT, OR AS TO THE SUITABILITY OR COMPATIBILITY OF BANK'S SOFTWARE, INTERNET DELIVERED SERVICE, EQUIPMENT OR COMMUNICATION INTERFACES WITH THOSE THAT CUSTOMER USES, OR AS TO WHETHER ANY SOFTWARE OR INTERNET DELIVERED SERVICE WILL PERFORM IN AN UNINTERRUPTED MANNER, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
6. BANK SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR FAILURES RESULTING FROM DEFECTS IN, OR MALFUNCTIONS OF, CUSTOMER'S COMPUTER HARDWARE OR SOFTWARE, FOR THE QUALITY OF PERFORMANCE OR LACK OF PERFORMANCE OF ANY COMPUTER SOFTWARE OR HARDWARE OR INTERNET DELIVERED SERVICES SUPPLIED BY BANK TO CUSTOMER IN CONNECTION WITH THIS AGREEMENT, OR FOR THE TRANSMISSION OR FAILURE OF TRANSMISSION OF ANY INFORMATION FROM CUSTOMER TO BANK, FROM BANK TO CUSTOMER, FROM CUSTOMER TO ANY PROCESSOR, FROM ANY PROCESSOR TO BANK, OR OTHERWISE. BANK SHALL NOT BE RESPONSIBLE FOR NOTIFYING CUSTOMER OF ANY UPGRADES OR ENHANCEMENTS TO ANY OF CUSTOMER'S COMPUTER HARDWARE OR SOFTWARE.
9. **Financial Information.** Bank may from time to time request information from Customer in order to evaluate a continuation of the Service to be provided by Bank hereunder and/or adjustment of any limits set by this Agreement. Customer agrees to provide the requested financial information immediately upon request by Bank, in the form required by Bank. Customer authorizes Bank to investigate or reinvestigate at any time any information provided by Customer in connection with this Agreement or the Service and to request reports from credit bureaus and reporting agencies for such purpose. If Customer refuses to provide the requested financial information, or if Bank concludes, in its sole discretion, that the credit risk of Customer is

unacceptable, or if Customer refuses to give Bank access to Customer's premises, Bank may terminate the Service according to the provisions hereof.

10. **Confidential Information and Proprietary Right in Data.** All information of a personal or business nature relating to the assets, liabilities or other business affairs disclosed to Bank by Customer in connection with this Agreement is confidential. Except as allowed by applicable law, Bank shall not disclose or permit access to any such information by any person, firm or corporation. Bank shall cause its officers, employees and agents to take such action as shall be reasonably necessary to preserve and protect the confidentiality of such information, by disclosing such information only to persons needing to have access thereto for the performance of the Bank's obligations under this Agreement or to any other party to which Bank may be required by law to report such information. Customer agrees to hold confidential, and to use only in connection with the Service, all information furnished to Customer by Bank or by third parties from whom Bank has secured the right to use the Service, including, but not limited to, Bank's product and service pricing structure, system design, programming techniques or other unique techniques. In addition, should Customer at any time receive or acquire any information relating to another Customer of Bank, Customer shall promptly return such information to Bank and not reveal such information to any other party and shall not make use of such information for its own benefit or otherwise. Bank's and Customer's obligations and agreements under this paragraph shall not apply to any information supplied that was known to either party prior to the disclosure by the other, is or becomes generally available to the public other than by breach of this Agreement or otherwise becomes lawfully available on a non-confidential basis from a third party who is not under an obligation of confidence to either party. Notwithstanding anything to the contrary contained herein, it is understood and agreed by the parties hereto that the performance of the Service is or might be subject to regulation and examination by authorized representatives of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation and/or a State regulatory agency, and Customer agrees to the release of by Bank of Customer's reports, information, assurances and other data and information as may be required under applicable laws and regulations. Customer agrees that any specifications or programs developed by Bank in connection with this Agreement, or supplied or made available to Customer by Bank, are the exclusive property of Bank, its agents, suppliers or contractors, and further agrees that such material shall not be copied or used in any manner or for any purpose without the express written consent of Bank. This clause shall survive the termination of the Agreement.
11. **Arbitration and Waiver of Jury Trial.** Customer and Bank agree that the transactions contemplated in this Agreement involve "commerce" under the Federal Arbitration Act ("**FAA**"). **EVERY CONTROVERSY OR CLAIM BETWEEN CUSTOMER AND ANY INDEMNIFIED PARTY ARISING OUT OF, OR IS IN ANY WAY RELATED TO OR RESULTING FROM, THIS AGREEMENT, THE REMOTE DEPOSIT SERVICE OR ANY OTHER SERVICES PROVIDED BY BANK, WHETHER BASED IN CONTRACT, TORT OR ANY OTHER LEGAL THEORY, INCLUDING CLAIMS OF FRAUD, SUPPRESSION, MISREPRESENTATION AND FRAUD IN THE INDUCEMENT, WILL BE RESOLVED BY BINDING ARBITRATION UNDER THE FAA.** The arbitration will be administered by the American Arbitration Association ("**AAA**") under its Commercial Arbitration Rules (the "**Arbitration Rules**"). **IF A CLAIM IS SUBMITTED TO ARBITRATION, (A) CUSTOMER WILL NOT HAVE THE RIGHT TO GO TO COURT OR TO HAVE A JURY TRIAL; (B) CUSTOMER WILL NOT HAVE THE RIGHT TO ENGAGE IN PRE-ARBITRATION DISCOVERY EXCEPT AS PROVIDED IN THE ARBITRATION RULES; (C) CUSTOMER WILL NOT HAVE THE RIGHT TO HAVE ANY CLAIM ARBITRATED AS A CLASS ACTION UNDER THE ARBITRATION RULES OR UNDER ANY OTHER RULES, WHETHER OF CIVIL PROCEDURE OR OTHERWISE; AND (D) THE ARBITRATOR'S DECISION WILL BE FINAL AND BINDING WITH LIMITED RIGHTS TO APPEAL. THIS ARBITRATION PROVISION IS SUPPLEMENTAL TO, AND NOT IN LIEU OF, ANY OTHER ALTERNATIVE DISPUTE RESOLUTION PROVISION, AND, IN THE EVENT OF A CONFLICT BETWEEN THIS PROVISION AND ANY OTHER SUCH ALTERNATIVE DISPUTE RESOLUTION PROVISION, THE TERMS OF THIS PROVISION SHALL CONTROL.** This agreement to arbitrate disputes will survive the closing of Customer's Accounts and the termination of this Agreement.
12. **Attorneys' Fees.** In the event of any arbitration or other adversarial proceeding between the parties concerning this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs in addition to any other relief to which it may be entitled.
13. **Successors.** This Agreement and all the terms and provisions herein shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.
14. **Assignment.** No right or interest hereby conferred shall be assignable without the prior written consent of the other party, and any assignment made without such consent shall be null and void; provided, however, that Bank may assign this Agreement or any part of it to any of Bank's affiliates or to a successor of Bank by merger or acquisition upon written notice to Customer.

15. **No Third Party Beneficiaries.** This Agreement shall not be construed to confer any rights or remedies upon any person not a party to this Agreement, whether as a third party beneficiary or otherwise, against Customer or Bank, their respective successors, assigns and affiliates.
16. **Captions and Headings.** The captions and headings contained in this Agreement are for convenience of reference only and shall not be used to limit the applicability or meaning of any provisions of this Agreement.
17. **Entire Agreement.** The terms of the Agreement, all other agreements with Bank pertaining to the Accounts and the Rules, are incorporated by reference and made a part of this Agreement. In the event of any inconsistency between such agreements, the Rules and this Agreement, the provisions of this Agreement shall control to the extent necessary. Customer agrees that this Agreement is the entire statement of the terms and conditions, which apply to the subject matter hereof. This Agreement supersedes any prior agreements between the parties relating to the Service.
18. **Paper Copy.** You have the right to receive this agreement and future disclosures in paper format. Please visit any of our branch offices and request a copy during normal business hours or call your local branch.
19. **No Waiver.** No delay or failure on the part of Bank in exercising any of Bank's rights under this Agreement shall constitute a waiver of such rights, and no exercise of any remedy hereunder by Bank shall constitute a waiver of its right to exercise the same or any other remedy hereunder. Except for changes made in accordance with this Agreement, no deviation, whether intentional or unintentional, will constitute an amendment of this Agreement or will constitute a waiver of any right or duty of either party.
20. **Severability.** In the event all or any part of any one or more of the provisions contained in the Agreement shall for any reason be held to be invalid, illegal or unenforceable, in any respect, the remaining provisions or parts thereof shall be binding and enforceable as if any such invalid, illegal or unenforceable provision had never been contained herein.
21. **Construction.** This Agreement is an Agreement between parties who are experienced in sophisticated and complex matters similar to the transactions contemplated by this Agreement, is entered into by both parties in reliance upon the economic and legal bargains contained herein, and shall be interpreted and construed in a fair and impartial manner, without regard to such factors as the party which prepared the instrument or drafted any provision thereof, the relative bargaining powers of the parties or the domicile of any party.
22. **Termination.** This Agreement shall remain in full force and effect from the date hereof until such time as this Agreement is terminated by either party as hereinafter provided:
 1. this Agreement may be terminated at any time by either party following ten (10) days prior written notice;
 2. either party shall have the right to terminate this Agreement immediately by giving notice to the other if such other party: (i) ceases to conduct its business in the ordinary sense, (ii) has any substantial part of its property become subject to any levy, seizure, assignment or application for sale for, or by, any creditor or government agency, (iii) is a party to an acquisition (iv) in the reasonable judgment of the party seeking termination, experiences an adverse change in its financial condition or business which impairs the ability of such party to perform its obligations under this Agreement, (v) fails to perform its obligations under this Agreement or defaults under any other agreement between the parties or (vi) makes any warranty or representation which proves to be false or misleading.

Notwithstanding the foregoing, Bank may immediately terminate this Agreement without notice if, at Bank's sole discretion, Bank determines that Customer has abused the Service or Bank believes that it will suffer a loss or other damage if the Agreement is not terminated. Bank's election to terminate the Service and this Agreement is in addition to any and all other remedies that may be available to Bank and will not affect any obligations Customer may have to Bank. Any reinstatement of the Service under this Agreement will be at Bank's sole discretion and must be agreed upon in writing by an authorized representative of Bank.

Upon termination of this Agreement, (i) Customer will promptly pay to Bank all sums due or to become due under this Agreement, (ii) Customer shall have no further right to make use of the Service.

1. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Pennsylvania, without reference to its conflict of law provisions, and applicable federal law.
2. **Notices.** Any notice required hereunder shall be given by first class U.S. Mail, postage prepaid, by receipted hand delivery, electronically or by any other means agreed upon by both parties and if, to Bank, at the address set forth below and, if to Customer, at the most recent address shown for Customer in Bank's records. If any notice instructions are given, the provisions of such shall govern the method and location for giving notice. Any notice mailed shall be presumed received on the third business day after mailing thereof.

If to Bank: Citizens & Northern Bank

90-92 Main Street

Wellsboro, PA 16901

Last Revision Date 10/2020