



THE HONSDALE NATIONAL BANK PERSON TO PERSON PAYMENT SERVICE AGREEMENT

The following Terms and Conditions (Agreement) apply to our Person to Person payment service with The Honesdale National Bank.

This Agreement describes your rights and obligations as a user of the Person to Person payment service, as well as the rights and obligations of The Honesdale National Bank. We may modify these terms from time to time without notice, except as required by law. Please read this Agreement carefully. By requesting and using this service, you agree to comply with this Agreement.

You may use The Honesdale National Banks Person to Person payment service, to direct The Honesdale National Bank to make payments from your designated checking account to the Payees you choose in accordance with this agreement. The terms and conditions of this agreement are in addition to the account agreements, disclosures and other documents in effect from time to time governing your account.

DEFINITION OF TERMS

1. **Netteller:** means The Honesdale National Bank Internet Banking Service.
2. **Home Banking:** is the Internet-based service providing access to your account(s) with The Honesdale National Bank.
3. **Home Banking Account:** is a Honesdale National Bank account from which you will be conducting transactions using an Internet-based Service.
4. **Time of Day:** references are to Eastern Standard Time or Eastern Daylight Saving Time as applicable.
5. **We:** refers to The Honesdale National Bank which offers and provides the services.
6. **Payee:** refers to anyone, including The Honesdale National Bank, that you, the customer, designates to pay and the Bank accepts as a payee.
7. **Keyword:** refers to the secret word shared with payee to confirm recipient.
8. **Account** means checking account.
9. **Recipient Account:** is the account to receive the credit of funds.
10. **ACH Network:** refers to the funds transfer system governed by ACH Rules.
11. **ACH Rules:** means the NACHA Operating Rules and Guidelines as in effect from time to time.
12. **Business Day:** refers to any day that is not a Saturday, Sunday or bank holiday.

DESCRIPTION OF SERVICE

The Person to Person payment service enables you, the customer, to request a transfer of funds from your eligible designated checking account to an account at another U.S. financial institution. Transfers will be executed using the ACH Network by The Honesdale National Bank.

TYPES OF PAYMENT REQUESTS

Single payment requests consist of a one-time transfer to be initiated immediately or at a specified date.

Recurring payment requests consist of a one-time setup for a payment to recur on a specified date and frequency.

CANCELLATION OF PAYMENT

Scheduled payments can be changed or cancelled while in a scheduled or pending status.

CONSUMER LIABILITY

You are solely responsible for controlling the safekeeping of and access to your Personal Identification Number (PIN). You will be responsible for any payment request you make that contains an error or is a duplicate of another payment request. The Honesdale National Bank is not responsible for a payment request that is not made if you did not properly follow the instructions for making a payment request. The Honesdale National Bank is not responsible for your acts or omissions or those of any other person, including, without limitation, any transmission or communications facility, and no such party shall be deemed to be The Honesdale National Bank's agent. If you discover an unauthorized payment request, call us immediately at 570- 253-3355 or 800.HNB.9515 from 8:30 A.M. to 4:00 P.M. Monday through Friday, excluding holidays. If you believe your PASSWORD has been lost or stolen and you tell us within two (2) business days after you learn of the loss or theft, you can lose no more than \$50 if someone uses your PASSWORD without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your PASSWORD and we can prove we could have stopped someone from using your PASSWORD without your permission had you told us, you could lose as much as \$500. If your monthly statement contains payments you did not authorize, you must notify the Bank immediately. If you do not notify us within sixty (60) days after the statement was issued, you may lose the amount of the payments issued.

AMENDMENT

The Honesdale National Bank has the right to change this agreement at any time by notice mailed to you at the last address shown for the account on the financial institution's records, by posting notice in branches of the financial institution, or as otherwise permitted by law.

TERMINATION

The Honesdale National Bank has the right to terminate this Agreement at any time. You may terminate this agreement by written notice to The Honesdale National Bank. The Honesdale National Bank is not responsible for any fixed payment made before the Bank has a reasonable opportunity to act on your termination notice. You remain obligated for any payments made by The Honesdale National Bank on your behalf.

HOURS OF OPERATION

Person to Person payment service is available 24 hours a day, seven days a week, except during special maintenance periods. For purposes of transactions, our business days are Monday through Friday, excluding weekends and holidays. All Person to Person requests received after 4:00 P.M. on business days and all transfers which are requested on Saturdays, Sundays, or holidays on which we are closed, will be processed on the next business day. The business day begins at 8:30 A.M.

MOBILE PHONE USERS

Data and messaging charges from your provider may apply, and you are responsible for any charges. In the event your mobile device is lost or stolen, you agree to notify the Bank and update all relative information.

SERVICE FEES AND ADDITIONAL CHARGES

You understand and agree to pay all fees associated with the use of the Person to Person payment service. You will be charged the fee regardless of whether the payment request is completed or not due to failure. At the time of payment request the service fee will be disclosed. By selecting the continue button you acknowledge the service fee to be charged. The service fee will be \$0.99 per transaction.

INACTIVITY AND TERMINATION

You are responsible for complying with this Agreement and with the terms of the Agreement governing deposit or loan accounts which you access using electronic banking services. We can terminate your electronic banking privileges under this Agreement without notice to you, if you do not comply with the Agreement governing your deposit or loan accounts or your accounts are not maintained in good standing. The Honesdale National Bank is not responsible for any fixed payment made before the Bank has a reasonable opportunity to act on your termination notice. You remain obligated for any payments made by The Honesdale National Bank on your behalf.

If the Person to Person service remains inactive for six (6) months, an inactivity fee of \$5.00 will be charged to the associated checking account. This fee will be charged every month of inactivity thereafter.

LIMITATIONS

These limits may be adjusted from time to time at our discretion. Consumers will have a per day maximum dollar limit of \$1,000 and a per item maximum dollar limit of \$1,000. Businesses will have a per day maximum dollar limit of \$2,500 and a per item maximum dollar limit of \$2,500.

To cancel the Person to Person payment service, you must notify us in writing stating you are discontinuing Person to Person payment service and provide your name, address, and the effective date to stop the service. You may notify us by one of the following methods:

By sending an email by using the email feature on your Nettleer page, by sending us an email using the secure email feature on The Honesdale National Bank's Contact Us webpage, by writing a letter and delivering it to a Customer Service Representative or Branch Manager at any office of The Honesdale National Bank, or by mailing a letter to: The Honesdale National Bank, P. O. Box 350, Honesdale, PA 18431.

EXCLUSIONS OF WARRANTIES; LIMITATION OF LIABILITY

THE PERSON TO PERSON PAYMENT SERVICE IS PROVIDED BY THE HONESDALE NATIONAL BANK WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED.

THE ENTIRE LIABILITY OF THE HONESDALE NATIONAL BANK FOR ANY REASON SHALL BE LIMITED TO THE TOTAL AMOUNT OF FEES PAID BY YOU FOR THE USE OF THE PERSON TO PERSON PAYMENT SERVICE DURING THE TWELVE (12) MONTHS PRECEDING THE DATE ON WHICH THE CLAIM ACCRUED. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL THE HONESDALE NATIONAL BANK BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES, ARISING IN ANY WAY OUT OF THE USE OR MAINTENANCE OF THE PAYMENT TO PAYMENT SERVICE, INCLUDING WITHOUT LIMITATION, LOST PROFITS OR ATTORNEY'S FEES.

GOVERNING LAW

This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania and applicable federal law. You agree that any claim you may have against us must be resolved by a court located in Wayne County, Pennsylvania.