

ONLINE BANKING AGREEMENT (CONSUMER)

Lake Shore Bank

1. Meaning of some words. In this agreement:

- a. “We,” “us,” “our” and “ours” mean Lake Shore Bank, 128 East 4th Street, P.O. Box 512, Dunkirk, NY 14048;
- b. “Online Banking” means the online banking service and features being provided by us or on our behalf;
- c. “You,” “your” and “yours” mean any individual who enrolls in Online Banking for use in connection with deposit accounts at least one of which is established primarily for personal, family or household purposes;
- d. “Approved deposit account” means any deposit account of yours with us that is approved by us as accessible for transfers of funds through Online Banking;
- e. “Approved payment account” means any approved deposit account that is approved by us to be used for payments through Online Banking;
- f. “Approved line of credit account” means any line of credit account of yours with us that is approved by us as accessible for transfers of funds through Online Banking;
- g. “Approved loan account” means any approved line of credit account or any other loan account of yours with us that is approved by us as accessible for transfers of funds through Online Banking;
- h. “Electronic document” means any periodic statement for an approved deposit account or approved loan account, any image of a check or other item that would normally be provided with a periodic statement for an approved deposit account, any communication that would normally be provided with a periodic statement for an approved deposit account or approved loan account and that is chosen to be sent to you through Online Banking (for example, a change of terms notice, an annual privacy notice or another notice that is required by applicable law or an agreement between you and us) or any other communication relating to an approved deposit account or approved loan account that is chosen to be sent to you through Online Banking (for example, an automated clearing house, wire transfer or overdraft item notice);
- i. “Bill Pay and Personal Pay General Terms” means the Terms and Conditions provided by us to you, which include Bill Payment Service Additional Terms and Zelle and Other Payment Services Additional Terms, as the same may be amended, restated or otherwise modified by us from time to time.
- j. “Identifier” means any identifier (for example, a username, password, access code or token) assigned by us or any agent of ours to you, or chosen by you, for use in connection with Online Banking;
- k. “Instruction to us” means any instruction, notice, order or other communication given to us in connection with Online Banking (for example, an order described in Section 7, 8 or 9 of this agreement);
- l. “Liability or expense” means, with respect to any obligation of yours to indemnify or reimburse us or any agent of ours, any liability, loss, cost or expense (for example, an attorney’s fee or disbursement, whether the attorney is hired for advice, litigation or any other purpose, or a cost of investigation or litigation);
- m. “Mobile banking device” means any wireless device (for example, a cellular telephone or tablet) that is capable of being used in connection with Online Banking and is approved by us for use by you or on your behalf in connection with Online Banking; and
- n. “Personal Pay Service” means the electronic person-to-person payments service described in and provided under the terms of this agreement and the Bill Pay and Personal Pay General Terms.

2. Deposit accounts. You represent and warrant to us that no deposit account from which a withdrawal of funds will be ordered by you or on your behalf through Online Banking will be a fiduciary account, an account for which two or more persons are required to sign a check written on the account or a withdrawal form for the account or an account subject to a similar restriction. But no limitation on a withdrawal of funds from any deposit account from which a withdrawal of funds is ordered by you or on your behalf through Online Banking arising because the account is a fiduciary account, because the account is one for which two or more persons are required to sign a check written on the account or a withdrawal form for the account or because the account is subject to a similar restriction will apply to any withdrawal of funds from the account ordered by you or on your behalf through Online Banking. If an approved deposit account is a joint account, we may act on the verbal, written or electronic instructions of any authorized signer in connection with such joint account.

3. Identifier. You may not allow anyone else to have any identifier unless you authorize him or her to use Online Banking on your behalf. You must keep each identifier in a secure location separate from any equipment (for example, a computer or mobile banking device) or software you use in connection with Online Banking. For reasons of security, we or any agent of ours may render any identifier ineffective. **WE WILL NOT BE LIABLE FOR DAMAGES YOU SUFFER AS A RESULT OF YOUR ALLOWING ANYONE ELSE (FOR EXAMPLE, A PARTY THAT AGGREGATES ACCOUNT INFORMATION OR CONTENT OF WEBSITES) TO HAVE ANY IDENTIFIER.**

4. Your responsibility for instructions. Except to the extent prohibited by applicable law, you will be responsible for and bound by each instruction given by you or anyone else you allow to have any identifier or to use Online Banking, and the instruction to us and, if the instruction to us is any order described in Section 7, 8 or 9 of this agreement, each transfer of funds or payment initiated by the instruction to us will be covered by this agreement as though the instruction to us had been given by you.

5. Prohibition of certain transactions. Online Banking may not be used by you or on your behalf for any prohibited or unenforceable transaction (for example, an illegal gambling transaction, a purchase of an illegal product or a transaction with an individual, organization or government on which the federal government has imposed economic or trade sanctions or with which it has prohibited transactions), but, if it is, you waive any claim that the transaction should not have been charged against any deposit account or line of credit account on the ground that the transaction was prohibited or unenforceable, and you must indemnify us against any liability or expense that is incurred by, imposed on or asserted against us as a result of any claim arising out of the transaction.

6. Online Banking; Bill Payment and Personal Pay Service. Online Banking has a number of features, including a banking feature, a bill payment feature and a Personal Pay Service feature. The banking feature is always included in Online Banking, while the bill payment feature and the Personal Pay Service feature will be available to you only if chosen by you and approved by us. The banking feature of Online Banking has a number of features (for example, electronic statement delivery) that will be available to you only if chosen by you and approved by us. You acknowledge and agree that from time to time, and at any time, with or without notice to you, we may make the Personal Pay Service feature available through or using one or more unaffiliated third party service providers. You agree that we have the right to delegate to such service providers all of the rights and performance obligations that we have under this agreement, and that such service providers will be third party beneficiaries of this agreement and will be entitled to all the rights and protections that this agreement provides to us. Currently, Personal Pay Service feature of Online Banking is being provided to you through Zelle Network® (“Zelle”), an electronic person-to-person payments service, through which you may send payments to, or receive payments from, others you trust who are enrolled directly with the Zelle or enrolled with another financial institution that partners with Zelle. To the extent that any transaction may be conducted by any person using any Personal Pay Service feature, including Zelle, such transaction, or the applicable part thereof, will be governed by Bill Pay and Personal Pay General Terms. If chosen by you and approved by us, a mobile banking device may be used in connection with Online Banking.

7. Use of banking feature. Subject to the provisions of this agreement, the banking feature of Online Banking may be used by you or on your behalf to:

- a. Give an order to us to make an immediate or future non-recurring transfer of funds from any approved deposit account to any other approved deposit account or any approved loan account or from any approved line of credit account to any other approved loan account or any approved deposit account;
- b. Give an order to us to make a series of automatic recurring transfers of funds of the same amount from any approved deposit account to any other approved deposit account or any approved loan account or from any approved line of credit account to any other approved loan account or any approved deposit account;
- c. Give an order to us to make one time or recurring transfers of funds from any approved payment account to any other deposit account with us, which transfers may be subject to limitations by us in our sole discretion on the number and dollar amount of transfers and which may be subject to additional security procedure requirements;
- d. Give an order to us to make one time or recurring transfers of funds from any approved payment account to your deposit account with another financial institution in the United States, which transfers may be subject to (i) limitations by us in our sole discretion on the number and dollar amount of transfers, (ii) confirmation that you are the account holder of the recipient account, and (iii) micro-deposit requirements or other additional security procedure requirements;
- e. Give an order to us changing or canceling any order described in clause a, c or d that was previously given through the banking feature of Online Banking;
- f. Give an order to us changing or canceling as to all future transfers of funds any order described in clause b, c or d that was previously given through the banking feature of Online Banking;
- g. Give an order to us to stop, or to renew an order to stop, the payment of any check written on any checking or money market account of yours with us;
- h. Request information available through the banking feature of Online Banking concerning any approved deposit account or approved loan account that is approved by us as accessible for information through the banking feature of Online Banking (for example, information concerning deposits in, withdrawals from and the balance of the account); and

i. Receive notice of the availability at our website of electronic documents for any approved deposit account or approved loan account through the electronic statement delivery feature of the banking feature of Online Banking.

j. Any order to stop, or to renew an order to stop, the payment of a check given by you or on your behalf through the banking feature of Online Banking will be subject to our general rules concerning orders to stop the payment of a check, except that the order need not be confirmed in writing. For example, the order will be effective for six months after the date it is placed against the account on which the check is written.

k. Because the balance available for withdrawal from an approved deposit account may vary from time to time during any day, you may not rely on any statement obtained through the banking feature of Online Banking as to the balance available for withdrawal from the approved deposit account at any time other than the time the statement is obtained.

8. Use of bill payment feature. Subject to the provisions of this agreement and the Bill Pay and Personal Pay General Terms, Online Banking may be used by you or on your behalf to:

a. Give an order to us to make a non-recurring payment from any approved payment account;

b. Give an order to us to make a series of automatic recurring payments of the same amount from any approved payment account;

c. Give an order to us changing or canceling any order described in clause a of this sentence that was previously given through the bill payment feature of Online Banking;

d. Give an order to us canceling as to all future payments any order described in clause b of this sentence that was previously given through the bill payment feature of Online Banking; and

e. Request information available through the bill payment feature of Online Banking concerning payments from any approved payment account made through the bill payment feature of Online Banking.

f. Any payment from any approved payment account made through the bill payment feature of Online Banking will be made by either a transfer of funds through an automated clearing house to the payee of the payment or the sending of a check to the payee. Because the payee will not receive a payment stub with the payment and because the payee may process payments made without a payment stub at a different location than is normally the case or may take longer than is normally the case to process those payments, it may be advisable for you to verify with the payee the address to which the payment should be sent and the period of time required for the posting of the payment.

g. It is not advisable to use the bill payment feature of Online Banking to make a payment to a governmental body (for example, a payment of a tax bill).

9. Use of Personal Pay Service feature. Subject to the provisions of this agreement and the Bill Pay and Personal Pay General Terms, Online Banking may be used by you or on your behalf to:

a. Order a one-time payment to a receiver for which processing shall be initiated immediately;

b. Order a one-time payment to a receiver for which processing shall be initiated at a later specified date up to one (1) year;

c. Order a recurring series of payments to a receiver for which processing shall be initiated on the specified dates;

d. Receive payment from a sender or, initiate, as requestor, a request for payment from a sender;

e. Give an order to us changing or canceling any order or request described in clause a, b, c or d of this sentence that was previously given through the Personal Pay Service feature of Online Banking; and

f. Request information available through the Personal Pay Service feature of Online Banking concerning payments from any approved payment account made through the Personal Pay Service feature of Online Banking.

10. Initiation, processing, charging, changing and cancellation of orders given through banking feature of Online Banking. The following rules apply to the initiation, processing, charging, changing and cancellation of orders given by you or on your behalf through the banking feature of Online Banking:

a. If an order to make an immediate non-recurring transfer of funds is given through the banking feature of Online Banking:

i. The transfer will be scheduled to be made on the day we receive the order ;

ii. The transfer may be charged against the account from which it is to be made as early as the day we receive the order; and

iii. The order may not be changed or canceled.

b. If an order to make a future non-recurring transfer of funds is given through the banking feature of Online Banking:

i. The order must schedule the transfer to be made on a specified date after the day we receive the order;

ii. The transfer will be scheduled to be made on the date the order schedules it to be made unless that date is not a business day of ours, in which case it will be scheduled to be made on our first business day after that date;

iii. The transfer may be charged against the account from which it is to be made as early as the date on which it is scheduled to be made; and

iv. The order may be changed or canceled until 6:00 a.m. eastern United States time on the day on which the transfer is scheduled to be made.

c. If an order to make a series of automatic recurring transfers of funds is given through the banking feature of Online Banking:

i. The order must provide for the transfers to be equal in amount and regular in frequency on a daily, weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annual or annual basis and must schedule them to begin and end on specified dates after the day we receive the order;

ii. Each of the transfers will be scheduled to be made on the date the order schedules it to be made unless that date is not a business day of ours, in which case it will be scheduled to be made on our first business day after that date;

iii. Each of the transfers may be charged against the account from which it is to be made as early as the date on which it is scheduled to be made; and

iv. The order may not be changed, but the order may be canceled with respect to any of the transfers until 6:00 a.m. eastern United States time on the day on which the transfer is scheduled to be made.

11. Initiation, processing, charging, changing and cancellation of orders given through bill payment feature of Online Banking. The following rules apply to the initiation, processing, charging, changing and cancellation of orders given by you or on your behalf through the bill payment feature of Online Banking:

a. If an order to make a non-recurring payment is given through the bill payment feature of Online Banking:

i. The order must provide as the payee of the payment a party that is located in the United States, would not be receiving the payment under a court order and is not regarded by us as ineligible for payment through the bill payment feature of Online Banking;

ii. The order may not provide for the payment to be made in other than United States currency;

iii. The order may be subject to limitations by us in our sole discretion on the dollar amount of payment;

iv. The order must specify the date on which the payment is scheduled to be received by the payee;

v. The payment may be charged against the account from which it is to be made as early as the date on which it is scheduled to be received by the payee; and

vi. The order may not be changed or canceled after processing of the payment begins.

b. If an order to make a series of automatic recurring payments is given through the bill payment feature of Online Banking:

i. The order must provide for the same payee of all of the payments and must provide as the payee a party that is located in the United States, would not be receiving the payments under a court order and is not regarded by us as ineligible for payment through the bill payment feature of Online Banking;

ii. The order may not provide for any of the payments to be made in other than United States currency;

iii. The order must provide for the payments to be equal in amount and regular in frequency on a weekly, biweekly, semi-monthly, monthly, quarterly, semi-annual or annual basis and must specify the date on which the first of the payments is scheduled to be received by the payee;

iv. Each of the payments will be scheduled to be received by the payee on the date the order schedules it to be received by the payee, except that, if that date is a Saturday, Sunday or legal holiday, it will be scheduled to be received by the payee on the last day before that date that is not a Saturday, Sunday or legal holiday;

v. Each of the payments may be charged against the account from which it is to be made as early as the date on which it is scheduled to be received by the payee; and

vi. The order may not be changed or canceled with respect to any of the payments after processing of the payment begins.

12. Initiation, processing, charging, changing and cancellation of orders given through Personal Pay Service feature of Online Banking. The Bill Pay and Personal Pay General Terms and the following rules apply to the initiation, processing, charging, changing and cancellation of orders given by you or on your behalf through the Personal Pay Service feature of Online Banking:

a. The order may not provide for the payment to be more than the authorized limit;

b. You authorize us to immediately debit your applicable account for the amount of any payment instruction plus any related fees in effect at the time you initiate the payment instruction, and to remit funds on your behalf according to the terms of the Personal Pay Service feature.

c. You acknowledge and agree that any applicable fees will be charged, and will be deemed fully earned, when we receive and act on a payment instruction from you, regardless of when or whether the payment is completed.

13. Limitations and other rules applicable to transfers of funds and payments. The following limitations and other rules apply to transfers of funds and payments initiated by orders given by you or on your behalf through Online Banking:

a. Any transfer of funds from any approved deposit account ordered through the banking feature of Online Banking will be subject to the funds being available for withdrawal from the account when the order to make the transfer is to be charged against the account with respect to the transfer.

b. Any transfer of funds from any approved line of credit account ordered through the banking feature of Online Banking will be subject to the funds being available as credit under the account when the order to make the transfer is to be charged against the account.

c. Any payment ordered through the bill payment feature or Personal Pay Service feature of Online Banking will be subject to the funds that are to be used to make the payment being available for withdrawal from the approved payment account from which the payment is to be made when the order to make the payment is to be charged against the account with respect to the payment.

d. If, when any order to make a transfer of funds or payment from any approved deposit account given through Online Banking is to be charged against the account with respect to the transfer or payment, the amount of the transfer or payment exceeds the amount of money available for withdrawal from the account (taking into consideration, if the account is tied to a line of credit account or other overdraft facility with us, the amount of credit available under the line of credit account or other overdraft facility), we may either make the transfer or payment, in which case you will be liable for the excess, or refuse to make the transfer or payment. In either case, you will be liable for any fee applicable to the withdrawal or attempted withdrawal of money from the account in excess of the amount of money available for withdrawal from the account. But, if we refuse to make the transfer or payment, we may attempt to make it on a later business day of ours.

e. If, when any order to make a transfer of funds from any approved line of credit account given through the banking feature of Online Banking is to be charged against the account, the amount of the transfer exceeds the amount of credit available under the account, we may either make the transfer, in which case the amount of the transfer will be considered to be credit extended under the account, or refuse to make the transfer. In either case, you will be liable for any fee applicable to the obtaining of the credit or attempted obtaining of credit in excess of the amount of credit available under the account.

f. For reasons of security, we may refuse to honor any order to make a transfer of funds or payment given through Online Banking.

g. We may refuse to honor any order to make a transfer of funds or payment given through Online Banking if the order reasonably appears to us to be fraudulent or erroneous.

h. If an order to make a transfer of funds or payment given through Online Banking contains an inconsistency in the name and account or other identifying number of an account or payee, financial institution or other party, we may treat the number as controlling and rely on the number in processing the order.

i. If any approved deposit account is a savings account for purposes of federal reserve requirements, during any monthly period at the end of which we review the account there may be no more than six transfers of funds from the account that are:

i. A transfer of funds to any other deposit account with us ordered through Online Banking;

ii. Any other computer transfer of funds to any other deposit account with us or a third party;

iii. A preauthorized, automatic or telephonic transfer of funds to any other deposit account with us or a third party;

iv. A transfer of funds to a third party made by using a debit card issued by us (for example, a transfer of funds to pay the purchase price of goods or services); or

v. A transfer of funds made by using a check, a draft or any other order payable to a third party.

j. You will be responsible for assuring that any order to make a payment given by you or on your behalf through the bill payment feature or the Personal Pay Service feature of Online Banking is given to us in sufficient time for the order to be processed and the payment to be sent so that the payment is received by the payee of the payment by the date the payment is to become due without taking into consideration any grace period provided by the payee, and you will be responsible, and we will not be liable, for any consequence of your not assuring that that is done (for example, any finance or late charge resulting from the payment being made late). If the payment is to be made by a

transfer of funds through an automated clearing house to the payee, up to two of our business days after the day we receive the order if that day is a business day of ours, or up to two of our business days after our first business day after that day if that day is not a business day of ours, will be necessary to allow for processing of the order so that the payment is received by the payee by the date it is to become due. If the payment is to be made by the preparation and sending to the payee of a check, up to six of our business days after the day we receive the order if that day is a business day of ours, or up to six of our business days after our first business day after that day if that day is not a business day of ours, will be necessary to allow for the processing of the order so that the payment is received by the payee by the date it is to become due.

k. We may refuse to honor any order to make a payment given through the bill payment feature or Personal Pay Service feature of Online Banking if, because the order identifies the same payee, payment date and amount, it appears to duplicate another order to make a payment given through the bill payment feature or Personal Pay Service feature of Online Banking.

14. Notice of availability of electronic documents through banking feature of Online Banking. If the electronic statement delivery feature of the banking feature of Online Banking is chosen by you and approved by us for any approved deposit account or approved loan account:

a. You represent and warrant to us that any electronic mail address provided to us by you or on your behalf for use in connection with the use of the electronic statement delivery feature for the account is a valid and active electronic mail address and belongs to you.

b. You must promptly notify us of any change in any electronic mail address provided to us by you or on your behalf for use in connection with the use of the electronic statement delivery feature for the account by changing the electronic mail address in your profile for the banking feature of Online Banking.

c. You must indemnify us against any liability or expense that is incurred by, imposed on or asserted against us as a result of any claim arising from any email address provided to us by you or on your behalf for use in connection with the use of the electronic statement delivery feature for the account being invalid or inactive or not belonging to you.

d. Whenever an electronic document for the account is ready to be made available to you at our website, we will send to the current electronic mail address provided to us by you or on your behalf for use in connection with the use of the electronic statement delivery feature for the account a notice that the electronic document is available to you at our website. The electronic document will be available to you at our website for 13 months, except that it will not be available to you at our website after cancellation of the electronic statement delivery feature in connection with the account takes effect. Except to the extent that applicable law requires otherwise, the notice will be the only notice that we send to you concerning the availability of the electronic document to you. The notice will constitute delivery of the electronic document to you, whether or not it is viewed or printed by you or on your behalf. Neither you nor anyone acting on your behalf may use the reply function for electronic mail to reply to the notice (for example, by using the reply function to request any information or service or a paper copy of any electronic document or other item or to cancel the electronic statement delivery feature in connection with the account), but, if that happens, we will not be obligated to do anything in response to the reply. If the notice is returned to us as undeliverable, we may stop sending electronic documents for the account to you and resume sending to you paper copies of electronic documents for the account at the mailing address shown for you in our records concerning the account.

e. We may discontinue sending you paper copies of electronic documents for the account. For as long as we are required by applicable law to keep a copy of any electronic document for the account, you may request a copy of the electronic document by writing us at Lake Shore Bank, 128 East 4th Street, P.O. Box 512, Dunkirk, NY 14048, Attention: Electronic Banking Department. The request will not constitute a request to cancel the electronic statement delivery feature in connection with the account. Even if we discontinue sending you paper copies of electronic documents for the account, we may resume sending them (for example, because we believe that you are not receiving notices that an electronic document for the account is available to you at our website or because we believe that there is a risk that you may not be able to receive electronically, view and print electronic documents for the account). If the account is closed, the final periodic statement for the account that we send to you or otherwise make available to you may be a paper copy.

f. If you cancel the electronic statement delivery feature in connection with the account, we may continue to make electronic documents for the account available to you at our website until the cancellation takes effect.

g. No cancellation of the electronic statement delivery feature in connection with the account will affect the validity or legal effect of any electronic document provided for the account.

15. Automatic alerts through banking feature of Online Banking.

a. As a feature of Online Banking, you will be enrolled to receive transaction alerts and notifications ("Alerts") for any approved deposit account or approved loan account that are electronic notices from us that contain transactional information about your approved deposit account or approved loan account (the "Alert Service"). Alerts are provided within the following categories:

- **Mandatory alerts (“Mandatory Alerts”):** Mandatory Alerts provide you with important account notifications, such as information about changes to your Online Banking password, PIN, or login information. You do not have the option to suppress these Mandatory Alerts.
- **Account alerts (“Account Alerts”):** Account Alerts provide you with notification of important account activities or when certain changes are made to your approved deposit account or approved loan account, such as scheduled payments made, scheduled payments cancelled and mobile deposits. These Account Alerts are automatically activated for you. Although you may suppress these Account Alerts, we strongly recommend that you do not do so because they provide important information related to your Service accounts.
- **Additional alerts (“Additional Alerts”):** Additional Alerts must be activated by you to be enabled. These Additional Alerts can be accessed from the Banking Services Center within Online Banking, including on your mobile banking device.

Account Alerts and Additional Alerts must be managed and/or added online through the Alert Service. You cannot maintain all Alerts through your mobile device. We may add new Alerts from time to time, or cancel old Alerts. We usually notify you when we cancel Alerts, but are not obligated to do so. We reserve the right to terminate the Alerts service at any time without prior notice to you.

b. We may provide Alerts through one or more channels (“EndPoints”): (a) a mobile device, by text message; (b) a mobile device, by push notification; (c) an email account, by an e-mail message; or (d) your Online Banking message in-box, by an e-mail message. You agree to receive Alerts through these EndPoints, and it is your responsibility to determine that each of the service providers for the EndPoints described in (a) through (c) above supports the email, push notification, and text message Alerts provided through the Alerts service. Please be advised that text or data charges or rates may be imposed by your EndPoint service provider. Alert frequency varies by account and preferences. You agree to provide us a valid mobile phone number or email address so that we may send you Alerts. If your email address or your mobile device’s number changes, you are responsible for informing us of that change. Your Alerts will be updated to reflect the changes that you communicate to us with regard to your primary and secondary email addresses or mobile device number.

c. Alerts can be stopped at any time via the Banking Service Center within the online banking website or mobile app. To restore Alerts, just visit the Banking Service Center menu option in Online Banking, which may also be accessed on your mobile banking device.

d. We provide Alerts as a convenience to you for information purposes only. Alerts do not constitute a bank record for the deposit or credit account to which it pertains. We strive to provide Alerts in a timely manner with accurate information. However, you acknowledge and agree that your receipt of Alerts may be delayed or prevented by factor(s) affecting your mobile phone service provider, internet service provider(s) and other factors outside our control. We neither guarantee the delivery nor the accuracy of the contents of Alerts. **YOU AGREE TO NOT HOLD US, OUR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND SERVICE PROVIDERS LIABLE FOR LOSSES OR DAMAGES, INCLUDING ATTORNEYS’ FEES, THAT MAY ARISE, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, FROM (A) A NON-DELIVERY, DELAYED DELIVERY, OR THE MISDIRECTED DELIVERY OF ONE OR MORE ALERTS; (B) INACCURATE OR INCOMPLETE CONTENT IN ONE OR MORE ALERTS; OR (C) YOUR RELIANCE OR NONRELIANCE ON OR USE OF THE INFORMATION PROVIDED IN ONE OR MORE ALERTS FOR ANY PURPOSE.**

e. As Alerts delivered via SMS, email and push notifications are not encrypted, we will never include your passcode or full account number. You acknowledge and agree that Alerts may not be encrypted and may include your name and some information about your accounts, and anyone with access to your Alerts will be able to view the contents of these messages.

f. You represent and warrant to us that any electronic mail address provided to us by you or on your behalf for use in connection with the use of the Alert Service for the account is a valid and active electronic mail address and belongs to you.

g. You must indemnify us against any liability or expense that is incurred by, imposed on or asserted against us as a result of any claim arising from any email address provided to us by you or on your behalf for use in connection with the use of the Alert Service for the account being invalid or inactive or not belonging to you.

h. We may impose limitations on the types of automatic alerts to be provided through the Alert Service.

16. Use of mobile banking device. If a mobile banking device is used in connection with Online Banking:

- a. You represent and warrant to us that you are authorized to use the mobile banking device and that the telephone number of the mobile banking device is a valid and active telephone number and belongs to you.
- b. You must promptly notify us of any change in the mobile banking device or its telephone number.

c. You must indemnify us against any liability or expense that is incurred by, imposed on or asserted against us as a result of any claim arising from any telephone number for the mobile banking device being invalid or inactive or not belonging to you.

d. We may limit the types, number, frequency and amounts of transfers of funds and payments that may be initiated by orders given through Online Banking using the mobile banking device, and we may refuse to make any transfer of funds or payment initiated by an order given through Online Banking using the mobile banking device.

e. You are responsible for all fees and other changes imposed by any telecommunication or internet access service for the use of the mobile banking device in connection with Online Banking (for example, a fee or other charge for transmitting data or a text message).

f. You acknowledge that any telecommunication or internet access service used in connection with the mobile banking device may impose limitations and fees and other charges (for example, with respect to the transmission of data or text messages) that may restrict the use of the mobile banking device in connection with Online Banking.

17. Deposit of check using mobile banking device. If a mobile banking device is used to deposit a check in an account with us:

a. The account must be an approved deposit account.

b. The check must be drawn on a United States bank and not a foreign bank, must be payable in United States currency, must be endorsed by you, must contain above or below your signature the words “For bank mobile deposit only” or similar wording and may not be a Treasury check, a cashier’s check, a traveler’s check, a returned check, a substitute check, a money order, a savings bond or a check that is dated more than six months before the date the deposit is made or after the date the deposit is made.

c. If the check is payable to you and someone else, the account must be open in both your name and the other person’s name.

d. You must retain the original of the check for at least 60 days after the date the deposit is made.

e. The deposit is subject to verification by us and adjustment upon review by us.

f. The check will not be deemed to have been received by us until we have confirmed that an electronic image of the check has been captured and processed by us on our check image processing system.

g. The face amount of the check may be subject to limitations by us in our sole discretion on the dollar amount, and the total of the face amount of the check and the face amounts of all other checks deemed to have been received by us for deposit in the account using a mobile banking device on the date the check is deemed to have been received by us may be subject to limitations by us in our sole discretion on the dollar amount.

h. In our sole discretion, we may reject the deposit, whether before or after we are deemed to have received the check.

i. If we are deemed to have received the check by 3:00 p.m. eastern United States time on any day Monday through Friday that is a business day of ours, the deposit will generally be deemed to have been made on that day; otherwise it will generally be deemed to have been made on our first business day after that day.

j. Generally the funds represented by the check will be available for withdrawal from the account two of our business days after the day the deposit is deemed to have been made although they may not be available for withdrawal from the account for up to seven of our business days after that day.

k. You will be representing and warranting to us that the check is owned by you, is in your possession, is not drawn on a foreign bank, is an original and not a duplicate, is not counterfeit, has not been altered or fraudulently issued or procured, contains each endorsement necessary for its transfer to us, is not being transmitted to us other than for deposit in the account and will not be further negotiated, deposited, presented for payment or imaged.

l. You will be assuming all obligations that we have, and making all warranties that we make, under any federal check collection regulation and assuming all obligations that you would have, and making all warranties that you would make, under any applicable Uniform Commercial Code if the check had been endorsed and deposited to the account by you or on your behalf in person at any of our offices.

m. To the extent that any provision of any applicable Uniform Commercial Code would apply to the check if the check had been endorsed and deposited to the account by you or on your behalf in person at any of our offices, the provision will apply to the check except to the extent that the provision is incompatible with any provision of this agreement.

n. You must indemnify us against any liability or expense that is incurred by, imposed on or asserted against us as a result of any claim arising under any federal check collection regulation or any provision of any applicable Uniform Commercial Code relating to the deposit or the check, the failure of the check to comply with any requirement described in this section or any breach or alleged breach of any representation or warranty described in this section.

18. Stopping payment of particular transfer of funds or payment. If an order to us to make a series of recurring transfers of funds or payments of the same amount from any approved deposit account is given through Online Banking, we may be ordered to stop any transfer or payment in the series by telephoning us at 800-336-6116 and asking

for our Electronic Banking Department, or writing to us at Lake Shore Bank, 128 East 4th Street, P.O. Box 512, Dunkirk, NY 14048, Attention: Electronic Banking Department, in time for us to receive the order to stop the transfer or payment at least three of our business days before the date on which the transfer or payment is scheduled to be made. The order will not be binding on us with respect to the transfer or payment if we do not receive it at least three of our business days before the date on which the transfer or payment is scheduled to be made. However, even if we do not receive the order at least three of our business days before the date on which the transfer or payment is scheduled to be made, we may follow it even though it will not be binding on us. If we receive the order at least three of our business days before the date on which the transfer or payment is scheduled to be made, we will be liable to the extent provided by applicable law for damages you suffer as a result of our failure to comply with the order, but we will be liable for actual damages only and not consequential or punitive damages if the failure was not intentional and resulted from a bona fide error despite our maintenance of procedures reasonably adapted to avoid the error. If the order is not in writing, we can require you to provide a written confirmation of the order to us so that we receive the written confirmation within 14 days after the date the order is given to us. In that case, the order will cease to be binding on us 14 days after the date it is given to us unless we receive the written confirmation during the 14 days. However, even if we do not receive the written confirmation during the 14 days, we may continue to follow the order even though it is no longer binding on us. The order may be limited to a single transfer or payment in the series, or it may apply to all subsequent transfers or payments in the series. If it applies only to a single transfer or payment in the series, we may allow any other transfer or payment in the series. You will be liable in connection with the order for any fee applicable to the ordering of the stopping of a transfer of funds or payment from the account.

19. Authorization and appointment as agent. You authorize us and each agent of ours and appoint us and the agent as your agent to take on your behalf any action that we consider or the agent considers to be necessary or appropriate to implement any order given by you or on your behalf through Online Banking or to correct any error in crediting or charging any approved deposit account or approved loan account in connection with any order given by you or on your behalf through Online Banking. For example, you authorize us and the agent and appoint us and the agent as your agent to on your behalf:

- a. Withdraw money from any approved deposit account and deposit the money in any other approved deposit account in order to implement any order to make a transfer of funds from the first approved deposit account to the other approved deposit account given by you or on your behalf through the banking feature of Online Banking;
- b. Withdraw money from any approved deposit account and use the money to make a payment under any approved loan account in order to implement any order to make a transfer of funds from the approved deposit account to the approved loan account given by you or on your behalf through the banking feature of Online Banking;
- c. Obtain credit under any approved line of credit account and deposit the proceeds of the credit in any approved deposit account in order to implement any order to make a transfer of funds from the approved line of credit account to the approved deposit account given by you or on your behalf through the banking feature of Online Banking;
- d. Obtain credit under any approved line of credit account and use the proceeds of the credit to make a payment under any other approved loan account in order to implement any order to make a transfer of funds from the approved line of credit account to the other approved loan account given by you or on your behalf through the banking feature of Online Banking; and
- e. Withdraw money from any approved payment account in order to implement any order to make a payment from the account given by you or on your behalf through the bill payment feature or Personal Pay Service feature of Online Banking.

The withdrawal or directing the withdrawal of money from any approved deposit account or the obtaining of credit under any approved line of credit account under the authority given and the appointment as your agent made in the first sentence of this section will be as effective as though you had signed a check or withdrawal form to make the withdrawal or to obtain the credit.

20. Notice of loss, theft or unauthorized access or use. If you believe that any identifier has been lost or stolen, that there has been without your authorization any access to any equipment (for example, a computer or mobile banking device) used in connection with Online Banking by you or on your behalf or that any transaction involving an approved deposit account may have been or may be made using Online Banking without your authorization, you must contact us at once by telephoning us at 800-336-6116 and asking for our Electronic Banking Department or writing us at Lake Shore Bank, 128 East 4th Street, P.O. Box 512, Dunkirk, NY 14048, Attention: Electronic Banking Department.

21. Your liability for unauthorized use. You may have to bear the loss of money taken from any approved deposit account in any transaction or series of related transactions ordered through Online Banking without your authorization. How much of the loss you will have to bear will depend on when we are notified that an identifier has been lost or stolen or that there are circumstances indicating that a transaction has been or may be ordered through Online Banking without your authorization. If we are notified within two of our business days after the date you learn of the loss, theft or possible unauthorized transaction, you will have to bear (subject to limitations under federal law) as much as \$50 of the loss. If we are not notified within those two business

days and we can show that we could have stopped the taking of the money had we been notified during those two business days, you will have to bear (subject to limitations under federal law) as much as \$500 of the loss. In addition to any loss you must bear under the two preceding sentences, if any statement for any approved deposit account that we send to you or otherwise make available to you shows any transaction ordered through Online Banking without your authorization, we are not notified of the unauthorized transaction within 60 days after the date we send you the statement or otherwise make it available to you and we can show that we could have stopped the unauthorized taking of money from the account had we been notified of the unauthorized transaction during those 60 days, you will have to bear (subject to limitations under federal law) the loss of money taken from the account after the end of those 60 days and before we are notified of the unauthorized transaction. For good reason (such as long trip or hospital stay by you), we will extend the periods of two of our business days and 60 days referred to in this section for a reasonable time.

22. Fees. You must pay us each fee we impose for the use of Online Banking by you or on your behalf and, as required by applicable law, each sales, use, excise, value added, utility or similar tax imposed in connection with the fee. The fee will be in addition to the fees applicable to any approved deposit account or approved line of credit account from or to which any transfer of funds or payment is made using Online Banking. We may charge any approved deposit account or any other deposit account of yours with us for the amount of the fee and the sales, use, excise, value added, utility or similar tax. We will not be liable if we do so and, as a result, we do not allow or make any withdrawal from the account.

23. Reimbursement and indemnification. Without limiting any other obligation you have under this agreement to reimburse us, you must reimburse us for any liability or expense incurred by us as a result of our hiring an attorney to enforce any of your obligations under this agreement or with respect to Online Banking. Without limiting any other obligation you have under this agreement to indemnify us, you must, except to the extent that this agreement imposes liability on us or to the extent prohibited by applicable law, indemnify us and each agent of ours against any liability or expense that is incurred by, imposed on or asserted against us or the agent as a result of any claim arising in connection with the use of Online Banking by you or on your behalf (for example, as a result of our following any instruction to us, acting on any information or document that we receive from you or anyone acting on your behalf or any failure by you or anyone acting on your behalf to maintain the security of any identifier or any equipment (for example, a computer or mobile banking device)). We may charge the amount of the liability or expense for which you must reimburse us or against which you must indemnify us against any approved deposit account or any other deposit account of yours with us or collect it in any other way.

24. Statements. Approximately once a month, we will send to you or otherwise make available to you a statement for each approved deposit account. Any statement for any approved deposit account that we send to you or otherwise make available to you will show all transactions credited to or charged against the account during the period covered by the statement.

25. Business days. Our business days are Monday through Friday, excluding legal holidays. While we will use commercially reasonable efforts to have Online Banking available at all times, Online Banking may be temporarily unavailable due to routine or unscheduled maintenance or upgrades, or the occurrence of events or circumstances beyond our control, including economic and political events, periods of high volume, and system attacks and our response to such events or circumstances.

26. Disclaimer of warranties. TO THE EXTENT ALLOWED BY APPLICABLE LAW, ONLINE BANKING IS PROVIDED BY US “AS IS,” “AS AVAILABLE” AND WITHOUT ANY WARRANTY OF ANY KIND. WITHOUT LIMITING THE PRECEDING SENTENCE, WE DO NOT MAKE, EXCEPT TO THE EXTENT REQUIRED BY APPLICABLE LAW, AND WE DISCLAIM, TO THE EXTENT ALLOWED BY APPLICABLE LAW, ANY EXPRESS, IMPLIED, STATUTORY OR OTHER WARRANTY OF ANY KIND (FOR EXAMPLE, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) CONCERNING ONLINE BANKING.

27. Equipment, services and software. You are responsible for the selection, installation, maintenance, operation and use of any equipment (for example, a computer or mobile banking device), service (for example, a telecommunication or internet access service) or software (for example, an application used with a mobile banking device) used by you or on your behalf in connection with Online Banking. You assume all risks of loss resulting from the selection, installation, maintenance, operation or use of the equipment, service or software (for example, a failure of a telecommunication or internet access service to provide, or a delay by a telecommunication or internet access service in providing, a service). EXCEPT TO THE EXTENT REQUIRED BY APPLICABLE LAW, WE WILL NOT BE LIABLE FOR ANY DAMAGES (FOR EXAMPLE, ACTUAL, CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES), WHETHER ARISING FROM BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE OR OTHER TORT OR STRICT LIABILITY OR OTHERWISE, THAT RESULT FROM ANY ERROR IN SELECTING, INSTALLING, MAINTAINING, OPERATING OR USING, UNAVAILABILITY, FAILURE, MALFUNCTION OR INTERRUPTION OF, COMPROMISE OF DATA SENT USING OR VIRUS OR SIMILAR PROBLEM RESULTING FROM THE EQUIPMENT, SERVICE

OR SOFTWARE, EVEN IF WE ARE NOTIFIED OF OR OTHERWISE KNOW OR SHOULD KNOW OF THE POSSIBILITY OF THOSE DAMAGES.

You must indemnify us against any liability or expense that is incurred by, imposed on or asserted against us as a result of any claim that the operation or use of the equipment, service or software by you or on your behalf in connection with Online Banking infringes any copyright, patent, trademark, trade secret or other property right of any party.

28. Limitation of liability. EXCEPT TO THE EXTENT REQUIRED BY THIS AGREEMENT OR APPLICABLE LAW, WE WILL NOT BE LIABLE IN CONNECTION WITH ONLINE BANKING FOR:

a. ANY DAMAGES NOT RESULTING DIRECTLY FROM OUR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT;

b. ANY DAMAGES (FOR EXAMPLE, CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES), OTHER THAN ACTUAL DAMAGES, WHETHER ARISING FROM BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE OR OTHER TORT OR STRICT LIABILITY OR OTHERWISE, EVEN IF WE ARE NOTIFIED OF OR OTHERWISE KNOW OR SHOULD KNOW OF THE POSSIBILITY OF THOSE DAMAGES;

c. ANY DAMAGES IN EXCESS OF THE GREATER OF \$2,000 OR ANY COMPENSATION PROVIDED BY APPLICABLE LAW OR ANY APPLICABLE RULE OF ANY BANKING OR PAYMENT SYSTEM;

d. ANY CIRCUMSTANCE BEYOND OUR REASONABLE CONTROL (FOR EXAMPLE, A FLOOD OR OTHER NATURAL CATASTROPHE, WEATHER CONDITION, FIRE, RIOT OR OTHER CIVIL DISOBEDIENCE, ACT OF WAR, CYBER ATTACK OR OTHER ACT OF TERRORISM, NATIONAL EMERGENCY, EMBARGO, STRIKE OR OTHER LABOR DISPUTE, DEFECT IN OR UNAVAILABILITY, FAILURE, MALFUNCTION OR INTERRUPTION OF ANY EQUIPMENT, SERVICE OR SOFTWARE (FOR EXAMPLE, A TELECOMMUNICATION, INTERNET ACCESS, ELECTRONIC OR OTHER MAIL, COURIER OR OTHER TRANSMISSION OR COMMUNICATION SERVICE), SUSPENSION OF PAYMENTS BY ANY OTHER FINANCIAL INSTITUTION OR OPERATOR OF AN AUTOMATED CLEARING HOUSE OR ACTION OR INACTION OF ANY GOVERNMENTAL BODY, BANKING OR PAYMENT SYSTEM, CORRESPONDENT BANK OR SERVICE PROVIDER); OR

e. ANY FAILURE TO TAKE OR DELAY IN TAKING ANY ACTION IF WE BELIEVE THAT TAKING THE ACTION WOULD VIOLATE, OR THAT FAILING TO TAKE OR DELAY IN TAKING THE ACTION WOULD BE EXCUSED BY, APPLICABLE LAW, ANY RULE OF ANY BANKING OR PAYMENT SYSTEM OR ANY GOVERNMENTAL GUIDELINE OR PROGRAM.

29. Our liability for failure to make transfers of funds and payments. With exceptions, we will be liable to the extent provided by applicable law for damages you suffer as a result of our failure to make or cause to be made, on time and in the correct amount, any transfer of funds or payment to or from any approved deposit account ordered by a timely and properly initiated order to make the transfer or payment given by you or on your behalf through Online Banking.

Whether the order is timely will be determined under Section 10, 11 or 12 of this agreement and, if the order is to make a payment, clause j of Section 13 of this agreement. The order will not be properly initiated unless:

- a. All equipment, services and software used by you or on your behalf in connection with Online Banking are properly functioning;
- b. The instructions on how to give the order are properly followed and all requirements applicable to the making of the transfer or payment are satisfied;
- c. The order is described in Section 7, 8 or 9 of this agreement and is correct and complete (for example, if the order is to make a payment, the order includes the correct name and address of the payee of the payment, the correct account number of the account to which the payment is to be made and the correct amount of the payment); and
- d. The transfer or payment would not be subject to any limitation referred to in Section 13 of this agreement.

Examples of exceptions to our liability are as follows:

- e. We do not receive the order;
- f. Before the transfer or payment is to be charged against the account from which the transfer or payment is to be made, your right to use Online Banking or the feature of Online Banking involved in the transfer or payment is canceled or suspended;
- g. When the transfer or payment is processed or is to be charged against the account from which the transfer or payment is to be made, we in good faith believe that the order was given without your authorization (for example, because an identifier has been reported as lost or stolen) or is illegal or fraudulent;

h. The order is to make a transfer of funds and, before the transfer is to be charged against the account from which the transfer is to be made, either that account or the account to which the transfer is to be made is closed;

i. The order is to make a payment and we do not receive the order in time to allow us to make the payment and allow the payee of the payment to properly credit it by the date on which it is to become due, we make the payment in time to allow the payee to properly credit it by the date on which it is to become due but the payee fails to do so or before the order is to be charged against the account from which the payment is to be made the account is closed;

j. The order is to make a transfer of funds or payment from an approved deposit account and through no fault of ours, when the transfer or payment is processed or is to be charged against the account, the amount of the transfer or payment exceeds the amount of money available for withdrawal from the account (taking into consideration, if the account is tied to a line of credit account or other overdraft facility with us, the amount of credit available under the line of credit account or other overdraft facility);

k. The order is to make a transfer of funds from an approved line of credit account and through no fault of ours, when the transfer is processed or is to be charged against the account, the amount of the transfer exceeds the amount of credit available under the account;

l. When the transfer or payment is processed or is to be charged against the account from which the transfer or payment is to be made, money in the account is subject to any legal process (for example, a tax or other levy, execution, attachment, injunction or restraining, forfeiture, seizure or other court or administrative order) or administrative hold restricting its removal from the account, is collateral for a loan or other extension of credit or is the subject of a dispute or legal proceeding;

m. When the order is given, Online Banking or the feature of Online Banking involved in the transfer or payment is not functioning properly or is otherwise unavailable because maintenance work is being performed on it;

n. We are prevented from making the transfer or payment by a technical malfunction and when the order is given the individual giving it knows that Online Banking or the feature of Online Banking involved in the transfer or payment is not functioning properly;

o. Any circumstance beyond our reasonable control (for example, a flood or other natural catastrophe, weather condition, fire, riot or other civil disobedience, act of war, cyber attack or other act of terrorism, national emergency, embargo, strike or other labor dispute, defect in or unavailability, failure, malfunction or interruption of any equipment, service or software (for example, a telecommunication, internet access, electronic or other mail, courier or other transmission or communication service), suspension of payments by any other financial institution or operator of an automated clearing house or action or inaction of any governmental body, banking or payment system, correspondent bank or service provider) prevents us from making the transfer or payment despite our exercise of reasonable care to prevent the occurrence and our exercise of diligence to make the transfer or payment despite the occurrence; or

p. Our failure to make the transfer or payment is justified by any provision of this agreement, by any provision of any other agreement between you and us concerning any feature of Online Banking, any approved deposit account, any approved loan account, any line of credit account or other overdraft facility with us to which any approved deposit account is tied or transfers of funds or payments to or from any approved deposit account, any approved loan account or any line of credit account or other overdraft facility with us to which any approved deposit account is tied or by applicable law.

If we are liable for damages you suffer as a result of our failure to make the transfer or payment on time and in the correct amount, we will be liable for actual damages only and not consequential or punitive damages if the failure was not intentional and resulted from a bona fide error despite our maintenance of procedures reasonably adapted to avoid the error.

30. Disclosure. In the regular course of our business but only in accordance with applicable law, we will disclose information about any approved deposit account or any transaction involving the account:

- a. In any receipt issued in connection with the transaction;
- b. As necessary to complete the transaction or to resolve any error or dispute concerning the transaction;
- c. In any statement for the account that we send or otherwise make available;
- d. To someone in whose name the account is open;
- e. In accordance with the written permission of someone in whose name the account is open;
- f. To verify the existence and condition of the account or to report our experience concerning the account to a third party such as another financial institution, a credit reporting agency or a merchant;
- g. To any affiliate of ours for the purpose of offering or providing any other product or service to you;
- h. To an agent, contractor or vendor of ours for the purpose of providing any service to us in the regular course of our business or completing marketing activities of ours

(for example, any party providing any service to us in connection with Online Banking); or

i. To comply with any order of any court or other governmental body or otherwise as required or allowed by applicable law.

31. Certain obligations with respect to Online Banking. You must:

a. Comply, and assure that everyone acting on your behalf in connection with Online Banking complies, with applicable law;

b. Take, and assure that everyone acting on your behalf in connection with Online Banking takes, each action that we consider or any agent of ours considers to be necessary or appropriate in connection with Online Banking, whether to comply with applicable law, any rule of any banking or payment system or any governmental guideline or program or otherwise;

c. Take, and assure that everyone acting on your behalf in connection with Online Banking takes, each action necessary or appropriate to assure the security of each approved deposit account and approved line of credit account and all equipment (for example, a computer or mobile banking device) or software (for example, an application used with a mobile banking device) used by you or on your behalf in connection with Online Banking (for example, by not leaving any computer or mobile banking device unattended while logged on to Online Banking and by logging off from Online Banking immediately upon completing any use of Online Banking);

d. Not use, and assure that no one acting on your behalf in connection with Online Banking uses, any software (for example, an application used with a mobile banking device) provided by us or on our behalf for use in connection with Online Banking other than as provided in this agreement; and

e. Cooperate with us to minimize any loss, to pursue any claim against any third party and to defend against any claim by any third party if we incur any liability in connection with the provision of any service to you in connection with Online Banking.

32. Cancellation or suspension. You may cancel your right to use Online Banking or any feature of Online Banking at any time by notifying us of the cancellation. The cancellation will not take effect until we receive the notice and have a reasonable time to act on it. We may terminate this agreement and/or cancel or suspend your right to use Online Banking, any feature of Online Banking or any means of accessing Online Banking (for example, a mobile banking device). The termination, cancellation or suspension will take effect immediately unless we decide to have it take effect later. Despite the cancellation by you of your right to use Online Banking or any feature of Online Banking or the termination, cancellation or suspension by us of your right to use Online Banking, any feature of Online Banking or any means of accessing Online Banking (for example, a mobile banking device), we may process any order given through Online Banking. The termination, cancellation or suspension will not affect any of your obligations under this agreement. For example, you will remain liable under Sections 22 and 23 of this agreement.

33. Notices. Any notice or other communication or document concerning this agreement or Online Banking that is sent to you by us or on our behalf may be sent in any way allowed by applicable law (for example, electronic mail or facsimile). If sent by mail, the notice or other communication or document will be sent to your current mailing address shown in our records concerning Online Banking and may be sent by regular mail. If sent by electronic mail, it will be sent to your current electronic mail address shown in those records. If sent by facsimile, it will be sent to your current telephone number for receipt of facsimiles shown in those records. If your mailing address, electronic mail address or telephone number for receipt of facsimiles changes, you must promptly notify us of the new mailing address, electronic mail address or telephone number. To notify us of the new mailing address or telephone number, visit any of our offices, call us at 800-336-6116 or write us at Lake Shore Bank, 128 East 4th Street, P.O. Box 512, Dunkirk, NY 14048, Attention: Electronic Banking Department. To notify us of the new electronic mail address, change the electronic mail address in your profile for the banking feature of Online Banking. Except as otherwise provided in this agreement or by applicable law:

a. Any notice or other communication or document concerning this agreement or Online Banking that is sent to you by us or on our behalf will take effect when it is sent; and

b. Any notice or other communication or document concerning this agreement or Online Banking that is sent to us by you or on your behalf must be in writing and sent by mail or courier to Lake Shore Bank, 128 East 4th Street, P.O. Box 512, Dunkirk, NY 14048 or any other address we specify and will not take effect until we receive it and have a reasonable time to act on it.

34. Limitation on obligations. Except to the extent required by applicable law, we will not have with respect to Online Banking any obligation to you not expressly stated in this agreement.

35. Reliance on instructions, information and documents. We may treat as given by you or on your behalf and rely on any instruction to us or any information or document with respect to Online Banking that we in good faith believe to have been given or provided by you or on your behalf, and we will not have any obligation to verify that the instruction to us, information or document was actually given or provided, or was authorized to be given or provided, by you or on your behalf or that the instruction to us, information or document is accurate or complete.

36. Electronic mail. We will not have to take any action based on any message sent to us by electronic mail until we receive and have a reasonable time to act on the message. Electronic mail must not be used to communicate to us information that is urgent or requires a prompt response or prompt action (for example, a stop payment order or a report of an unauthorized transaction involving an approved deposit account or approved line of credit account).

37. Reasonable time to act. A reasonable time for us to act on any instruction to us or any information or document concerning this agreement or Online Banking that is received by us from you or anyone acting on your behalf will not end until at least the close of business on our second business day after our business day we receive the instruction to us, information or document.

38. Financial and other information. If your employer changes or if there is any unfavorable change in your financial condition, you must promptly notify us of the change. Whenever we ask you to do so, you must submit to us a financial statement in a form satisfactory to us.

39. Credit information. We may investigate your credit record and obtain any credit report that we consider to be necessary or appropriate in connection with any aspect of our dealings with you with respect to Online Banking (for example, considering whether to cancel or suspend your right to use Online Banking and investigating any dispute concerning any transfer of funds or payment ordered through Online Banking). We may furnish, and you irrevocably consent to our furnishing, information concerning any aspect of our dealings with you with respect to Online Banking to other financial institutions, credit reporting agencies and merchants.

40. Obtaining of information. You irrevocably consent to the obtaining by us or any agent of ours of any information that we consider or the agent considers to be necessary or appropriate to complete any transfer of funds or payment ordered through Online Banking or to resolve any error concerning the transfer or payment.

41. Monitoring and recording of instructions. In the regular course of our business, we or any agent of ours may monitor and record, and you irrevocably consent to the monitoring and recording by us or any agent of ours of, any instruction to us, regardless of how the instruction to us is communicated or transmitted.

42. Transfer of claims. If we credit any deposit account or line of credit account of yours with us or reimburse you in any other way for any amount in connection with any transfer of funds or payment made using Online Banking that you claim should not have been charged against the account (for example, because of a dispute concerning the transfer or payment or because of any possible illegal, fraudulent or unauthorized use of Online Banking), you transfer to us each claim (other than a tort claim) that you have against anyone involved in the transfer or payment, you must not pursue the claim without first obtaining our permission in writing, and you must assist us in any way we ask in our pursuing the claim.

43. Changes in agreement. No change in this agreement can be made except as provided in this section. We may change this agreement. Unless applicable law requires otherwise, we will send you a notice of the change or post it on Online Banking section of our website and, unless we determine that the change is required by an emergency (for example, a breach or potential breach of security), will do so at least 30 days before the date the change takes effect. If any notice of the change that we send to you is returned to us as undeliverable, the change will still take effect.

44. Changes in Online Banking. We may change Online Banking by adding, deleting or changing any feature of Online Banking. Unless applicable law requires otherwise, we will send you a notice of the change or post it on Online Banking section of our website and, unless we determine that the change is required by an emergency (for example, a breach or potential breach of security), will do so at least 30 days before the date the change takes effect. If any notice of the change that we send to you is returned to us as undeliverable, the change will still take effect.

45. Changes in fees. We may establish a new fee or change an existing fee that you must pay in connection with Online Banking. If we establish a new fee or increase an existing fee that you must pay in connection with Online Banking, we will send you a notice of the new fee or increase or post it on Online Banking section of our website at least 30 days before the date the new fee or increase takes effect unless applicable law requires otherwise. If any notice of the change that we send to you is returned to us as undeliverable, the new fee or increase will still take effect. We will not have to notify you if we decrease or eliminate an existing fee that you must pay in connection with Online Banking.

46. No notice or loss of rights. We may exercise, waive, fail to exercise or delay exercising any of our rights under this agreement, with respect to Online Banking or against any person or property without notifying you or anyone acting on your behalf. By on any occasion exercising, waiving, failing to exercise or delaying the exercise of any of our rights under this agreement, with respect to Online Banking or against you or any property belonging to you or acquired by you in the future, we will not lose that right on any other occasion or lose any other of those rights.

47. Waiver of rights by us. None of our rights under this agreement, with respect to Online Banking or against you or any property belonging to you now or acquired by you in the future can be waived by us except in a writing signed by us.

48. No transfer by you. You may not transfer any of your rights and obligations under this agreement or with respect to Online Banking to anyone else. Any transfer of any of those rights and obligations will be void.

49. Transfer by us. We may transfer any of our rights and obligations under this agreement or with respect to Online Banking to anyone else.

50. Permitted actions. We will not be obligated to take or liable for not taking any action in connection with Online Banking that this agreement or applicable law allows but does not require us to take. Except to the extent limited by this agreement or applicable law, we may at any time, in our sole discretion, for any reason and without notifying you or obtaining your consent, take any action in connection with Online Banking that this agreement or applicable law allows us to take. For example, except to the extent limited by this agreement or applicable law, we may at any time, in our sole discretion, for any reason and without notifying you or obtaining your consent, cancel or suspend your right to use Online Banking, any feature of Online Banking or any means of accessing Online Banking (for example, a mobile banking device) or change this agreement.

51. Rights under agreement. Our rights under this agreement are in addition to, and not in place of, all rights given us by applicable law.

52. Conflicts. If any part of this agreement conflicts with applicable law, that law will control, and this agreement will be considered changed to the extent necessary to comply with that law.

53. Continued effectiveness. If any part of this agreement is determined to be invalid, the rest of this agreement will remain in effect.

54. What law applies. Any legal question concerning this agreement, Online Banking or any matter in dispute between you and us that arises in any way from Online Banking or your entering into this agreement will be decided in accordance with, to the extent applicable, federal law and, to the extent that federal law is inapplicable, New York State law without regard to the law of any other state or other jurisdiction.

55. Entire agreement. Except for any agreement between you and us concerning any feature of Online Banking, any approved deposit account, any approved loan account, any line of credit account or other overdraft facility with us to which any approved deposit account is tied or transfers of funds or payments to or from any approved deposit account, any approved loan account or any line of credit account or other overdraft facility with us to which any approved deposit account is tied, this agreement is the final and complete agreement between you and us concerning Online Banking. If any part of any agreement described in the preceding sentence is incompatible with any part of this agreement, the part of this agreement will control. Any statement concerning Online Banking made by any of our employees or anyone else is not part of this agreement. This agreement replaces any other agreement now existing between you and us concerning Online Banking.

56. Waiver of trial by jury. YOU IRREVOCABLY WAIVE ANY RIGHT YOU HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING BY US AGAINST YOU OR BY YOU AGAINST US INVOLVING THIS AGREEMENT, ONLINE BANKING OR ANY MATTER IN DISPUTE BETWEEN YOU AND US THAT ARISES IN ANY WAY FROM ONLINE BANKING OR YOUR ENTERING INTO THIS AGREEMENT.

57. Agreement. By enrolling in Online Banking, using Online Banking or allowing anyone else to have any identifier or to use Online Banking, you agree to be bound by all provisions of this agreement, all our instructions and requirements concerning Online Banking, the Bill Pay and Personal Pay General Terms and all legal terms and conditions contained on our website.

The following information applies to any approved deposit account, while the agreement concerning any approved line of credit account has similar information applicable to that line of credit account.

In Case of Errors or Questions About Your Electronic Transfers

Telephone us at 800-336-6116

and ask for our Electronic Banking Department

or

Write us at Lake Shore Bank, 128 East 4th Street,

P.O. Box 512, Dunkirk, NY 14048,

Attention: Electronic Banking Department,

as soon as you can, if you think that your statement is wrong or if you need more information about a transfer listed on the statement. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

(1) Tell us your name and account number.

(2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.

(3) Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error.

We will tell you the results within three business days after completing our investigation. If we decide there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

Effective July 21, 2025