

CAPE BANK

Online Banking Services Agreement

This Agreement describes your rights and obligations as a user of the Online Banking service or the Bill Payment service ("Services"). It also describes the rights and obligations of Cape Bank. Please read this Agreement carefully. By requesting and using one of these Services, you agree to comply with the terms and conditions of this Agreement.

Definitions

The following definitions apply in this Agreement. "Online Banking" is the Internet-based service providing access to your Cape Bank account(s); "Online Account" means any account from which you will be conducting transactions using a Service; and "access device" is the code (password) you select after the initial sign-on that establishes your connection to the Service. "Time of day" references are to Eastern Standard Time or Eastern Daylight Time, as applicable. "We," "us" or "Cape Bank" refer to Cape Bank which offers the Services and which holds the accounts accessed by the Services. "You" and "your" refer to the person using the Services. "Bill payment services" refer to the use of an Internet-enabled device to direct payments from a designated online account to third parties.

Access to Services

Cape Bank will provide instructions on how to use the Online Banking service or Bill Payment service. You will gain access to your Online Accounts through the use of your Internet-enabled device, your Internet Service Provider, your access device (password) and your User Id.

Use of your Access Device

You agree not to allow anyone to gain access to the Services or to let anyone know your access device (password) used with the Services. You agree to assume responsibility for all transactions up to the limits allowed by applicable law.

For Business Online Accounts:

If you establish access to your account(s) for any agents, employees or other representatives, you assume full responsibility and liability for all transactions undertaken by any agent, employee or representative, and any person acting in concert with any such individual, whether or not the transactions are authorized by you. You agree to indemnify and hold harmless Cape Bank for all transactions undertaken by any designated User.

If your Access Device has been Lost or Stolen

For Personal Online Accounts:

Please tell us at once if you believe your access device (password) has been lost or stolen or in any way compromised. Telephoning Cape Bank is the best way of minimizing your losses. If you believe your access device (password) has been lost or stolen and you tell us within two business days after you learn of the loss or theft, you can lose no more than \$50 if someone uses your access device (password) without your permission. If you do NOT tell us within two business days after you learn of the loss or theft of your access device (password), and we can prove we could have stopped someone from using your access device (password) without your permission if you had told us, you could lose as much as \$500.

For Business Online Accounts:

Please tell us at once if you believe your access device (password) has been lost or stolen or in any way compromised. If your password has been lost or stolen, call Cape Bank immediately at 1-609-465-5600, extension 5150, Monday through Friday, 8:30 a.m. through 4:00 p.m. Telephoning Cape Bank is the best way of minimizing your losses.

If your Statement Shows Transfers that you did not make

For Personal Online Accounts:

If your statement shows transfers that you did not make, notify Cape Bank immediately. If you do not notify Cape Bank within 60 days after the statement was mailed to you, you may not recover any money lost after the 60 days which would not have been lost if Cape Bank had been notified in time. If a good reason (such as a long trip or hospital stay) delayed you from contacting us, we will extend the time periods.

For Business Online Accounts:

If your statement shows transfers that you did not make, notify Cape Bank immediately by calling the Electronic Banking Department, between the hours of 8:30 a.m. and 4:00 Monday through Friday at (609) 465-5600, extension 5150, or by writing to the Electronic Banking Department.

How to Notify us of an Unauthorized Transfer

If you believe your access device (password) has been lost or stolen or that someone has transferred or may transfer money from your account without your permission,

Call:
Cape May County: 609-465-5600
Toll Free: 1-800-858-2265
or Write:
Cape Bank
Electronic Banking Department
225 N. Main Street
Cape May Court House, NJ 08210

Banking Transactions with Online Banking

In addition to viewing account information, you may use Online Banking to conduct the following transactions:

(1) Transfer funds among your checking accounts, savings accounts and money market accounts (except for your Sweep account, if any; the Sweep account may be viewed only and no transactions are permitted to be made by you to the Sweep account.). Initiate payments to your loan account. *NOTE:* Regulations require us to limit preauthorized transfers (including Online Banking transfers), the following limitations apply:

(2) Regulations require us to limit preauthorized transfers (including Online Banking transfers) on Savings and Money Market Deposit Accounts. You may make no more than six (6) transfers/withdrawals per statement cycle to another account of yours or to a third party by means of a preauthorized or automatic transfer, by telephone, or by check, draft, debit card or similar order to a third party. If you exceed the transfer/withdrawal limitations set forth above in any statement period, your account will be subject to closure.

(3) New services may be introduced for Online Banking from time to time. We will notify you of the existence of these new services. By using these services when they become available, you agree to be bound by the rules, which will be made available to you concerning these services.

Bill Payment Service

The Bill Payment service permits you to use your Internet-enabled device to direct payments from your designated online Bill Pay Account to third parties you wish to pay. Your Bill Pay Account must be a checking account. Through the Bill Payment service, you can pay bills from your Bill Pay Account to businesses or individuals.

All payments you make will be deducted from the account that you designate as your Bill Pay Account for the Bill Payment service. Any payments you wish to make through this service must be payable in U.S. dollars to a payee located in the continental United States. We reserve the right to restrict types of payees to whom payments may be made using the Service from time to time. You should not use the Bill Payment service to make payments to settle securities purchases, payments to interest bearing accounts, tax payments, or court ordered payments. Payments for these payees will be your sole responsibility if delayed or improperly processed or credited.

Funds must be available in your Bill Pay Account on the scheduled payment date. If the date you schedule a payment to be initiated falls on a non-business day (Saturday, Sunday or holiday), funds must be available in your Bill Pay Account the following business day (e.g., Monday). After funds are withdrawn from your Bill Pay Account to make a payment, we may make the payment either by transferring funds electronically to the payee or by mailing the payee a check.

You may choose to schedule payments to recur in the same amount at regular weekly, monthly or semi-monthly intervals. When you create a new payee in the Bill Payment service, it has a temporary status until we have had sufficient time to set up the account, and for your business payees, verify information about your account. You should schedule a payment to a new payee at least ten (10) business days before any payment due date, to allow us time to set up the payee and verify information about your account with the payee.

For all subsequent payments, you agree to allow at least five (5) business days between the date you schedule a payment to be initiated and the payment due date (that is, the due date shown on your invoice or provided in your agreement with the payee, not taking into account any applicable grace period). If you do not, you will be fully responsible for all late fees, finance charges, or other action taken by the payee. If you schedule your payment and follow all instructions provided, but the payment is not received by the payee in a timely manner, we will work with the payee on your behalf to attempt to have any late fees or charges reversed.

Cape Bank is only responsible for exercising ordinary care in processing and sending payments upon your authorization in accordance with this Agreement. We will not be liable in any way for damages you incur if you do not have sufficient funds in your Bill Pay Account to make the payment on the processing date, for delays in mail delivery, for changes to the payee's address or account number unless you have advised us of the change sufficiently in advance, for the failure of any payee to correctly account for or credit the payment in a timely manner, or for any other circumstances beyond the control of Cape Bank.

If the session during which you schedule a payment or transfer ends by 2:00 p.m., Cape Bank will be considered to have received it on that day. Otherwise, it will be considered received on the following business day. For all entries made using the service, the time recorded by the Online Banking service controls.

If your Bill Pay Account does not have sufficient funds to make a payment as of the date the transfer or payment is attempted or scheduled to be made, the transfer or payment will be canceled and no further attempt will be made by us to make the transfer or payment. We will attempt to notify you by e-mail or U.S. Postal Mail, but we shall have no obligation or liability if it does not complete a transfer or payment because there are insufficient funds in your account to process a transaction. In all cases, you are responsible for either making alternate arrangements for the payment or rescheduling the payment through the Service. In the case of fixed payments, only the payment currently scheduled will be canceled. Fixed payments scheduled for future dates will not be affected.

The way to cancel or change a payment is to use the Service. Payments must be changed or canceled using the Service prior to 2:00 p.m. on the business day the transaction is scheduled to be initiated. If you ask us to cancel a payment after it is issued and we agree to do so, we may charge you a stop payment fee. Stop payment orders, whether oral, written, or electronic, will be in effect for a period of six months. If requested by Cape Bank, you will confirm any stop payment order in writing. After six months, any stop payment will terminate and must be renewed in order to continue in effect. We may pay any item that is presented following the lapse of any stop payment order and your account will be appropriately charged.

TRANSMISSION OF CHECK OR DRAFT STOP PAYMENT FOR ONLINE BANKING ONLY

Stop Payments are accepted by Cape Bank on condition that you hereby agree (1) to hold us harmless for said amount and all expenses, costs and attorney's fees incurred by you on account of Cape Bank refusing payment of said check or draft; and (2) that there is a time period required by Cape Bank to process stop payment orders and the check or draft that you have requested to be stopped may have been or may be negotiated by the Bank or a Branch of the Bank between the time you place a stop and the time

that the Bank retrieves the stop and effectuates the stop, in which case your stop payment request will be denied and you will be notified immediately; and (3) that Cape Bank will in no way be responsible or liable for payment of the instrument referred to above if payment results due to circumstances beyond Cape Bank's control, provided that Cape Bank acted in good faith using ordinary care; and (4) upon presentation, if the actual check number or check amount differ from the check number or check amount reported by you, Cape Bank may honor the item and you will hold us harmless for the item.

You agree to pay Cape Bank's customary charge for this service. You further acknowledge that the stop payment will only be in effect for six months. If you want the stop payment order to be in effect for a longer period, you must resubmit a stop payment order prior to the expiration of the six-month period.

ACH STOP PAYMENTS

You agree to contact Cape Bank by telephone at (609) 465-5600, extension 5100 with all stop payment requests for ACH debits. The Bank may be contacted Monday through Friday, excluding holidays, from 8:30 a.m. through 4:00 p.m. The Bank requires written authorization from you to place a stop payment on an ACH item. However, verbal stop payment orders received from you will be honored for 14 days. We will provide you with the proper form to sign and return to authenticate and record your request.

The preceding Sections do not apply to stop payment orders pertaining to the Bill Payment Service. If you want to stop payment on a Bill Payment service item, you must follow the procedures as set forth in the Bill Payment Service section.

Electronic Mail

If you send us an electronic mail message, we will be deemed to have received it on the following business day. We will have a reasonable time to act on your e-mail.

You should not rely on electronic mail if you need to communicate with Cape Bank immediately - for example, if you need to report an unauthorized transaction from one of your accounts or if you need to stop a payment that is scheduled to occur.

You agree that we may respond to you by electronic mail with regard to any matter related to the Service, including responding to any claim of unauthorized electronic funds transfer that you make. Any such electronic mail sent to you by Cape Bank shall be considered received within three (3) days of the date sent by us, regardless of whether or not you sign on to the Service within that time frame.

Other Agreements

In addition to this Agreement, you and Cape Bank agree to be bound by and comply with the requirements of the agreements applicable to each of your Online Accounts. Your use of the Online Banking service or the Bill Payment service is your acknowledgment that you have received these agreements and intend to be bound by them. You should review other disclosures received by you when you open your accounts at Cape Bank including the charges that may be imposed for electronic funds transfer or the right to make transfers listed in the fee schedules accompanying those disclosures and the fee schedule at the end of this Agreement. We will automatically deduct the fees related to this Service from your Bill Pay Account each month.

Hours of Operation

The Services are available 24 hours a day, seven days a week, except during special maintenance periods. For purposes of transactions, Cape Bank's business days are Monday through Friday, excluding holidays. All Online Banking transaction requests received after 2:00 p.m. on business days and all transactions which are requested on Saturdays, Sundays or holidays on which Cape Bank chooses to remain closed, will be processed on the next Cape Bank business day. Cape Bank's business day begins at 9:00 a.m.

Modifications to this Agreement

Cape Bank may modify the terms and conditions applicable to either Service from time to time upon mailing or delivering a notice of the modifications to you at the address shown on our account records and the revised terms and conditions shall be effective at the earliest date allowed by applicable law. We may send any notice to you via electronic mail and you will have been deemed to have received it three days after it is sent. We reserve the right to terminate this Agreement and your use of the Services in whole or in part at any time without prior notice.

Errors and Questions

In case of errors or questions regarding an Online Banking or Bill Payment transaction:

Telephone us or write us at the phone number or address shown elsewhere in this disclosure as soon as you can if you think your statement is wrong or if you need more information about a transfer listed on the statement.

For Personal Online Accounts:

We must hear from you at the specified telephone number or address no later than 60 days after we sent you the FIRST statement on which the problem or error appeared.

For Business Online Accounts:

We must hear from you at the specified telephone number or address no later than 30 days after we sent you the FIRST statement on which the problem or error appeared.

For Personal and Business Online Accounts:

We will need:

1. Tell us your name and account number (if any).
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 the report is made orally, we may require that you send the complaint or question in writing within 10 business days.

For Personal Online Accounts:

We will notify you with the results of the investigation within 10 (20 for errors to or from accounts within 30 days after the first deposit to the account was made) business days after we hear from you and will correct any error promptly. If more time is needed, however, we may take up to 45 (90 for foreign activity, debit card activity, or errors to or from accounts within 30 days after the first deposit to the account was made) days to investigate a complaint or question. If this occurs, we will credit your account within 10 business days for the amount you think is in error. This will allow you to use the money during the time it takes us to complete our investigation. If your complaint or question is not received in writing within 10 business days, we may not credit your account until the investigation is completed.

We will send you a written explanation within three business days after the investigation is complete with an explanation of our findings. You may request copies of the documents that were used in the investigation.

For Business Online Accounts:

We will notify you with the results of the investigation within a reasonable period of time.

For Personal and Business Online Accounts:

You agree that Cape Bank may respond to you by electronic mail with regard to any claim of unauthorized electronic fund transfer related to the Service. Any such electronic mail sent to you by us shall be considered received within three (3) days of the date sent by us, regardless of whether or not you sign on to the Service within that time frame.

Statements

You will continue to receive your regular account statement either monthly or quarterly, depending on the type of account.

Our Liability for Failure to make a Transfer

If we do not properly complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for the amount of any losses or damages incurred by you and resulting directly from such failure. We will not be liable in the following instances:

- (1) If through no fault of Cape Bank, you do not have enough money in your account to make the transfer.
- (2) If circumstances beyond our control (such as fire, flood, power outage, equipment or technical failure or breakdown) prevents the transfer, despite reasonable precautions that we have taken.
- (3) If there is a hold on your account, or if access to your account is blocked, in accordance with banking policy.
- (4) If your funds are subject to legal process or other encumbrance restricting the transfer.
- (5) If your transfer authorization terminates by operation of law.
- (6) If you believe someone has accessed your accounts without your permission and you fail to notify Cape Bank immediately.
- (7) If you have not properly followed the scheduling instructions on how to make a transfer included in this agreement.
- (8) If we have received incomplete or inaccurate information from you or a third party involving the account or transfer.
- (9) If we have a reasonable basis for believing that unauthorized use of your access device (password) or account has occurred or may be occurring or if you default under this Agreement, the deposit account agreement, a credit agreement or any other agreement with us, or if we or you terminate this Agreement.
- (10) If we have reason to believe that items posted to your account will be returned to the Bank unpaid.

There may be other exceptions stated in this agreement and in other agreements with you. In no event shall we be liable for damages in excess of your actual loss due to our failure to complete a transfer, and we will not be liable for any incidental or consequential damages.

If any of the circumstances listed in subparagraph 2 or 8 above shall occur, we shall assist you with reasonable efforts in taking appropriate corrective action to reprocess the transactions that may not have been completed or to correct incorrect transactions that have been processed.

Disclosure of Information to Third Parties

We will disclose information to third parties about your account or the transfers you make:

- (1) Where it is necessary for completing or documenting transfers, to investigate possible unauthorized transfers, or to combat fraud;
- (2) In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant;
- (3) In order to comply with government or court orders, government regulations, or other reporting requirements;
- (4) If you give us your written or oral permission.

Inactivity, Termination

You are responsible for complying with all the terms of this Agreement and with the terms of the agreement governing the deposit accounts which you access using electronic banking services. We can terminate your electronic banking privileges (including the Bill Payment service) under this Agreement without notice to you if you do not pay any fee required by this Agreement when due or if you do not comply with the agreement governing your deposit or loan accounts or your accounts are not maintained in good standing. We will promptly notify you if we terminate this Agreement or your use of the services for any other reason.

If you are not paying a monthly service charge for the Service, we may convert your account to inactive status if you do not sign on to the Service or have any transaction scheduled through the Service during any consecutive 90 day period. If your account is considered inactive, you must contact us to have the Service activated before you will be able to schedule any transaction through the Service.

To cancel the Online Banking and/or Bill Payment service, you must notify Cape Bank and provide your name; address; whether you are discontinuing Online Banking, Bill Payment or both; and the effective date to stop the service. When Bill Payment is terminated, any prescheduled bill payments made through Online Banking will also be terminated. Your final charge for the Bill

Payment service will be assessed at the end of your statement cycle. You may notify Cape Bank by contacting us at the phone number or address shown elsewhere in this disclosure or by email to deposits@capebanknj.com.

Governing Law

This Agreement is governed by the laws of the State of New Jersey and applicable federal law.

Severability

The parties agree that if the court holds any part, term or provision of this contract to be illegal or in conflict with any law of the state where made, the validity of the remaining portions or provisions will not be affected, and the rights and obligations of the parties will be construed and enforced as if the contract did not contain part, term or provision held to be invalid.

Fee Schedule

I agree to pay the charges or transaction fees which are charged by you for these services or for services which may later be offered as such fees or charges may be imposed or changed from time to time.