Terms and Conditions of Your Deposit Account

(1) Important Information about Procedures for Opening a New Account.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see and copy your driver's license or other identifying documents acceptable to us.

(2) Agreement.

This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you sign the signature card or open or continue to use the account, you agree to these rules and contractual provisions. You will receive a separate schedule of rates, qualifying balances and fees if they are not included in this document. If you have any questions, please call us.

This agreement is subject to applicable federal laws, the laws of the Commonwealth of Virginia and the State of North Carolina and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

1. summarize some laws that apply to common transactions;
2. establish rules to cover transactions or events which the law does not regulate;
3. establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
4. give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document signed by one of our officers. Nothing in this document is intended to vary our duty to act in good faith and with ordinary care when required by law.

As used in this document the words "Bank," "we," "our," and "us" mean Carter Bank & Trust and its successors and assigns, and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

(3) Liability.

You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately and can be deducted by us directly from the account balance whenever sufficient funds are available without prior notice to you. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner, you and an authorized signer or similar party, or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without prior notice to you.

Collection Costs. You are liable for all amounts charged to your Account, including all amounts charged to your Account that cause an overdraft situation. Such amounts will include any amounts caused by debits to your Account, and or any other situations, including an offset (setoff), overdraft situation, lien or other fee or charge situation. If the Bank takes court action or initiates arbitration against you to collect such amounts or undertakes other demands, you will be liable for all costs, charges, and fees, including reasonable attorney's fees and costs. In the case of a joint Account, or an Account with more than one owner or authorized signer, each Account owner and authorized signer will be jointly and severally liable for all amounts charged to the Account regardless as to which owner actually caused the Account to be in an overdraft situation.

Indemnification. In addition to the indemnification protections addressed elsewhere in this Agreement, if we take action in reliance on instructions or orders provided by you or anyone with authority to act on your behalf, or if we take any actions permitted under this Agreement, or if you breach any warranty provided in this Agreement or otherwise provided by law, and we incur any loss, damage, liability, cost or expense (including reasonable attorneys' fees and costs), resulting from any demand, action, suit, claim, or proceeding brought or made by any party, you hereby release us from any claims and indemnify and hold us harmless from and against any such liability, loss damage, cost or expense.

Additional General Indemnification. Except as otherwise set forth in this Agreement, you agree to indemnify, defend and hold us harmless from all claims, actions, proceedings, fines, costs and expenses (including without limitation, attorney fees and costs) related to or arising out of: (a) your actions and omissions in connection with your Accounts or our services; and (b) our actions and omissions, provided that they are taken/omitted in accordance with this Agreement or your instructions. This provision shall survive the termination of this Agreement.

LIMITATION OF LIABILITY AND OR WAIVER OF RIGHT TO PROCEED AGAINST US FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES. BY ENTERING INTO THIS AGREEMENT, TO THE MAXIMUM EXTENT ALLOWED BY LAW, YOU WAIVE THE RIGHT TO RECOVER, AND AGREE THAT WE SHALL NOT BE LIABLE FOR SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES FOR ANY ACTION OR INACTION ON OUR PART REGARDING YOUR ACCOUNT OR YOUR BANKING RELATIONSHIP WITH US, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IF YOU DO NOT AGREE TO THIS TERM, NOTHING PREVENTS YOU FROM CLOSING YOUR BANK ACCOUNT AND OR ENDING YOUR RELATIONSHIPS WITH US. In other words, you expressly agree that damages in respect of any breach or wrongful conduct (whether or not the claim therefor is based on contract, tort or other duty imposed by law), in connection with, arising out of, or in any way related to the transactions contemplated by this Agreement, or any Accounts, item or instrument related to this Agreement, or any act or omission or event occurring in connection herewith or therewith shall be limited to your or our actual damages and shall not include any special, indirect, consequential or punitive damages under any circumstances.

(4) Deposits.

For each amount you are depositing into your Account, you represent to the Bank that you are the proper person to make the deposit and that you have a right to the funds. If your deposit is other than cash or currency, we may, without prior notice to you (except for prior notices required by law), place a hold on the Account for the amount of deposit of items for a certain period of time to allow us to try to verify that the items will be paid. We may accept an item for deposit to your Account from anyone without questioning or verifying the authority of the person making the deposit. Items accepted for deposit and drawn on a non-U.S. institution may be subject to a fee or a longer hold. Any item that we cash or accept for deposit may be subject to later verification and final payment. Even if we obtain a purported final payment under Regulation CC, you could still be compelled to return the funds deposited into your Account under the UCC for up to three (3) years, even if you have already spent or otherwise transferred some or all of the funds. If an item is lost, stolen or destroyed in the collection process, if it is returned to us unpaid, if it is improperly paid, or if it is later challenged, we may deduct from your Account, setoff from another Account, or otherwise collect from you funds previously credited to your Account, even if you have already used the funds. We may give cash back to any authorized signer or agent in connection with items issued by an owner or payable to any owner, whether or not the items have been indorsed by the owner or payee. We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless

of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged, unauthorized or missing indorsement, claim of alteration, encoding error or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars.

We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check for deposit, we may require any third-party indorsers to verify or guarantee their indorsements or indorse in our presence.

Deposit of Government Benefits. If you receive credits to your Account through a governmental source and or from another similar entity or on behalf of a governmental entity, and if a reclamation claim is ever filed against your Account, you agree to refund all credits that went into your Account or pay back the Bank for any loss it sustains if there is a reversal of those credits. If we are required for any reason to reimburse any government for all or any portion of a benefit payment that was deposited into your Account whether via a reclamation or other demand/claim, you authorize us to deduct the amount of our liability to the government from the Account or from any other Account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability. Even if the government is incorrect or even if the person that provided the credit is incorrect in trying to reverse or revoke or reclaim same, you agree to handle those issues by and between you and the person or entity that provided the credit, and the Bank has your authority to pay back any amounts being demanded by such person or governmental entity. You acknowledge that a reclamation issue is truly an issue by and between you and the governmental entity and you agree to pay the Bank for any loss caused by same, including without limitation reasonable attorneys' fees.

Chargebacks. This section applies to items that you deposit or cash. In the event a cashed or deposited item is questioned by a third party or if drawn on us (an "on us" item) is determined by us not to be payable for any reason or a cashed or deposited item drawn on any other payor is returned to us for any reason without regard to whether the other payor returned the item to us before a purported deadline to do so, we may charge the item (a "chargeback item") to your Account or to any Account of which you are an owner (including any joint Account) or an authorized signer. We may debit all or part of a chargeback item to your Account even if doing so results in or causes an overdraft of your Account and regardless of whether the item can be physically returned to you. You waive notice of dishonor in connection with any item that is not finally paid in full and that we charge back to your Account. We may recover from you any amount withdrawn by you against a chargeback item, including without limitation reasonable attorneys' fees. In the event that our debit of all or part of a chargeback item results in or causes an overdraft of your Account, we may obtain and retain possession of the item, if it is available, until we recover from you the amount of any overdraft of your Account and for a reasonable time thereafter. If we are notified that any item for which you received payment or credit to your Account is not properly payable, you agree that, without notice to you, we may authorize the drawee bank to freeze the disputed funds or otherwise hold the item and try to obtain payment. We will not initially decide whether a cashed or deposited item has been improperly returned, and if you believe that a cashed or deposited item has been improperly returned, you should contact us immediately. We will not be responsible for failing to pay any item presented against your Account before a deposit becomes available for withdrawal as set forth above, if the available balance in your Account, without regard to such deposit, is insufficient to pay the item, as provided in this Agreement.

We may debit a Returned Check Charge from your Account for each deposited item that is returned to us unpaid (whether for the first or a subsequent time); bears an unauthorized signature; prior to deposit has been altered, erased, defaced or mutilated, or is incorrectly described on the deposit slip. Errors in posting, addition, subtraction and calculation, whether by you or us, are subject to correction by us at any time, provided that we may not be obligated to correct certain errors if you fail to notify us of the exceptions in a timely manner as described in this Agreement. You agree to repay us promptly any amount credited to your Account in error, and you authorize us to charge your Account or any other Account of which you are an Account owner, to obtain payment of any erroneous payment or credit.

(5) Withdrawals.

a) **Generally**. Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person

who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us.

b) **Postdated Checks**. A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

c) **Checks and Withdrawal Rules**. If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit.

We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify it as a transaction account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item. See the Bank's funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal.

An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the time we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

d) **Temporary Debit Authorization Hold Affects Your Account Balance**. On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money, which may be more than the actual amount of your purchase. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it may be up to three days before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If another transaction is presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, that transaction will be a nonsufficient funds (NSF) transaction if we do not pay it or an overdraft transaction if we do pay it. You will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

Here is an example of how this can occur - assume for this example the following: (1) you have opted-in to our overdraft services for the payment of overdrafts on ATM and everyday debit card transactions, (2) we pay the overdraft, and (3) our overdraft fee is $35 per overdraft, but we do not charge the overdraft fee if the transaction overdraws the account by less than $10.

You have $120 in your account. You swipe your card at the card reader on a gasoline pump. Since it is unclear what the final bill will be, the gas station's processing system immediately requests a hold on your account in a specified amount, for example, $80. Our processing system authorizes a temporary hold on your account in the amount of $80, and the gas station's processing system authorizes you to begin pumping gas. You fill your tank and the amount of gasoline you purchased is only $50. Our processing system shows that you have $40 in your

account available for other transactions ($120 - $80 = $40) even though you would have $70 in your account available for other transactions if the amount of the temporary hold was equal to the amount of your purchase ($120 - $50 = $70).

Later, another transaction you have authorized is presented for payment from your account in the amount of $60 (this could be a check you have written, another debit card transaction, an ACH debit or any other kind of payment request). This other transaction is presented before the amount of the temporary hold is adjusted to the amount of your purchase (remember, it may take up to three days for the adjustment to be made). Because the amount of this other transaction is greater than the amount our processing system shows is available in your account, our payment of this transaction will result in an overdraft transaction. Because the transaction overdraws your account by $20, your account will be assessed the overdraft fee of $35 according to our overdraft fee policy. You will be charged this $35 fee according to our policy even though you would have had enough money in your account to cover the $60 transaction if your account had only been debited the amount of your purchase rather than the amount of the temporary hold or if the temporary hold had already been adjusted to the actual amount of your purchase.

e) **Overdrafts.** You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later.

An overdraft may occur when your Available Balance is not sufficient to cover a transaction or transactions and it gets paid anyway. The Available Balance uses current balance, minus debits, holds and deposits that may not have posted.

So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. A per item fee may be assessed on any item that will overdraw the available Account balance, regardless of whether we pay or dishonor (i.e., return) the item. **For the avoidance of doubt, a "per item" fee may be assessed by us <u>each time</u> a withdrawal request that will result in an overdraft is presented for payment, even if that "item" represents a single transaction that has been presented multiple times and previously dishonored. This may result in multiple charges related to a single transaction.**

For consumer accounts, we will not charge fees for overdrafts caused by ATM withdrawals or one-time debit card transactions if you have not opted-in to that service. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

f) **Multiple Signatures, Electronic Check Conversion, and Similar Transactions.** An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions, the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the check to examine the signatures on the item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

g) **Notice of Withdrawal.** We reserve the right to require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit or demand deposit, or from any other savings account as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

(6) Ownership of Account and Beneficiary Designation.

These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds. The forms of ownership and beneficiary designations set forth below are governed by applicable statutes in the State in which the account is initially created.

a) **Individual Account.** This is an account in the name of one person.

b) **Joint Account - With Survivorship.** You intend and agree that regardless of whose funds are deposited in the account, that upon your death the balance in the account will belong to the survivor(s). If two or more of you survive, you will own the balance in the account as joint tenants with right of survivorship.

c) **Personal Agency Accounts.** Such an account allows you to name an agent who will have authority to make withdrawals from the account by check or otherwise and indorse checks payable to you for deposit only into the account and otherwise make deposits. In addition, you may elect to extend the authority of your agent so your agent may act notwithstanding your subsequent incapacity or mental incompetence. Your agent's authority would then end at such time as the agent receives notification from a qualified guardian or duly appointed attorney-in-fact. If you do not extend the authority of your agent, then your subsequent incapacity or mental incompetence will terminate the authority of your agent.

d) **Joint Account - No Survivorship.** This is owned by two or more persons, but none of you intend (merely by opening this account) to create any right of survivorship in any other person.

e) **Payable on Death (POD) Account.** A beneficiary cannot withdraw unless: (1) the person creating the account dies, and (2) the beneficiary is then living. The person creating this account type reserves the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the account funds at any time.

Owners of the Account may have people assisting them regarding the Account. To the extent that you share your information with non-owners or allow your Account information to be compromised and obtained by other non-owners, you agree that you will not be able to later claim that an alleged unauthorized person improperly did withdrawals, disbursements or other transactions with regard to your Account. Preventing fraud starts with you as the customer.

(7) Business, Organization, and Association Accounts.

Earnings in the form of interest, dividends or credits will be paid only on collected funds, unless otherwise provided by law or our policy. You represent that you have the authority to open and conduct business on this account on behalf of the entity. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

(8) Stop Payments.

Unless otherwise provided, the rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you upon payment of any applicable fees. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because stop-payment orders are handled by computers, to be effective, your stop-payment order must precisely identify the number, date, amount of the item, and the payee.

You may stop payment on any item drawn on your account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was oral your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including reasonable attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order. Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

(9) Telephone Transfers.

A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the month). Other account transfer restrictions may be described elsewhere.

(10) Amendments and Termination.

We may change any term of this instrument from time to time, which may be reviewed at (https://www.cbtcares.com/disclosure/ . By utilizing the deposit account, you consent to periodically reviewing the latest version of this instrument found at https://www.cbtcares.com/disclosure/ . If you are unable to access the internet, you consent to periodically contacting the Customer Contact Center at 833.ASK.CBAT or 833.275.2228 to review the latest version of this instrument. Your continued use of services constitutes your acceptance of the latest version of this instrument. Rules governing changes in interest rates are provided separately. For other changes, we will give you reasonable notice by any method permitted by law. We may also close this account for any reason at any time upon reasonable notice to you and tender of the account balance personally or by mail. Items presented for payment after the account is closed may be dishonored or paid by us even if such payment results in overdrafts. When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items to be paid from the account. Reasonable notice depends on the circumstances, and in some cases such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice.

(11) Notices.

Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive it in time to have a reasonable opportunity to act on it. If the notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date and payee. Written notice we give you is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we have on file. Notice to any of you is notice to all of you.

(12) Statements.

Since you are the person most familiar with your own banking activity, the Bank will be relying on you to review the periodic statements and confirm whether there is possible unauthorized, erroneous or improper activity of any kind. In a situation where alleged unauthorized activity has occurred, the Bank is expecting you to be reviewing your monthly or periodic banking information to try to detect any possible alleged unauthorized activity as early as possible to stop such transactions and to prevent possible new alleged unauthorized activity from occurring. You are the best person to review your current banking records and confirm if transactions are possibly unauthorized or otherwise disputed. Our records regarding your Accounts will be deemed correct unless you timely establish with us that we made an error. It is essential that any Account errors of any kind, including missing deposits, improper deposits or credits, unauthorized transactions, alterations, unauthorized wire transfers or other unauthorized funds transfers, unauthorized signatures, unauthorized or forged indorsements, forgeries, encoding errors, disbursements due to oral banking transactions, posting errors (such as debits or credits posted twice, debits posted as credits or credits posted as debits), unauthorized or disputed fees (of any kind), or any other improper transactions, debits, credits or disbursements on your Account (collectively referred to as exceptions) be reported to us as soon as reasonably possible and not to exceed thirty (30) days for consumer accounts and fourteen (14) days for commercial accounts, after we send or otherwise make the statement or notice available to you. Otherwise, we will not be liable for the exceptions. You agree that you will carefully examine each Account statement or notice you receive and report any exceptions to us promptly after you receive the statement or notice.

You agree to act in a prompt and reasonable manner in reviewing your statement or notice and reporting any exceptions to us. If you do not timely report an exception to us within fourteen (14) days for commercial accounts and thirty (30) days for consumer accounts after we send or otherwise make the statement or notice available to you, you agree that we will not be liable to you for any loss you suffer related to that exception, and that you cannot later dispute the transaction amounts and information contained in the statement. This means that, if you do not report exceptions to us within thirty (30) days for consumer accounts and within fourteen (14) days for commercial accounts after we send or make the statement or notice

available to you, we will not reimburse you for any such disputed amounts or any loss you suffer, including, but not limited to, any amounts lost as a result of paying any unauthorized, forged, or altered items, alleged unauthorized wire transfer of funds, or allegedly improperly paying any other debits or credits of any kind, including without limitation, any item or exceptions. Except as provided by applicable law, you also agree that we will not be required to reimburse you for any exceptions caused directly or indirectly by your own negligence.

Mailing and Availability. Periodic statements and canceled checks, to the extent we have agreed to provide either of them for your Account, and written notices of dishonor or return of unpaid deposited items, or any other notice or communication may be mailed to you at the address shown in our records or a forwarding address for you if one is on file with the U.S. Postal Service. However, we may not mail any Account information to an address that the U.S. Postal Service has informed us is "undeliverable" or otherwise invalid. Periodic statements and written notices of dishonor or return of unpaid deposited items, or any other notice or communication, may be delivered to you electronically if you have agreed to receive such notices and communications electronically. You agree to give us prompt written notice of any change of your address or email address. Notify us promptly if you do not receive your statement or other documents by the date you normally would expect to receive it. We may, but are not required to, change the address for you in our records if the U.S. Postal Service notifies us of a new address for you, and you waive any and all claims against us that arise in connection with any mail forwarded to you or sent to an address for you supplied to us by the U.S. Postal Service. Any Account owner, authorized signer or other person authorized to act on your behalf may change the mailing or email address for your Account. Notice to any one Account owner shall constitute notice to all Account owners in a joint Account. We may make statements, images of canceled checks (if applicable to your Account), notices, or other communications available to you by holding all or any of these items for you or delivering all or any of these items to you, in accordance with your request or instructions. If we hold statements or notices to you at your request or because you fail to provide us with a current address, they will be deemed delivered to you when they are prepared (for held statements), mailed (for returned mail), or when sent or otherwise made available to you by electronic means.

Online Access. Where online access to your Account has generally been made available to you, for purposes of your duty to examine your statements and Account activity and report exceptions, irregularities, errors, discrepancies, or unauthorized items, your statements and items will be deemed "made available" to you the day such items, disputed amounts, or transactions first appear on our online banking services, whether you accessed your Account information via online banking or not, but in any event not later than within thirty (30) days for consumer accounts and within fourteen (14) days for commercial accounts after your periodic statement is first made available to you as discussed above.

Unauthorized Activity by the Same Wrongdoer(s). If you have entrusted someone else to do activity with regard to your Account or if your Account information has been compromised, and if the same wrongdoer(s) begins conducting transactions against your Account, you are prohibited from asserting a claim based on any additional unauthorized activity of any kind, including any and all unauthorized exceptions that are done by the same person, that occurs more than thirty (30) days after the Bank mailed or otherwise made available to you the Account statements that contained a description of that person's first unauthorized, forged or altered item or transaction, error, irregularity, or exception, or any other alleged unauthorized activity that caused the disbursement to be debited from your Account. Since the periodic statements show all disbursements out of your Account, you should be able to detect whether or not you made a disbursement out of your Account by reviewing the Account statement, and if you do not timely report alleged unauthorized disbursements by the same person, you remain free to try to recover any losses from that person, but you are prohibited from recovering such losses against the Bank. Plus, if the same person causes any other unauthorized activity, for example, such as unauthorized deposits, we will not be liable for any future losses (regardless of how made) if you failed to initially discover or report the unauthorized banking activities within thirty (30) days for consumer accounts and within fourteen (14) days for commercial accounts, of the first unauthorized transaction, error, irregularity or exception.

How to Report Such Possible Exceptions, Errors or Other Irregularities. If you find any unauthorized disbursements, transactions or exceptions, or suspect that a transaction may be unauthorized or questionable, you must contact us as soon as possible. You can contact the Bank by calling (833) 275-2228 or visiting one of the Bank's locations, a list of which can be found at CBTCares.com. You need to specifically report each and every unauthorized disbursement, transaction or exception. A general reference to fraud is not sufficient. You will be asked to execute a verified claim form or an affidavit or a similar document for each disputed disbursement, transaction or exception. To be clear, you must identify each unauthorized disbursement, transaction or exception, instead of merely making a vague reference to some unauthorized disbursement, transaction or exception. You will need to cooperate with the Bank's fraud department or other personnel and you will likely be asked to execute paperwork regarding the unauthorized transactions or exceptions. The Bank must receive your documentation within ten (10) days following your notice to us of the alleged unauthorized activity and if you do not receive such paperwork, please follow up to obtain such documents or create your own documents specifically describing and identifying the unauthorized transactions or exceptions, as you must particularly describe the bank fraud in writing. You agree

that you will not bring any legal action against the Bank unless and until you have first provided the documents referenced in this section. When you report missing, stolen, or unauthorized checks, we will likely require you and, if so requested, you agree to close your current Account and open a new one. If you do not do so, we are not liable to you for subsequent losses or damages on the Account due to forgery, fraud or other unauthorized use. When you open a new Account, you may need to notify any third parties that need to know your new Account number. If you believe bank fraud occurred, you may decide to file a police report and ask for the prosecution of the person responsible for same, in which case you agree to provide us with a copy of such report and cooperate with us in any investigation or any legal action instituted against such person. You will indemnify and hold us harmless from any liability arising out of or in any way connected with any arrest or prosecution in the event that the representations of fact you provide us or in a police report are false. You agree to pursue all rights you may have under any insurance coverage you maintain before making a claim against us in connection with any transaction involving your Accounts or your checks or other withdrawal orders and other exceptions and irregularities, and to provide us with all reasonable information about your coverage, including the name of your insurance carrier, policy number, policy limits and applicable deductibles. Our liability is reduced by the amount of all insurance proceeds you receive or are entitled to receive. At our request, you agree to assign to us your rights under your insurance policy.

Errors Relating to Electronic Fund Transfers or Substitute Checks (For consumer accounts only). For information on errors relating to electronic fund transfers (e.g., computer, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Important Information About Your Checking Account/Substitute Checks and Your Rights.

If you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you. You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

(13) Direct Deposits.

If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

(14) Temporary Account Agreement.

If the account documentation indicates that this is a temporary account agreement, each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

(15) Setoff.

We may (without prior notice and when permitted by law) set off the funds in the account or from any other account you have with us against any due and payable debt any of you owe us now or in the future. If the account or any other account you have with us is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c)

the debtor's right of withdrawal only arises in a representative capacity, or (d) setoff is prohibited by the Military Lending Act or its implementing regulations. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

(16) Check Processing.

We process items mechanically by relying solely on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and indorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of indorsements unless you provide prior notice to us in writing that the check requires multiple indorsements. We must receive the notice in time for us to have a reasonable opportunity to act on it, and you must tell us the precise date of the check, amount, check number and payee. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item consistent with general banking practice. Using an automated process helps us keep costs down for you and all account holders.

(17) Check Cashing.

We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash such a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

We reserve the right to refuse to cash a check, draft or other instrument drawn on us at one of our branches if: (a) we are suspicious about the transaction or the authority of the person presenting the check; (b) we have not received identification of the person cashing the check to our reasonable satisfaction; (c) our computers are not working at the time the check is presented; (d) it is made payable to a non-natural person as payee; (e) the amount of money exceeds any internal check cashing limit we may have at the branch where the check is presented or otherwise exceeds or materially reduces the cash on hand to operate the branch; or (f) for any other reason we deem reasonable under the circumstances. You agree that our refusal to pay cash on such an item does not constitute a wrongful dishonor. You agree to promptly pay the requesting party the amount in dispute, indemnify the Bank or otherwise handle the issues if demand is ever made upon us to pay the item.

(18) Truncation, Substitute Checks, and Other Check Images.

If you truncate an original check and create a substitute check, or other paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with our internal policy for retaining original checks. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

(19) Remotely Created Checks.

Like any standard check or draft, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection: (1) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (2) you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask; and (3) if a check is returned you owe us the amount of the check, regardless of when the check is

returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

The Bank may allow its customers to deposit remotely created checks as a convenience and may require a separate written agreement regarding such authorization. If the Bank faces a loss as a result of such remotely created checks, you assume any and all risk of loss for such transactions and agree to indemnify the Bank with regard to any loss the Bank may face or sustain (as well as attorney's fees and costs) as a result of such transactions. Additionally, the Bank may discontinue allowing these types of transactions at any time without notice. You agree to notify us in writing in advance if you intend to process remotely created checks.

(20) Unlawful Internet Gambling Notice.

Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

(21) ACH and Wire Transfers.

This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the State in which you have your account with us. If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. Credit entries may be made by ACH. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

(22) Facsimile Signatures.

Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

(23) Restrictive Legends or Indorsements.

The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive indorsements or other special instructions on every check. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than $1,000.00." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive indorsement. For this reason, we are not required to honor any restrictive legend or indorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks.

(24) Account Transfer.

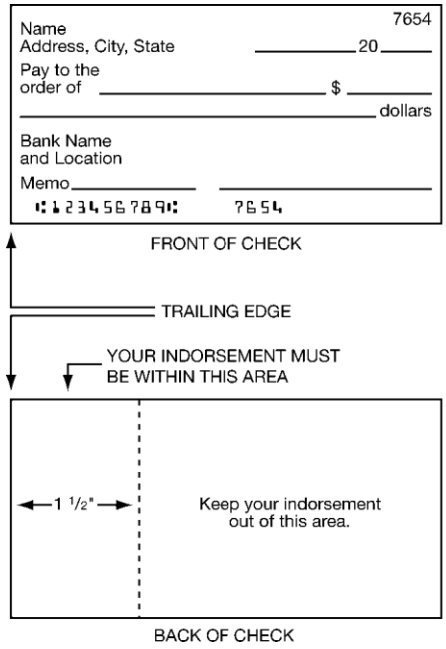
This account may not be transferred or assigned without our prior written consent.

(25) Indorsements.

We may accept for deposit any item payable to you or your order, even if they are not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check or share draft is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g., additional indorsements, ID information, driver's license number, etc.) must fall within 1 1/2" of the "trailing edge" of a check. Indorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all indorsement information within 1 1/2" of that edge.



It is important that you confine the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your indorsement, another indorsement, or information you have printed on the back of the check obscures our indorsement. These indorsement guidelines apply to both personal and business checks.

(26) Abandoned, Inactive, or Dormant Accounts; Escheatment.

If you have not made a withdrawal from, or a deposit to, your Account for an extended period of time and we have been unable to contact you, your Account may be classified by us as inactive or dormant Account. Subject to applicable law, we may charge an Inactive or Dormant Account fee on the Account, and the Account will be presumed to be abandoned. In accordance with applicable Virginia and North Carolina law, funds in abandoned Accounts will be remitted as unclaimed property to the custody of the State, and we will have no further liability to you for such funds. We reserve the right not to send statements on Accounts we consider dormant. More specifically, if you do not use your Account or notify us as required herein of your current contact information, or if statements or notices we send to you are returned undelivered, we may presume your Account and deposits are abandoned after the passage of time specified by applicable law. We may also consider your Account dormant or inactive in accordance with our internal policies and procedures or the applicable state law governing your Account. Unless prohibited by applicable law, abandoned and dormant Accounts are subject to reasonable fees in addition to any other charges applicable to your Account, which we may deduct or offset from your Account. If your Account is deemed inactive or dormant under our policies and procedures or applicable state law, we also may refuse to pay items drawn on or payable out of the Account, stop sending Account statements (but such statements would still be made available to you), or stop paying interest on the Account. Ask us if you want further information about the period of time or type of inactivity that will cause your Account to be inactive, dormant, or otherwise abandoned as different States could have different rules. Accounts that are presumed abandoned may be escheated to the State in which the Account is maintained or in the State of the last known address, subject to applicable law. Once the funds are escheated to the State, we are no longer liable or responsible for the funds, and you must pursue recovery of such funds solely from the State to which they were escheated. You may or may not be able to get some or all of the funds back from the State to which they are surrendered.

You agree that the Bank is not liable to you for any funds that escheat to a State whether voluntarily or in response to an audit by or on behalf of the state agency charged with enforcement of its escheatment laws.

(27) Death or Incompetence.

You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

(28) Fiduciary Accounts.

Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

(29) Credit Verification.

You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

(30) Legal Actions Affecting Your Account.

If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action. Or, in our discretion, we may freeze the assets in the account and not allow any payments out of the account until a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees and our internal expenses) may be charged against your account. The list of fees applicable to your account(s) provided elsewhere may specify additional fees that we may charge for certain legal actions.

(31) Security.

It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your account(s). Do not discuss, compare, or share information about your account number(s) with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to issue an electronic debit or to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically remove money from your account, and payment can be made from your account even though you did not contact us directly and order the payment. You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

Except for consumer electronic funds transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, such as positive pay or commercially reasonable security procedures, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered, unless we acted in bad faith or to the extent our negligence contributed to the loss. If we offered you a commercially reasonable security

procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected.

If you timely report unauthorized exceptions or irregularities and if your failure to exercise ordinary care contributes to the forgery or alteration of an item, or the debit out of the account for a transaction or exception, which is paid against your Account, you will be precluded from asserting such forgery, alteration or other transaction (and any loss related to same) against us. If we assert such a preclusion, and you establish that our failure to exercise ordinary care on our part contributed to the loss resulting from the payment of the forged or altered item(s), the loss shall be allocated between you and the Bank on a comparative basis. In other words, your acts and omissions which contribute to the presentment and payment of any forged or altered item(s) or loss caused by the transaction(s) will be compared to the acts or omissions of the Bank to determine who should bear the loss or whether the loss should be allocated between you and the Bank. Notwithstanding this comparative negligence standard, the Bank will not be liable if items are forged or altered so that the forgery or alteration could not have been detected by a Bank exercising ordinary care.

Many employers have employees that assist with banking activities. Such employees may or may not be authorized signers on Accounts. However, such employees may have "responsibility" as stated in §3.405 of the UCC. If you entrust an employee with responsibility with respect to an item or with regard to other banking activities, you understand and agree that you may be ultimately responsible for a loss if the employee conducts unauthorized transactions or otherwise has responsibility as defined in the UCC.

(32) Telephonic Instructions.

Unless required by law or we have agreed otherwise in writing, we may but are not required to act upon instructions you give us via facsimile transmission or leave by voice mail or on a telephone answering machine.

(33) Monitoring and Recording Telephone Calls and Consent to Receive Communications.

Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record and to ensure that you receive courteous and efficient service. You consent in advance to any such recording.

To provide you with the best possible service in our ongoing business relationship for your account we may need to contact you about your account from time to time by telephone, text messaging or email. However, we must first obtain your consent to contact you about your account because we must comply with the consumer protection provisions in the federal Telephone Consumer Protection Act of 1991 (TCPA), CAN-SPAM Act and their related federal regulations and orders issued by the Federal Communications Commission (FCC).

- Your consent is limited to your account, and as authorized by applicable law and regulations.
- Your consent does not authorize us to contact you for telemarketing purposes (unless you otherwise agreed elsewhere).

With the above understandings, you authorize us to contact you regarding your account throughout its existence using any telephone numbers or email addresses that you have previously provided to us or that you may subsequently provide to us.

This consent is regardless of whether the number we use to contact you is assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service or any other service for which you may be charged for the call. You further authorize us to contact you through the use of voice, voice mail and text messaging, including the use of pre-recorded or artificial voice messages and an automated dialing device.

If necessary, you may change or remove any of the telephone numbers or email addresses at any time using any reasonable means to notify us.

(34) Early Withdrawal Penalties (and involuntary withdrawals).

We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your notice of penalty for early withdrawals for additional information.

(35) Address or Name Changes.

You are responsible for notifying us of any change in your address or your name. Unless we agree otherwise, change of address or name must be made in writing by at least one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent address you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

(36) Resolving Account Disputes.

We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

(37) Waiver of Notices.

To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit a check and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

(38) Alternative Dispute Resolution (ADR) Provisions.

While the Bank would prefer to resolve all possible disputes between us through its regular customer service channels, there may come a time where you have a dispute with the Bank. You agree to try to resolve any possible dispute you have with the Bank in Henry County, Virginia prior to initiating arbitration or prior to filing any litigation by agreeing to attend an in-person settlement conference, and if that does not resolve the dispute, to non-binding mediation. Such a settlement conference generally contemplates an in-person meeting where both sides try to meet to resolve the applicable issues and exchange documents and information in an effort to try to resolve the dispute. The Bank wants to learn the reasons and underlying facts regarding the dispute prior to incurring fees and costs in an arbitration or litigation proceeding. If you do not go to an in-person meeting, you agree you will not seek to recover future attorneys' fees and costs from the Bank. Such a meeting contemplates that both parties will act in good faith and negotiations shall remain confidential and all costs and expenses associated with the settlement conference shall be paid by the party incurring such costs or expense.

***Mediation*.** If the parties are unable to reach a resolution at a settlement conference, before you file a claim in an arbitration process or before you file a lawsuit, you also agree to make a second effort to try to resolve the dispute by attending a non-binding mediation in Henry County, Virginia. Either you or the Bank may request a mediation upon written notice to the other party, and the parties agree to work together to schedule a mediation with a neutral mediator within forty-five (45) days of such a request being given.

The Bank hereby generally agrees that you may select a mediator of your choice, but the mediator must be qualified to serve as a mediator and not be biased. The mediation shall occur in Henry County, Virginia. Both sides will each equally pay one-half (1/2) of the mediation costs to the mediator. Each side will pay for their own attorney's fees, costs, and expenses. If you do not attend this mediation, you agree you will have waived any claim to seek recovery of attorneys' fees and costs from the Bank.

***Binding Arbitration*.** If a settlement conference or mediation is unsuccessful, you agree that any dispute, claim, or controversy of any kind between you and the Bank (whether it arises out of or relates to this Agreement, or to your Account, or any transactions involving your Account, or any service or product related to your Account or the business dealings between us and you) the dispute will be resolved by binding arbitration in Henry County, Virginia. This arbitration provision limits your ability to litigate claims in court and waives your right to a jury trial. You should review this section carefully. You will not have the right to participate in a class action lawsuit, either as a class representative or member of any class of claimants for any claim you may believe you have against the Bank. Arbitration is a proceeding in which disputes are decided by one or more neutral arbitrators who issue a binding ruling in the form of an award. That award can then become a judgment entered by a court of competent jurisdiction. You and we understand that discovery and other procedures in arbitration may be more limited than discovery in court proceedings and that the ability to modify, vacate, or appeal an award by an arbitrator(s) is strictly limited.

You and we agree, upon written demand made by you or us, to submit to binding arbitration all disputes, controversies, and claims, whether based on contract, fraud, tort, intentional tort, statute, regulation, constitution, common law, equity, or any other legal basis or theory, and whether pre-existing, present, or future, that arise out of or relate to: (a) this Agreement, your Account, any transaction involving your Account, any service or product related to your Account, or any advertisements, promotions, representations or oral or written statements related to this Agreement or your Account; (b) the relationships that result from this Agreement (including, to the fullest extent permitted by applicable law, relationships with third parties who are not parties to this Agreement or this arbitration provision); (c) your relationship with us that relates to this Agreement or any other agreement or relationship or dealings that you have with us that is not also subject to a different agreement to arbitrate; (d) the dealings between the parties; or (e) the validity, interpretation, scope or enforceability of this Agreement or the interpretation or scope of the Arbitration Clause (collectively, a "Claim"). All parties retain the right to seek relief in a small claims court for disputes or claims within the jurisdictional limits of the small claims court. At the option of the first to commence arbitration, you or we may choose to have the arbitration conducted by JAMS ADR (JAMS) or the American Arbitration Association (AAA), or you and we may agree upon a different arbitrator. In any event any arbitration under this Agreement shall be conducted in writing in accordance with the AAA Rules (Rules). You agree that this arbitration provision is made pursuant to a transaction involving interstate commerce, and the Federal Arbitration Act (the FAA) shall apply to the construction, interpretation, and enforceability of this Agreement notwithstanding any other choice of law provision contained in this Agreement.

Either you or we may initiate arbitration by giving written notice of the intention to arbitrate to the other party and by filing notice with JAMS or the AAA in accordance with the Rules in effect at the time the notice is filed. The notice shall set forth the subject of the dispute and the relief requested at a minimum. The demand for arbitration may be made before or after commencement of any litigation. You should contact the AAA at 800-778-7879 or www.adr.org or JAMS at 800-352-5267 or www.jamsadr.com for more information about arbitration. If for any reason the AAA or JAMS is unable or unwilling to serve as arbitration administrator, or you and we are unable to agree on another arbitrator, we will substitute another national or regional arbitration organization. Demand for arbitration under this Agreement must be made before the date when any judicial action upon the same Claim would be barred under any applicable statute of limitations; otherwise, the Claim also is barred in arbitration. Any dispute as to whether any statute of limitations, estoppel, waiver, laches, or similar other doctrine bars the arbitration of any Claim shall be decided by arbitration in accordance with the provisions of this Agreement.

You cannot join together in a dispute with anyone other than persons who use your Account, although this limitation does not affect the ability of a purely governmental entity to institute any enforcement action.

Even if other people have disputes similar to a dispute that you and we have, those people and their disputes cannot be part of any arbitration between you and us. A Claim by, or on behalf of, other persons will not be considered in, joined with, or consolidated with, the arbitration proceedings between you and us, and a Claim may not be arbitrated on a class action, private attorney general, shareholder derivative suit, or other representative basis. Notwithstanding anything to the contrary in this Agreement, any dispute regarding the prohibitions in this paragraph or about the enforceability of the arbitration clause shall be resolved by a court and not by the arbitrator(s). Where the aggregate of all Claims by both you and us does not exceed $250,000, any expedited procedures provided in the Rules ("Expedited Procedures") shall apply and a single arbitrator shall decide the Claims. Where the aggregate of all Claims by both you and us exceeds $250,000, a panel of three (3) arbitrators shall decide all Claims. Each arbitrator, whether or not acting under Expedited Procedures, shall be an active member in good standing of the bar for any State in the continental United States and shall be either: (a) actively engaged in the practice of law for at least 5 years; or (b) a retired judge. You and we agree that the arbitrator(s): (a) shall limit discovery to non-privileged matters directly relevant to the arbitrated Claim; (b) shall grant only relief that is based upon and consistent with substantial evidence and applicable substantive law; (c) shall have authority to grant relief only with respect to Claims asserted by or against you individually; and (d) shall provide a brief written explanation of the basis for the award upon the request of either party, and shall make specific findings of fact and conclusions of law to support any arbitration award that exceeds $25,000.

Upon written request by you, for claims up to $50,000, we will pay to the AAA or JAMS the portion of the arbitration filing fee that exceeds the cost of filing a lawsuit in the federal court where you live. Upon written request by you, we may elect, at our sole discretion, to pay or advance some or all of any remaining arbitration fees and other costs. The arbitrator will decide whether we or you ultimately will be responsible for paying any filing, administrative or other fees in connection with the arbitration. If you are the prevailing party in the arbitration, the arbitrator(s) may order us to pay your reasonable and necessary attorney, expert or witness fees (provided you did not waive this right and provided you attended the initial settlement conference and mediation). Any arbitration proceedings shall be conducted in the federal judicial district where we maintain your Account. If the Bank prevails, the arbitrator will order you to pay the Bank's reasonable and necessary attorney, expert or witness fees. Judgment upon any award rendered in arbitration may be entered in any court having jurisdiction.

Waiver of Jury Trial; Venue. THIS PROVISION LIMITS YOUR RIGHTS TO A JURY TRIAL. YOU SHOULD REVIEW THIS SECTION CAREFULLY. IF: (A) NEITHER YOU NOR WE SEEK TO COMPEL ARBITRATION OF ANY DISPUTE WE HAVE RELATED THIS AGREEMENT, YOUR ACCOUNT, OR ANY TRANSACTIONS INVOLVING YOUR ACCOUNT; OR (B) SOME OR ALL OF THE ARBITRATION CLAUSE IS UNENFORCEABLE AND WE ARE IN A DISPUTE IN A COURT OF LAW, THEN EACH OF US AGREES TO WAIVE ANY RIGHT WE MAY HAVE TO A JURY TRIAL TO THE EXTENT ALLOWABLE UNDER THE LAWS OF THE STATE THAT GOVERN THIS AGREEMENT. IN OTHER WORDS, YOU HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS ACCOUNT OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY YOU, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. THE BANK IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY YOU. IF LITIGATION COMMENCES, YOU MUST FILE A LAWSUIT IN HENRY COUNTY, VIRGINIA.

Class Action Waiver. TO THE EXTENT PERMITTED BY APPLICABLE LAW, YOU HEREBY AGREE THAT ANY CLAIM, LITIGATION OR ARBITRATION ARISING OUT OF ISSUES RELATING TO YOUR ACCOUNT OR ANY OTHER DISPUTE OR CONTROVERSY BETWEEN YOU AND US REGARDING YOUR ACCOUNT WILL NOT PROCEED AS PART OF A CLASS ACTION AND YOU AND THE BANK HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO PROCEED IN ANY CLASS ACTION OR SERVE AS A CLASS REPRESENTATIVE.

Attorneys' Fees and Other Legal Fees. In any action between you and us regardless of whether it is proceeding in court or in arbitration, the prevailing party shall recover their attorneys' fees, costs and expenses (provided you did not waive this right and provided you attended the initial settlement conference and mediation).

Agreed Statute of Limitation. Except as otherwise prohibited under applicable law, you agree to bring a Claim against the Bank regarding your Account within the lesser of two (2) years of when a potential cause of action accrues or the minimal amount as allowed in your State if your State limits shortening a statute of limitations in a contract. This provision is intended to contractually limit a possible longer statute of limitation that may apply on a claim you may have against the Bank.