



Thank you for banking online with ToweBank.

Consumer/Small Business Online Banking Service Agreement and Disclosure Statement

This Consumer/Small Business Online Banking Service Agreement and Disclosure Statement (as from time to time modified and supplemented, this "Agreement") contains the general terms and conditions of all Services (defined below) and sets forth the specific terms and conditions applicable to each Service. It also contains disclosures required by federal law in connection with certain of the Services. You do not have to sign this Agreement, but once you have completed the Enrollment Process, you have agreed to the terms and conditions of, and are a party to, this Agreement, as from time to time in effect. Each reference in this Agreement to "ToweBank", "we", "us", or "our" refers to ToweBank, a Virginia banking corporation, and each reference to "you" and "your" refers to the Consumer Customer, or Business Customer acting through the Authorized Individual, party to this Agreement. Please read this Agreement carefully and keep it for future reference.

1. DEFINITIONS. The following terms, as used in this Agreement, have the following meanings:

"Account" and "Accounts" have the meaning set forth in Section 2(D).

"Account Documents" means this Agreement and any other agreement, our Fee Schedule, authorization forms, operational procedures and instructions, customer setup form (and any document of similar purpose as the foregoing), together with all riders, schedules, exhibits and appendices thereto, which now or hereafter evidences, governs, secures or guarantees the obligations of the parties thereto, including any deposit agreement, securities account agreement, security agreement or guaranty, loan agreement, and all renewals, extensions and modifications thereof and substitutions therefor. "Account Documents" includes any of the foregoing which are provided to you by electronic communication in a format that allows visual text to be displayed on equipment.

"Authorized Individual" means a natural person who is either a Consumer Customer or the individual executing a Service Agreement on behalf of a Business Customer (as contemplated in the definition of "Business Customer"), or both.

"Billing Account" means the Account, if any, designated by you as the Account to be billed for fees and charges in connection with the related Service.

"Business Days" means Monday through Friday, excluding ToweBank's holidays.

"Business Customer" means a depositor, borrower, or authorized user of an Account which is now or hereafter enrolled in any one or more of the Services in connection with the business of said Business Customer, and as to which the individual executing the related Service Agreement is a sole proprietor or individual sole owner of said Business Customer under applicable state law, or an individual having individual authority to transact business in the Accounts on behalf of said Business Customer.

"Consumer Customer" means a depositor, borrower, or authorized user on an Account who is now or hereafter enrolled in any one or more of the Services, and is an individual using the Services for personal, family or household use.

"Enrollment Process" has the meaning set forth in Section 2(B).

"Fee Schedule" has the meaning set forth in Section 4.

"Online Transfers" has the meaning set forth in Section 2(F)(i).

"Security Procedure" has the meaning set forth in Section 2(C).

"Service" means any service described in a Service Agreement or this Agreement to be provided to you.

"Service Agreement" has the meaning set forth in Section 2(A).

"Service Provider" means any person with whom we have in effect an agreement whereby said person agrees to perform any or all of our obligations under this Agreement and any Service Agreement with respect to the related Service. The term "Service Provider" also includes any person with whom a Service Provider has in effect a similar agreement with respect to said Service, and the successors of each of the foregoing persons.

"UCC" means at any time the Uniform Commercial Code as the same may from time to time be in effect in the Commonwealth of Virginia, provided that, if, by reason of mandatory provisions of law, a Service, or

any portion thereof, or a transaction, or any portion thereof, contemplated hereby or performed in accordance herewith, is governed by the Uniform Commercial Code as in effect in a jurisdiction other than Virginia then, as to said Service or transaction (or portion of either), "UCC" shall mean the Uniform Commercial Code in effect in such other jurisdiction.

Except as otherwise specifically set forth in this Section or elsewhere in this Agreement, un-capitalized terms used in this Agreement and defined in the UCC have the meanings of such terms as defined in applicable sections of the UCC. Terms specifically defined in other Sections of this Agreement shall have the meanings given to such terms in such Sections. Terms defined in the singular shall have their same definitions in the plural, and vice-versa. Section headings are for convenience only and are not to be considered as part of this Agreement or in any interpretation of any provision hereof.

2. THE SERVICES.

(A) Agreements.

The Services are only available to Consumer Customers and Business Customers. A Business which replaces the Authorized Individual as a person having individual authority to transact business with respect to the Accounts and the Services, or that requires that the Authorized Individual so act only in concert with another, is no longer eligible for the Services and this Agreement shall be automatically terminated without notice upon any such change in organizational structure. The terms of each Service shall be evidenced by this Agreement and all other applicable Account Documents. Any conflict between a provision as set forth in this Agreement and the same provision as set forth in any other Account Document shall be resolved in favor of such provision as set forth in this Agreement.

(B) Enrollment.

In order for you to become a party to this Agreement and have the Services provided to you, and in order for a Consumer Customer to add Accounts of a Business Customer to be covered by the Services, the following procedures must be completed in a satisfactory manner (the following, individually and collectively, being referred to in this Agreement as the "Enrollment Process"):

- i. For new Consumer Customers and Business Customers, the online registration process entitled "Towne-Personal /Towne-Biz Enrollment" must be completed successfully. Within two (2) Business Days, we will send a confirmation by electronic mail that your enrollment has been accepted and online access is available.
- ii. Upon receipt of this e-mail if you intend to enroll business Accounts in addition to consumer Accounts, you must send us a secure e-mail (using the "Secure Support" link on the Towne-Personal/Towne-Biz website), stating the name(s) of the Business Customer(s) to use the Services, the federal tax identification number(s) of said Business Customer(s), the Account(s) of said Business Customer(s) to be linked for purposes of the Services, and your telephone number.
- iii. For existing Consumer Customers who wish to add Accounts for Business Customers, you must send us a secure e-mail (using the "Secure Support" link on the Towne-Personal website), stating the name(s) of the Business Customer(s) to use the Services, the federal tax identification number(s) of said Business Customer(s), the Account(s) of said Business Customer(s) to be linked for purposes of the Services, and your telephone number.

By completing the Enrollment Process, you represent and warrant to us that you are the person identified to us electronically as the Consumer Customer and Authorized Individual on the Accounts; that all Accounts to be linked for purposes of the Services may be so linked pursuant to Section 2(D)(i); and that, with respect to each Business Customer, all action has been taken as required by the organizational documents of said Business Customer, and applicable law, to authorize you to use the Services on behalf of said Business Customer and to enter into this Agreement. If we request, you agree to sign a written confirmation evidencing the above, and to provide us with such other documentation as we may request to evidence your identity and your authorization as an Authorized Individual.

We request that children under thirteen (13) do not submit personal information through this site. The site is not directed to children under the age of thirteen (13) and we do not knowingly collect information from individuals under 13 without parental consent.

(C) Security Procedures.

With respect to certain of the Services, this Agreement shall set forth certain procedures (each a "Security Procedure") designed to maintain the security of the information and transactions contemplated by the Service. It is possible for any Service to have more than one Security Procedure available. You accept each Security Procedure designated herein as commercially reasonable for your purposes. You hereby authorize us to rely on such Security Procedure as your signature and authorization to release requested information about your Accounts, and further authorize us to act upon all payment orders and other instructions, and other communications received, that have been properly verified by means of the Security Procedure. If we comply with a Security Procedure in verifying a payment order or other instruction issued in your name, we shall be entitled to act on said instruction on your behalf. We shall not be obligated to establish the identity of the person giving said instruction. If we take any action not provided in the Security Procedure to verify the authenticity or content of any payment order or other instruction, such additional action shall not be deemed to become part of the Security Procedure no matter how often we take such additional action. In addition to any similar rights given to us in this Agreement and any Security Procedure, we reserve the right generally to reject or delay acceptance of any instruction or communication which we, or our Service Provider, in good faith believe is not properly authenticated, contains incorrect, ambiguous, or missing information, or cannot or should not be processed. We will provide you with notice of any rejected instruction or communication. We or our Service Provider may cancel the personal identification numbers (PINs) or passwords associated with any Security Procedure if we or it has reason to suspect improper use thereof. Prior to cancellation, we may confer with you, unless in our opinion it would be impracticable or imprudent to do so under the circumstances. Nothing in this subsection (C) shall be construed to require us or our Service Provider to reject or delay any such acceptance, or to make any investigation or inquiry with respect thereto, unless specifically required by a Security Procedure. You agree that the applicable Security Procedure is designed to verify the authenticity of a transaction, payment order or instruction, and not to detect errors in transmission or content, including duplicate transmissions. You agree that neither TowneBank nor its Service Provider shall be responsible for making such a determination.

(D) Accounts.

(i) You agree to use the Services solely in connection with each deposit account (each, a "Deposit Account") and each loan account (each, a "Credit Account") maintained by you with TowneBank and, in the case of a Business Customer, designated by you in the Enrollment Process (collectively, the "Accounts"), except as otherwise expressly provided in this Agreement or as otherwise expressly permitted by us from time to time. Under this Agreement, there may be multiple Accounts. For a Consumer Customer, we will link the Accounts where you are sole or joint account holder, unless you notify us NOT to link certain Accounts. You may add any Account for which you (or, in the case of a Consumer Customer, all of you (if more than one)), are depositor, borrower, authorized signer, or Authorized Individual, by notifying TowneBank's Electronic Banking Department. In the case of a Business Customer, there may be multiple Accounts, but the person authorized to use the Services and all related passwords or other Security Procedures must be the same Authorized Individual. The Authorized Individual must notify TowneBank which Accounts to link. Accounts to be linked must have common ownership or control and authorized signer. If Accounts for a Consumer Customer are linked with Accounts for a Business Customer, the Consumer Customer and the Authorized Individual must be the same person. If you no longer want certain Accounts linked, or if Accounts no longer qualify to be linked for any reason, you must so notify us so we may unlink the ineligible Account and confirm that said Account has been unlinked. If you close or delete the only checking account designated for a Service, you may no longer be able to use that Service.

(ii) You expressly authorize us to debit the appropriate Deposit Account in the amount of any transaction initiated through any Service by you or by the Authorized Individual. You agree that we may treat any such transaction from a Deposit Account the same as a duly executed written withdrawal, transfer, or check and that we may treat any such transaction to a Deposit Account the same as a deposit, all in accordance with the terms of this Agreement and your deposit agreement(s) with us.

(iii) You agree that we may, without notice or other obligation to you, refuse to make any transaction for security reasons or as otherwise expressly provided in this Agreement or your deposit agreement with us.

(iv) We agree to correct any error made in crediting or debiting any Account by making the appropriate adjustment to your account balance. You agree to repay promptly any amount credited to your Account in error, and you authorize us to initiate a debit transfer to any Account to obtain payment of any erroneous credit.

(v) The Deposit Account statements or other notices provided to you by us, whether by U.S. mail or by use of the electronic statement Service, will notify you of (a) the execution of transfers and the debits to the Deposit Account made with respect to such transactions and (b) amounts debited by TowneBank from the Billing Account or any other Account for payment of the Services or other charges pursuant to this Agreement. You agree to examine promptly each statement for a Deposit Account and to promptly report any discrepancies between your records and the Deposit Account statements or any other notices mailed by TowneBank to you, as provided in Section 3.

(vi) You may access the Accounts through TowneBank's online banking Service 24 hours a day, seven days a week, except that TowneBank may perform regular maintenance on our systems or equipment, which may result in errors or interrupted service. We may also find it necessary to occasionally change the scope of our Services. TowneBank cannot guarantee that we will be able to provide notice of such interruptions and changes, although we will attempt to provide such notice.

(E) Time of Certain Bank Transactions; Posting; Funds Availability.

If you initiate a Deposit Account transfer of available funds or regular loan payment with available funds on or before eight (8:00) p.m. Eastern Time on a Business Day by Online Transfer, the Online Transfer will be posted to the Account(s) on the same Business Day. If you initiate an Online Transfer after eight (8:00) p.m. Eastern Time on a Business Day, a weekend, or TowneBank holiday, such Online Transfer will be posted by the following Business Day. The following sets forth our schedule for posting and funds availability (intervening holidays will alter this schedule):

<u>If Online Transfer is initiated before 8:00 p.m. Eastern Time:</u>	<u>Funds will be posted on:</u>	<u>Funds will be available on:</u>
Monday	Monday	Tuesday
Tuesday	Tuesday	Wednesday
Wednesday	Wednesday	Thursday
Thursday	Thursday	Friday
Friday	Friday	Saturday
Saturday	Monday	Tuesday
Sunday	Monday	Tuesday

Except as expressly otherwise provided in this Section, transferred funds will be available for transfer and withdrawal as provided in our Schedule of Funds Availability (the "Schedule of Funds Availability"). The schedules provided in this Section are subject to the provisions of subsection (F)(iii) of this Section and of Section 3.

(F) Our Online Banking Services.

(i) **Online Banking.** In accordance with this Agreement and the online registration form entitled "TowneOnline Banking Registration", you may use TowneBank online banking Services to initiate

electronic fund transfers from one Deposit Account that is a checking, savings or money market deposit account to any other Deposit Account that is a checking, savings or money market deposit account, or to any Credit Account at TowneBank, and pay bills directly from your checking or savings account in the amounts and on the days you request, as provided in said Service Agreement. These types of transactions are referred to in this Agreement as "Online Transfers". You may not initiate wire transfers or ACH transactions using this Service.

(ii) Funds Transfers. With respect to a Service governed by Article 4A of the UCC:

(a) We may execute a verified payment order even if the payment order would create or increase an overdraft to your Account.

(b) We will use reasonable efforts to act on a recall, cancellation or amendment request that has been initiated by an authorized signer or pursuant to the related Security Procedure, provided we have reasonable opportunity to do so prior to execution of the payment order, but it will not be liable for loss if such recall, cancellation or amendment is not effected. You shall be responsible for and shall be liable to us for any loss, liability, claim or expense (including attorneys' fees) we may incur in connection with its assisting you in the recall, cancellation or amendment of a payment order.

(c) We will receive and process payment orders only on our funds transfer business days and within our established cut-off hours, which we may revise from time to time upon prior notice to you. Payment orders received after our cut-off hours may, at our sole discretion, be considered received and may be processed on our next funds transfer business day. We may record all telephone communications received.

(d) Subject to the preceding subsection, we shall execute each accepted payment order by the payment date of the order. You shall be responsible to remit the amount of the payment order to us upon execution thereof. You shall be responsible for identifying the routing of all funds transfers made pursuant to any payment order, or shall be deemed to have appointed us to do so on your behalf.

(e) In executing a payment order, TowneBank, as well as all other originating and receiving banks (including the beneficiary's bank) are authorized to and may rely on the identifying or bank account number of an intermediary bank, beneficiary's bank or beneficiary as proper identification of the intermediary bank, beneficiary's bank or beneficiary, even if the number (no matter where located on the payment order) identifies a person different from the bank or beneficiary identified by name. You shall be responsible for and shall be liable to us for any loss, liability, claim or expense (including attorneys' fees) we may incur in relying on the designated identifying or bank account number.

(f) If you issue a payment order for payment outside the U.S. in a currency other than U.S. dollars, you shall provide instructions to us on the Account or funds to be charged. In the absence of such instructions or a foreign exchange contract with us, we shall be authorized to debit your Account for the U.S. dollar equivalent of the amount of the foreign currency transferred, at our then prevailing rate of exchange. Where applicable, you accept the risk of a fluctuation in currency exchange rates prior to finalization of the transaction. You understand that if the beneficiary's bank is instructed to pay in a currency other than its local currency, payment will normally be made by the beneficiary's bank at its rate of exchange on the date of its payment. In connection with each money transfer, you shall comply with all local currency restrictions and any other local law governing the transaction.

(iii) Stop Payments.

You may direct us to Stop Payment on a **check** using this Service. However, we must receive this notice with all required information so that we have reasonable time to act upon it prior to our final payment of the check. You are responsible for determining whether the check has not yet been paid by us. We assume no responsibility for honoring a stop payment order if the description you provide is inaccurate or incomplete, if the check number is incorrect, the dollar amount is off by even a penny, or if you purchase checks from a vendor not used or approved by us. You agree to hold us harmless from all costs and expenses we incur, including attorneys' fees for consultation at trial and any appeals due to our refusal to pay the item. You agree not to hold us liable if the item is paid contrary to an order placed through the Service due to incorrect information you have supplied. We will charge you a stop payment fee, in accordance with our Fee Schedule then in effect, for each stop-payment order you give.

Consumer Customers: If you have told us in advance to make regular payments out of your Account, you can stop any of these payments. Here's how:

- Call us at 888-638-6718, or write us at TOWNEBANK, P.O. Box 2818, Norfolk, Virginia 23501-2818, in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. We will charge you a stop payment fee, in accordance with our Fee Schedule then in effect, for each stop-payment order you give.
- If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)
- If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

Business Customers: Notwithstanding anything to the contrary contained in this Agreement or any other Account Document, we will use reasonable efforts to act on a stop payment or stop removal request that has been initiated pursuant to any Service, but we will not be liable for any loss, liability, claim or expense if such stop payment or stop removal is not effected due to the absence of reasonable opportunity on our part to do so prior to the processing of the applicable item, or if said order cannot be verified pursuant to an agreed upon Security Procedure, if any. You shall be responsible for and shall be liable to us and shall pay on demand for any loss, liability, claim or expense (including attorneys' fees) we may incur in connection with our assisting you to stop payment or to remove a stop on any transaction. With respect to all Services for Business Customers and Consumer Customers, a stop payment order shall be valid for six months unless renewed.

(v) Electronic Messages. You may use TowneBank's online banking Service to send an electronic message ("message") to us and to receive a message(s) from us. In addition, you may request that our customer service personnel share an on-line session with you in order to troubleshoot problems and answer any questions you may have regarding a Service or an Account. Since no security information need be passed along to us in order to do this, these collaborative sessions are secure. Neither the message service nor the shared on-line sessions may be used to make Online Transfers between Accounts. Message(s) transmitted by you to us via TowneBank online banking often will not be delivered to us immediately. If you need to contact us immediately to stop payment, to report an unauthorized use of your password, to report unauthorized access to an Account, or for any other reason, please contact your nearest TowneBank branch. We will not be responsible for acting on or responding to any message request made through TowneBank online banking until we actually receive your message and have a reasonable opportunity to act. You should check your message center regularly; we will attempt to notify you by message in the event of any technical difficulties or other occurrence that may affect your use of TowneBank online banking.

(vi) Additional Services. We may, from time to time, make additional Services available. We will notify you of the availability and terms of these new Services. By using these additional Services when they become available, you agree to be bound by this Agreement and any additional instructions, procedures and terms provided to you with respect to each of these new Services.

(vii) Documentation.

(1) **Preauthorized credits.** If you have arranged to have direct deposits made to your Account at least once every 60 days from the same person or company, you can call us at 888-638-6718 to find out whether or not the deposit has been made.

(2) **Periodic statements.** You will get a monthly account statement (unless there are no transfers in a particular month. In any case, you will get the statement at least quarterly).

3. LIABILITY; INDEMNIFICATION.

(A) TowneBank's Liability for Failure to Make or Stop Certain Transactions. If we do not 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 your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- If, through no fault of ours, you do not have enough money in the Account (or any linked Account) to make the transaction.
- If the transaction would go over the credit limit on any check overdraft protection line of credit Account linked to the Deposit Account.
- If you have not completely and properly followed the terms of this Agreement or other instructions provided by us or the Service Provider regarding how to effect the transaction.
- If any data or instruction transmitted via TowneBank online banking are inaccurate or incomplete.
- If you do not initiate a transaction according to the time limits set forth in this Agreement, or if the payment amount requested is less than the full amount due.
- If the payment has been transferred from the Deposit Account to a third party, including, without limitation, any third party through which payment is made and any payee or its financial institution.
- If the applicable hardware or software, or the Service Provider, or any part of the TowneBank online banking system or other operating system, was not working properly and you knew about the breakdown when you started your transaction.
- If circumstances beyond our control, such as an act of God, failure, delay, or error on the part of any third-party service provider (including, without limitation, the Service Provider, the United States Postal Service or any other delivery service), power outage, difficulty with telephone or cable lines or satellite communications, difficulty with any hardware, software, or the Service Provider, computer virus or related problem, or cessation of the operation of the Service Provider or the arrangement between TowneBank and the Service Provider, prevent or delay the transaction, despite reasonable precautions that we have taken.
- If your funds are being held or frozen or are subject to legal proceedings.
- If the funds in the Deposit Account are unavailable (funds are only conditionally credited until they become available for withdrawal).
- If your password, personal identification number, or other similar Security Procedure or portion of a Security Procedure, has been reported lost or stolen or if we have any other reason to believe that a transaction may be erroneous or unauthorized.
- If the Deposit Account has been closed.
- If we do not receive the necessary transfer information from you or any third party, or if such information is incomplete or erroneous when received by us.

There may be other exceptions stated in this or any other applicable agreement that we may have with you.

(B) Limits on TowneBank's Liability. Our liability for transactions made to or from Deposit Accounts may also be governed by other Sections of this Agreement. If any provision herein is inconsistent with any provision of applicable law that cannot be varied or waived by agreement, the provisions of applicable law shall control. To the fullest extent permitted by applicable law, you agree that we will have no liability whatsoever for any loss, damage, or claim arising out of any delay or failure in the performance of any Service in accordance with the terms of this Agreement. Our duties and responsibilities to you are strictly limited to those described in this Agreement, except with respect to any provisions of the law that cannot be varied or waived by agreement. In no event will TowneBank be liable for any consequential, special, or punitive damages or for any indirect loss that you may incur or suffer in connection with any Service (even if TowneBank has been informed of the possibility of such damages), including, without limitation, attorneys' fees. The Service Provider is an independent contractor and not TowneBank's agent. TowneBank's sole duty shall be to exercise reasonable care in the initial selection of the Service Provider. YOU ACKNOWLEDGE THAT NO EXPRESS OR IMPLIED WARRANTY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS OR A PARTICULAR PURPOSE,

IS MADE BY TOWNEBANK WITH RESPECT TO ANY OPERATING SYSTEM, INCLUDING WITHOUT LIMITATION THE TOWNEBANK ONLINE BANKING SERVICE OR ANY SOFTWARE, AND TOWNEBANK HEREBY DISCLAIMS ALL SUCH WARRANTIES. The only warranties are those provided by the licensor of any related software and set forth on the related software package. TowneBank shall be excused from any failure or delay in executing a bank transfer or bill payment, if such execution would result in the violation of any applicable state or federal law, rule, regulation or guideline. To the fullest extent permitted by applicable law, you agree that TowneBank shall not have any liability whatsoever for any loss caused by the act, error, or omission of you or any other person, including, without limitation, the Service Provider, any Internet access service provider, any federal reserve bank or transmission or communications facility or any intermediary or receiving financial institution, and no such person shall be deemed TowneBank's agent.

(C) Your Liability for Unauthorized or Erroneous Transactions as governed by Regulation E.

Consumer Customers:

Tell us AT ONCE if you believe your code/password or other means of access to your Accounts used in connection with a Security Procedure has been lost or stolen, or if you believe that an electronic fund transfer, including transactions initiated through this Service, has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your accounts (plus your maximum overdraft line of credit). If you tell us within 2 business days, you can lose no more than \$50 if someone used your code without your permission. (If you believe your code has been lost or stolen, and you tell us within 2 business days after you learn of the loss or theft, you can lose no more than \$50 if someone used your code without your permission.)

If you do NOT tell us within 2 business days after you learn of the loss or theft of your code, and we can prove we could have stopped someone from using your code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

If you believe your code has been lost or stolen, call 888-638-6718 or write EFT Department at TOWNEBANK, P.O. Box 2818, Norfolk, Virginia 23501-2818. You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission.

Business Customers:

To the fullest extent permitted by applicable law, and except as otherwise set forth in this Agreement, you agree to be responsible for all unauthorized or erroneous transactions initiated through any Service. You have the obligation to notify TowneBank immediately if any PIN, user ID, or any other element of a Security Procedure has been lost, stolen, or otherwise compromised, or if someone has transferred funds from your Account through a TowneBank Service without your permission (or is contemplating doing so). You agree to notify us of any error, unauthorized transaction or any other discrepancy within fourteen (14) calendar days from the date we first notify you of the transaction whether by confirmation, debit advice, periodic statement, or other means. If you fail to notify us within that period, you will be precluded from asserting the error, unauthorized transfer, or discrepancy against us.

(D) Error Resolution Notice (Consumer Customers Only).

In case of errors or questions about your electronic transfers, telephone us at 888-638-6718, send us a secure message using this Service or write us at TOWNEBANK, P.O. Box 2818, Norfolk, Virginia 23501-

2818 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

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

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

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

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

4. FEES AND CHARGES; OTHER OBLIGATIONS.

In consideration of our making the Services available to you, you agree to pay, and you authorize us to automatically debit to the Billing Account periodically, for the fees and charges set forth in the related fee schedule attached to this Agreement, or as otherwise set forth in our schedules of fees and charges as from time to time in effect (as applicable, our "Fee Schedule"). You will be solely responsible for all tariffs, duties, or taxes imposed by any government or governmental agency in connection with any transaction made pursuant to this Agreement or any Service Agreement and for all telephone charges, Internet access service charges, tools tariffs, and other costs for online sessions initiated by you. There may be other costs and charges associated with the Accounts. To the fullest extent permitted by applicable law, you authorize us to obtain payment of your obligations to us under this Agreement from time to time by (a) initiating debit or credit transfers to any of the Accounts or (b) deducting the payment from the amount of any transaction. Such obligations include, without limitation, fees owed to us and settlement for transactions initiated through any Service. At the time any Account is closed (whether by you, by us, or otherwise) or any Service is terminated (whether by you, by us, or otherwise), you agree that all such obligations will be immediately due and payable to us, and you authorize us to withhold the amount of any such obligations from any Account. Debiting an Account or deducting payment from the amount of any transaction is not TowneBank's exclusive remedy under this or any other section of this Agreement, and TowneBank will not be deemed to have made an election of remedies by making any such debit or deduction on any one or more occasions.

5. MISCELLANEOUS.

(A) Disclosure of Deposit Account Information to Third Parties. You agree that we may from time to time disclose to third parties information about your Accounts or the transactions that you make through the Services in accordance with the following conditions. We will disclose information to third parties about your Accounts or the transactions you make:

- Where it is necessary for completing transactions or providing any other Service; or
- In order to verify the existence and condition of any Account for a third party, such as a credit bureau or merchant; or
- In order to comply with government agency or court orders; or
- If you give us your written permission.

(B) Other Agreements; Severability; Governing Law. The terms and conditions of this Agreement are cumulative with and in addition to any terms of all related Account Documents, all as may be amended from time to time. In the event of any conflict between this Agreement and the content of any software or any related materials regarding TowneBank's obligations to you, the terms of this Agreement will control. If any provision of this Agreement is unlawful or unenforceable, each such provision or writing will be without force and effect without thereby affecting any other provision hereof. This Agreement will be governed by the substantive laws of the United States, applicable federal regulations, and to the extent not inconsistent therewith, the laws of the state where our offices holding the account(s) are located, without regard to such state's rules regarding conflict of laws.

(C) Amendments. We may amend this Agreement from time to time. Each amendment will be effected by our mailing or otherwise delivering the amendment, revised agreement and/or notice thereof to you in accordance with applicable federal and state laws. If no federal or state law specifically governs the amendment, the amendment shall be effected by mailing or otherwise delivering it to you or posting it on our public website 10 calendar days prior to the effective date of the amendment. Notwithstanding the foregoing and to the extent permitted by applicable law, we may change any term of this Agreement without prior notice or obligation to you: (a) if the related software or the Service Provider changes any term without providing us sufficient notice to enable us to properly notify you; (b) for security reasons; (c) to comply with applicable law; or (d) as otherwise expressly provided in this Agreement.

(D) Termination. You agree that we may cancel or restrict your use of any Service at any time upon such notice (including e-mail) as is reasonable under the circumstances. You may cancel any Service by written request to TowneBank at any time. Further, TowneBank reserves the right to cancel online banking Services for those who have not accessed their account online for a period of more than twelve (12) months.

(E) Assignment. You may not assign all or any part of your rights or obligations under this Agreement or any Service without our prior express consent, which may be withheld in our sole discretion. We may assign or delegate all or any part of our rights or obligations under this Agreement or any Service, including, without limitation, the performance of our obligations set forth herein. This Agreement will be binding on and inure to the benefit of the successors and assigns of either party.

(F) No Third-Party Beneficiaries. This Agreement is for the benefit of you and TowneBank and is not intended to grant, and shall not be construed as granting, any rights to or otherwise benefiting any other person, except as expressly otherwise provided in this Agreement.

(G) CHOICE OF FORUM AND JURY TRIAL WAIVER. In the event any litigation is instituted to enforce or interpret the terms of this Agreement, you agree that the exclusive forum therefore shall be the Circuit Court of Portsmouth, Virginia. In the event that TowneBank is the prevailing party, TowneBank shall be entitled to reimbursement for all reasonable attorneys' fees and costs incurred including, but not limited to, those incurred incident to any appeal. YOU AND TOWNEBANK HEREBY WAIVE THE RIGHT TO TRIAL BY JURY OF ALL DISPUTES, CONTROVERSIES AND CLAIMS BY, BETWEEN OR AGAINST EITHER YOU OR TOWNEBANK WHETHER THE DISPUTE, CONTROVERSY OR CLAIM IS SUBMITTED TO ARBITRATION OR IS DECIDED BY A COURT.

(H) Confidentiality. You hereby authorize the transfer of any information relating to you to and between the branches, subsidiaries, affiliates and agents of TowneBank and third parties selected by any of them, wherever situated, for confidential use in connection with the Services and the transactions thereunder. You acknowledge that any such branch, subsidiary, affiliate, agent or third party shall be entitled to transfer any such information as required by any law, court, regulator or legal process. You agree to keep confidential the Security Procedure and other TowneBank information provided to you in connection with this Agreement (except TowneBank information in the public domain).

(I) Ownership of Online Banking Service Materials. The content and information on our website is the property of TowneBank. It should not be duplicated or copied by any means. By enrolling in TowneBank's online banking Service, you agree to abide by all of the conditions set forth by TowneBank.

Schedule A TowneBank Security Procedures and Confidentiality Terms for Online Banking Service

1. BROWSER SECURITY. TowneBank online banking service transmits data using SSL (Secure Socket Layer) technology that supports 128-bit key encryption. It is important to verify that a secure connection between your browser using 128-bit key encryption and the TowneBank online banking server has been established before transmitting any confidential account information over the Internet.

2. LINKS. Links to non-TowneBank websites contained in this site are offered only as pointers to sources of information on subjects that may be of interest to users of the TowneBank website, and TowneBank is not responsible for the content of such sites as we have no control over what is displayed there. TowneBank does not guarantee the authenticity of documents at such sites, and links to non-TowneBank sites do not imply any endorsement of or responsibility for the ideas, opinions, information, products, or services offered at such sites. Use of links to any non-TowneBank site is solely at the user's own risk.

3. HARDWARE AND SOFTWARE REQUIREMENTS. To be able to use the TowneBank online banking service, you must provide a computer with a modem, router or other Internet connectivity hardware, and related equipment (collectively, the "Hardware") and Internet web browser software (the "Software"). You also must provide the type of communication service (dial-up, broadband, satellite or etc.) and Internet access service required by the Hardware and/or the Software. Once the Hardware has been properly connected to the communication service, and any required Internet access has been established, you will be able to access the TowneBank online services through the online banking service provider (the "Service Provider") that will act as an interface between you and TowneBank. You are and will remain solely responsible for the purchase, hook-up, installation, loading, operation, security and maintenance of the Hardware, the Software, the telephone service, and the Internet access service (if applicable) to your Hardware, and for all related costs. You are solely responsible for scanning the Hardware and the Software for computer malware (viruses, Trojans, key-loggers, etc.) and other related problems before you use them to make a connection to TowneBank.

4. CONFIDENTIALITY AND PROTECTION OF PERSONAL IDENTIFICATION NUMBER. All TowneBank online banking transactions or inquiries must be initiated by use of your TowneBank online banking customer identification number ("User ID") and personal identification number (the "password"). When enrolling in Service, you will select a User ID and password. You may, and should, change your password from time to time, as provided in the Software. It is recommended that you do not use your social security number or other codes that may be easy for others to determine as your password. No TowneBank employee will ever ask for your password, nor should you provide it to anyone unless you intend to allow that person access to your accounts. **YOU AGREE TO KEEP YOUR PASSWORD CONFIDENTIAL. USE OF THE PASSWORD BY YOU OR BY ANY OTHER PERSON WITH YOUR AUTHORIZATION WILL BE CONSIDERED THE SAME AS YOUR WRITTEN SIGNATURE AUTHORIZING US TO COMPLETE ANY TRANSACTION OR REQUEST COMMUNICATED THROUGH TOWNEBANK ONLINE BANKING.** You agree that any TowneBank online banking transaction or request initiated by use of the password will be subject to and governed by this Agreement.

4.1 Member logins require a User ID and password. A private password is chosen when enrolling in the Service. TowneBank personnel cannot see a private password that has been set by the customer. In addition to the use of a User ID and password, you must enroll each computer or device on which you plan to access Accounts using the Services with us, by receiving a one-time passcode. A browser-based secure cookie having an individualized credential will be stored in your computer, providing a further end user authentication "factor".

4.2 **Sharing of your account credentials is strongly discouraged by TowneBank** If you authorize another person to use your password, that person can use TowneBank online banking to view any information or initiate any transaction on any of the Accounts to the same extent as you, including viewing information or initiating transactions on accounts to which that person does not otherwise have access.

4.3 You should always exit TowneBank online banking after you finish viewing your Accounts. Never leave your computer unattended while accessing the TowneBank online banking service. If you should, a

third party may be able to access your Accounts from your terminal, without ever needing to use your password.

4.4 To guard against unauthorized access to your online banking account, TowneBank may block access to your account after a certain number of invalid login attempts. Also, the access to your online account may be blocked after a certain period of inactivity. You will need to contact TowneBank's Electronic Banking Department to regain access to your online banking account

4.5 If, when logging into your account, you encounter a message that the system is unavailable, or if you detect a dramatic loss of speed, or changes in the way online banking appears, or the computer locks up, you have unexpected restarting/rebooting, unexpected requests for a one-time password (or token) in the middle of an online banking session, unusual pop-ups, new or unexpected toolbars and/or icons, or the inability to shut down or restart your computer, contact TowneBank immediately by calling us at (757) 638-6714.

4.6 Whenever practicable, a workstation used for online banking should not be used for general web browsing, e-mailing, and social networking. You should install/use and maintain e-mail spam filters. You should install and maintain real-time anti-virus, anti-spyware, anti-malware detection and removal software and hardware or software firewalls. (Your anti-virus software should alert you to potential viruses. If you receive a warning message, contact an IT professional immediately.) If you are connected to a network, hardware routers and firewalls (with Network Address Translation or NAT) should be deployed to prevent unauthorized access to your computer or network. Default passwords should always be changed frequently on networking devices. You should install security updates to operating systems and all applications, as they become available. These updates may appear as weekly, monthly, or even daily for zero-day attacks. You should block pop-up messages within your web browser software. Whenever practicable, simple configuration settings like enabling Data Execution Prevention (DEP) within the Microsoft Operating System, disabling auto run commands, and disabling JavaScript in Adobe Reader is recommended to protect against current and new malware for which security patches may not be available. You should also encrypt sensitive folders with the operating system's native encryption capabilities or more preferably, use a whole-disk encryption solution for laptops and desktops. Do not use public Internet access points (e.g., Internet cafes, public wi-fi hotspots, such as airports) to access accounts or personal information.

Schedule B

TowneBank Fees and Charges for Online Banking Service

Quicken®/QuickBooks Direct Connect with one step Update

First 3 months free for new accounts, refer to Fee Schedule for current monthly service charge

TERMS AND CONDITIONS OF THE BILL PAYMENT SERVICE

SERVICE DEFINITIONS

"Service" means the Bill Payment Service offered by TowneBank, through CheckFree Services Corporation.

"Agreement" means these Terms and Conditions of the bill payment service.

"Payee" is the person or entity to which you wish a bill payment to be directed or is the person or entity from which you receive electronic bills, as the case may be.

"Payment Instruction" is the information provided by you to the Service for a bill payment to be made to the Payee (such as, but not limited to, Payee name, Payee account number, and Scheduled Payment Date).

"Payment Account" is the checking account from which bill payments will be debited.

"Billing Account" is the checking account from which all Service fees will be automatically debited.

"Business Day" is every Monday through Friday, excluding Federal Reserve holidays.

"Scheduled Payment Date" is the day you want your Payee to receive your bill payment and is also the target date your Payment Account will be debited, unless the Scheduled Payment Date falls on a non-Business Day in which case it will be considered to be the previous Business Day.

"Due Date" is the date reflected on your Payee statement for which the payment is due. It is not the late date or grace period.

"Scheduled Payment" is a payment that has been scheduled through the Service but has not begun processing.

PAYMENT SCHEDULING

Transactions begin processing four (4) Business Days prior to your Scheduled Payment Date. Therefore, the application will not permit you to select a Scheduled Payment Date less than four (4) Business Days from the current date. When scheduling payments you must select a Scheduled Payment Date that is no later than the actual Due Date reflected on your Payee statement unless the Due Date falls on a non-Business Day. If the actual Due Date falls on a non-Business Day, you must select a Scheduled Payment Date that is at least one (1) Business Day before the actual Due Date. Scheduled Payment Dates should be prior to any late date or grace period.

THE SERVICE GUARANTEE

Due to circumstances beyond the control of the Service, particularly delays in handling and posting payments by Payees or financial institutions, some transactions may take longer to be credited to your account. The Service will bear responsibility for any late payment related charges up to \$50.00 should a payment post after its Due Date as long as the payment was scheduled in accordance with the guidelines described under "Payment Scheduling" in this Agreement.

PAYMENT AUTHORIZATION AND PAYMENT REMITTANCE

By providing the Service with names and account information of Payees to whom you wish to direct payments, you authorize the Service to follow the Payment Instructions that it receives through the payment system. In order to process payments more efficiently and effectively, the Service may edit or alter payment data or data formats in accordance with Payee directives.

When the Service receives a Payment Instruction, you authorize the Service to debit your Payment Account and remit funds on your behalf so that the funds arrive as close as reasonably possible to the Scheduled Payment Date designated by you. You also authorize the Service to credit your Payment Account for payments returned to the Service by the United States Postal Service or Payee, or payments remitted to you on behalf of another authorized user of the Service. As with any check payment, you should have funds available for the payment as there may be times that a payment could clear ahead of the targeted payment date.

The Service will use its best efforts to make all your payments properly. However, the Service shall incur no liability and any Service Guarantee shall be void if the Service is unable to complete any payments initiated by you because of the existence of any one or more of the following circumstances:

1. If, through no fault of the Service, your Payment Account does not contain sufficient funds to complete the transaction or the transaction would exceed the credit limit of your overdraft account;
2. The payment processing center is not working properly and you know or have been advised by the Service about the malfunction before you execute the transaction;
3. You have not provided the Service with the correct Payment Account information, or the correct name, address, telephone number, or account information for the Payee; and/or,
4. Circumstances beyond control of the Service (such as, but not limited to, fire, flood, or interference from an outside force) prevent the proper execution of the transaction and the Service has taken reasonable precautions to avoid those circumstances.

Provided none of the foregoing exceptions are applicable, if the Service causes an incorrect amount of funds to be removed from your Payment Account or causes funds from your Payment Account to be directed to a Payee which does not comply with your Payment Instructions, the Service shall be responsible for returning the improperly transferred funds to your Payment Account, and for directing to

the proper Payee any previously misdirected transactions, and, if applicable, for any late payment related charges.

PAYMENT METHODS

The Service reserves the right to select the method in which to remit funds on your behalf to your Payee. These payment methods may include, but may not be limited to, an electronic payment, an electronic to check payment, or a laser draft payment.

PAYMENT CANCELLATION REQUESTS

You may cancel or edit any Scheduled Payment (including recurring payments) by following the directions within the application. There is no charge for canceling or editing a Scheduled Payment. Once the Service has begun processing a payment, however, it may not be possible to cancel or edit it. In some instances, you may be able to submit a stop payment request through online banking or to your banking officer for processing.

STOP PAYMENT REQUESTS

The Service's ability to process a stop payment request will depend on the payment method and whether or not a check has cleared. The Service may also not have a reasonable opportunity to act on any stop payment request after a payment has been processed. If you desire to stop any payment that has already been processed, you must contact Customer Service. Although the Service will make every effort to accommodate your request, the Service will have no liability for failing to do so. The Service may also require you to present your request in writing within fourteen (14) days. The charge for each stop payment request will be the current charge for such service as set out in the applicable fee schedule.

PROHIBITED PAYMENTS

Payments to Payees outside of the United States or its territories are prohibited through the Service.

EXCEPTION PAYMENTS

Tax payments and court ordered payments may be scheduled through the Service, however such payments are discouraged and must be scheduled at your own risk. In no event shall the Service be liable for any claims or damages resulting from your scheduling of these types of payments. The Service Guarantee as it applies to any late payment related changes is void when these types of payments are scheduled and/or processed by the Service. The Service has no obligation to research or resolve any claim resulting from an exception payment. All research and resolution for any misapplied, mis-posted or misdirected payments will be the sole responsibility of you and not of the Service.

BILL DELIVERY AND PRESENTMENT

This feature is for the presentment of electronic bills only and it is your sole responsibility to contact your Payees directly if you do not receive your statements. In addition, if you elect to activate one of the Service's electronic bill options, you also agree to the following:

Information provided to the Payee - The Service is unable to update or change your personal information such as, but not limited to, name, address, telephone numbers and e-mail addresses, with the electronic Payee. Any changes will need to be made by contacting the Payee directly. Additionally it is your responsibility to maintain all usernames and passwords for all electronic Payee sites. You also agree not to use someone else's information to gain unauthorized access to another person's bill.

Activation - Upon activation of the electronic bill feature the Service may notify the Payee of your request to receive electronic billing information. The presentment of your first electronic bill may vary from Payee to Payee and may take up to sixty (60) days, depending on the billing cycle of each Payee. Additionally, the ability to receive a paper copy of your statement(s) is at the sole discretion of the Payee. While your electronic bill feature is being activated it is your responsibility to keep your accounts current. Each electronic Payee reserves the right to accept or deny your request to receive electronic bills.

Notification - The Service will use its best efforts to present all of your electronic bills promptly. In addition to notification within the Service, the Service may send an e-mail notification to the e-mail address listed for your account. It is your sole responsibility to ensure that this information is accurate. In the event you do not receive notification, it is your responsibility to periodically logon to the Service and check on the

delivery of new electronic bills. The time for notification may vary from Payee to Payee. You are responsible for ensuring timely payment of all bills.

Cancellation of electronic bill notification - The electronic Payee reserves the right to cancel the presentment of electronic bills at any time. You may cancel electronic bill presentment at any time. The timeframe for cancellation of your electronic bill presentment may vary from Payee to Payee. It may take up to sixty (60) days, depending on the billing cycle of each Payee. The Service will notify your electronic Payee(s) as to the change in status of your account and it is your sole responsibility to make arrangements for an alternative form of bill delivery. The Service will not be responsible for presenting any electronic bills that are already in process at the time of cancellation.

Non-Delivery of electronic bill(s) - You agree to hold the Service harmless should the Payee fail to deliver your statement(s). You are responsible for ensuring timely payment of all bills. Copies of previously delivered bills must be requested from the Payee directly.

Accuracy and dispute of electronic bill - The Service is not responsible for the accuracy of your electronic bill(s). The Service is only responsible for presenting the information we receive from the Payee. Any discrepancies or disputes regarding the accuracy of your electronic bill summary or detail must be addressed with the Payee directly.

This Agreement does not alter your liability or obligations that currently exist between you and your Payees.

EXCLUSIONS OF WARRANTIES

THE SERVICE AND RELATED DOCUMENTATION ARE PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

PASSWORD AND SECURITY

You agree not to give or make available your password or other means to access your account to any unauthorized individuals. You are responsible for all payments you authorize using the Service. If you permit other persons to use the Service or your password or other means to access your account, you are responsible for any transactions they authorize. If you believe that your password or other means to access your account has been lost or stolen or that someone may attempt to use the Service without your consent or has transferred money without your permission, you must notify the Service at once by calling 1-877-424-2285 during customer service hours.

YOUR LIABILITY FOR UNAUTHORIZED TRANSFERS

If you tell us within two (2) Business Days after you discover your password or other means to access your account has been lost or stolen, your liability is no more than \$50.00 should someone access your account without your permission. If you do not tell us within two (2) Business Days after you learn of such loss or theft, and we can prove that we could have prevented the unauthorized use of your password or other means to access your account if you had told us, you could be liable for as much as \$500.00. If your monthly financial institution statement contains transfers that you did not authorize, you must tell us at once. If you do not tell us within sixty (60) days after the statement was sent to you, you may lose any amount transferred without your authorization after the sixty (60) days if we can prove that we could have stopped someone from taking the money had you told us in time. If a good reason (such as a long trip or a hospital stay) prevented you from telling us, we may extend the period.

ERRORS AND QUESTIONS

In case of errors or questions about your transactions, you should as soon as possible notify us via one of the following:

1. Telephone us at 1-877-424-2285 during customer service hours;
2. Contact us by using the application's e-messaging feature; and/or,
3. Write us at:

TowneBank
PO 182477
Columbus, OH 43218-2477

If you think your statement is incorrect or you need more information about a Service transaction listed on the statement, we must hear from you no later than sixty (60) days after the FIRST statement was sent to you on which the problem or error appears. You must:

1. Tell us your name and Service account number;
2. Describe the error or the transaction in question, and explain as clearly as possible why you believe it is an error or why you need more information; and,
3. Tell us the dollar amount of the suspected error.

If you tell us verbally, we may require that you send your complaint in writing within ten (10) Business Days after your verbal notification. We will tell you the results of our investigation within ten (10) Business Days after we hear from you, and will correct any error promptly. However, if we require more time to confirm the nature of your complaint or question, we reserve the right to take up to forty-five (45) days to complete our investigation. If we decide to do this, we will provisionally credit your Payment Account within ten (10) Business Days for the amount you think is in error. If we ask you to submit your complaint or question in writing and we do not receive it within ten (10) Business Days, we may not provisionally credit your Payment Account. If it is determined there was no error we will mail you a written explanation within three (3) Business Days after completion of our investigation. You may ask for copies of documents used in our investigation. The Service may revoke any provisional credit provided to you if we find an error did not occur.

DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES

It is our general policy to treat your account information as confidential. However, we will disclose information to third parties about your account or the transactions you make ONLY in the following situations:

1. Where it is necessary for completing transactions;
2. Where it is necessary for activating additional services;
3. In order to verify the existence and condition of your account to a third party, such as a credit bureau or Payee;
4. To a consumer reporting agency for research purposes only;
5. In order to comply with a governmental agency or court orders; or,
6. If you give us your written permission.

SERVICE FEES AND ADDITIONAL CHARGES

Any applicable fees will be charged regardless of whether the Service was used during the billing cycle. There may be a charge for additional transactions and other optional services. You agree to pay such charges and authorize the Service to deduct the calculated amount from your designated Billing Account for these amounts and any additional charges that may be incurred by you. Any financial fees associated with your standard deposit accounts will continue to apply. You are responsible for any and all telephone access fees and/or Internet service fees that may be assessed by your telephone and/or Internet service provider.

FAILED OR RETURNED TRANSACTIONS

In using the Service, you are requesting the Service to make payments for you from your Payment Account. If we are unable to complete the transaction for any reason associated with your Payment Account (for example, there are insufficient funds in your Payment Account to cover the transaction), the transaction will not be completed. In some instances, you will receive a return notice from the Service. In such case, you agree that:

1. You will reimburse the Service immediately upon demand the transaction amount that has been returned to the Service;
2. For any amount not reimbursed to the Service within fifteen (15) days of the initial notification, a late charge equal to 1.5% monthly interest or the legal maximum, whichever rate is lower, for any unpaid amounts may be imposed;
3. You will reimburse the Service for any fees imposed by your financial institution as a result of the return;
4. You will reimburse the Service for any fees it incurs in attempting to collect the amount of the return from you; and,
5. The Service is authorized to report the facts concerning the return to any credit reporting agency.

ALTERATIONS AND AMENDMENTS

This Agreement, applicable fees and service charges may be altered or amended by the Service from time to time. In such event, the Service shall provide notice to you. Any use of the Service after the Service provides you a notice of change will constitute your agreement to such change(s). Further, the Service may, from time to time, revise or update the applications, services, and/or related material, which may render all such prior versions obsolete. Consequently, the Service reserves the right to terminate this Agreement as to all such prior versions of the applications, services, and/or related material and limit access to only the Service's more recent revisions and updates.

ADDRESS OR BANKING CHANGES

It is your sole responsibility to ensure that the contact information in your user profile is current and accurate. This includes, but is not limited to, name, address, telephone numbers and email addresses. Changes can be made either within the application or by contacting Customer Service. Any changes in your Payment Account should also be made in accordance with the procedures outlined within the application's Help files. All changes made are effective immediately for scheduled and future payments paid from the updated Payment Account information. The Service is not responsible for any payment processing errors or fees incurred if you do not provide accurate Payment Account or contact information.

SERVICE TERMINATION, CANCELLATION, OR SUSPENSION

In the event you wish to cancel the Service, you may have the ability to do so through the product, or you may contact customer service via one of the following:

1. Telephone us at 1-757-638-6700 during customer service hours; and/or
2. Write us at:

TowneBank
PO 182477
Columbus, OH 43218-2477

Any payment(s) the Service has already processed before the requested cancellation date will be completed by the Service. All Scheduled Payments including recurring payments will not be processed once the Service is cancelled. The Service may terminate or suspend Service to you at any time. Neither termination nor suspension shall affect your liability or obligations under this Agreement.

PAYEE LIMITATION

The Service reserves the right to refuse to pay any Payee to whom you may direct a payment. The Service will notify you promptly if it decides to refuse to pay a Payee designated by you. This notification is not required if you attempt to make a prohibited payment or an exception payment under this Agreement.

RETURNED PAYMENTS

In using the Service, you understand that Payees and/or the United States Postal Service may return payments to the Service for various reasons such as, but not limited to, Payee's forwarding address expired; Payee account number is not valid; Payee is unable to locate account; or Payee account is paid in full. The Service will use its best efforts to research and correct the returned payment and return it to your Payee, or void the payment and credit your Payment Account. You may receive notification from the Service.

INFORMATION AUTHORIZATION

Your enrollment in the Service may not be fulfilled if the Service cannot verify your identity or other necessary information. Through your enrollment in the Service, you agree that the Service reserves the right to request a review of your credit rating at its own expense through an authorized bureau. In addition, you agree that the Service reserves the right to obtain financial information regarding your account from a Payee or your financial institution (for example, to resolve payment posting problems or for verification).

DISPUTES

In the event of a dispute regarding the Service, you and the Service agree to resolve the dispute by looking to this Agreement. You agree that this Agreement is the complete and exclusive statement of the agreement between you and the Service which supersedes any proposal or prior agreement, oral or written, and any other communications between you and the Service relating to the subject matter of this Agreement. If there is a conflict between what an employee of the Service or Customer Service Department says and the terms of this Agreement, the terms of this Agreement will prevail.

ASSIGNMENT

You may not assign this Agreement to any other party. The Service may assign this Agreement to any future, directly or indirectly, affiliated company. The Service may also assign or delegate certain of its rights and responsibilities under this Agreement to independent contractors or other third parties.

NO WAIVER The Service shall not be deemed to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Service. No delay or omission on the part of the Service in exercising any rights or remedies shall operate as a waiver of such rights or remedies or any other rights or remedies. A waiver on any one occasion shall not be construed as a bar or waiver of any rights or remedies on future occasions.

CAPTIONS

The captions of sections hereof are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia, without regard to its conflicts of laws provisions.

THE FOREGOING SHALL CONSTITUTE THE SERVICE'S ENTIRE LIABILITY AND YOUR EXCLUSIVE REMEDY. IN NO EVENT SHALL THE SERVICE BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES, INCLUDING LOST PROFITS (EVEN IF ADVISED OF THE POSSIBILITY THEREOF) ARISING IN ANY WAY OUT OF THE INSTALLATION, USE, OR MAINTENANCE OF THE EQUIPMENT, SOFTWARE, AND/OR THE SERVICE.