

Nantahala Bank & Trust Company eStatements Disclosure

Electronic Delivery of Statements

By completing the consent agreement you agree to permit Nantahala Bank & Trust Co. ("The Bank") to make disclosures and provide notices to you in electronic form, instead of providing such notices and disclosures in written form.

Your consent and agreement shall relate to all forms of disclosures and notices required under applicable law as a result of the various agreements between you and the Bank and shall remain valid until such time as you exercise your right to revoke this consent. You elect and authorize us, at our discretion, to electronically deliver your account statement(s) and notices that we are required to provide you under applicable Federal and State statutes and their implementing regulations, as amended from time to time.

Other Federal and State laws and regulations ("laws") may be enacted or amended in the future to provide for electronic delivery of account statements and notices. Your election also authorizes us, at our discretion, to provide electronic delivery of such statements and notices pursuant to these laws after they become effective.

Terms and Conditions of Your Electronic Statement Agreement

By entering into this Agreement, you accept all the terms and conditions contained in the agreement. Please read it carefully.

The terms and conditions of your Account Agreement and Disclosure for each of your bank accounts as well as your other agreements with the Bank such as loans continue to apply notwithstanding anything to the contrary in this Agreement.

This Agreement is also subject to applicable federal laws and the laws of the State of North Carolina. If any provision of this Agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. The headings in this Agreement are for convenience or reference only and will not govern the interpretation of the provisions. Any waiver (express or implied) by either party of any default or breach of this Agreement must be in writing and shall not constitute a waiver of any other or subsequent default or breach. You may not assign this Agreement. This Agreement is binding upon your heirs and the Bank's successors and assigns. Certain of the obligations of the parties pursuant to this Agreement that by their nature would continue beyond the termination, cancellation or expiration of this Agreement shall survive termination, cancellation or expiration of this Agreement.

Definitions

"We", "Our", "Us" or "The Bank" means Nantahala Bank & Trust Co.

"You" and "your" refer to the account owner(s) authorized by the Bank to receive eStatements under this Agreement.

Nantahala Bank & Trust Company eStatements Disclosure

"Account" or "accounts" means your accounts at the Bank.

"Business days" means any calendar day other than Saturday, Sunday, or any holidays recognized by the Bank.

Consent to Electronic Delivery of Account Statements

You have the right to receive monthly, printed Account statements mailed to your mailing address of record. By entering into this Agreement, you understand that the Bank will cease providing you with printed statements in the mail, and that all future account statements will be maintained on a website that you may access to obtain, review, print and otherwise copy/download your periodic statements. Each month we will send a notice to you advising you of the availability of your eStatement. You may then access your statement via a link to our website using the procedures we authorize. You agree to notify us immediately, in person, via telephone or via U.S. Mail, of any change in your e-mail address. For your protection and for security purposes, we will not accept any change of e-mail address notices via e-mail.

You understand that if you decide in the future that you would like to receive printed statements in the mail instead of receiving eStatements electronically, you agree to notify the Bank in person, via telephone, or via U.S. Mail. Our telephone number and postal mail address are listed in the section entitled "Communications between the Bank and You."

Security

You understand the importance of your role in preventing misuse of your accounts and you agree to promptly examine your eStatement for each of your Nantahala Bank & Trust Co. accounts as soon as you receive/access it. You agree to protect the confidentiality of your account and account number, and your user ID and password. You understand that your user ID and password by itself or together with information related to your account, may allow unauthorized access to your account. Data transferred via eStatement is not encrypted. You acknowledge that the Internet is inherently insecure and that all data transfers, including electronic mail, occur openly on the Internet and potentially can be monitored and read by others. We cannot and do not warrant that all data transfers utilizing the Internet, or e-mail transmitted to and from us, will not be monitored or read by others.

Password Security. For security reasons, we will require the use of an individualized password to gain access to your Nantahala Bank & Trust Co. statements. If you are prevented access due to incorrect password, please contact a member of the Operations Department at 828-369-2265.

Your logon password is confidential information that should be known only by you. Nantahala Bank & Trust Co. will not, for any reason, ask for your logon password. If anyone contacts you and requests this information, contact us immediately. You are responsible for keeping your logon password confidential.

Nantahala Bank & Trust Company eStatements Disclosure

Periodic Statements

By enrolling to receive eStatements, you will not receive a separate printed and mailed statement.

Your eStatement will be dated the day of the e-mail notifying you of the availability of your eStatement (the "E-mail Date"). You must promptly access/review your eStatement and any accompanying items and notify us in writing within the applicable time period specified in your Account Agreement and Disclosure of any error, unauthorized signature, lack of signature, alteration or other irregularity. If you allow someone else to access/review your statement, you are still fully responsible to access/review the statement for any errors, unauthorized signatures, lack of signatures, alterations, or other irregularities. Any applicable time periods within which you must notify us of any errors on your account statement(s) shall begin on the E-mail Date regardless of when you receive and/or open the eStatement.

If you need to obtain a printed copy of a statement that has not been mailed to you because you have enrolled to receive eStatements instead, please call a member of the Operations Department at 828-369-2265. A fee will be charged for this service.

Change in Terms

We may change any term of this Agreement at any time. If the change would result in increased fees for any bank service, or increased liability for you, we agree to give you notice at least 30 days before the effective date of any such change, unless an immediate change is necessary to maintain the security of an account or our electronic fund transfer system. We will provide any required notice of the change in terms to you by e-mail or by postal mail. If advance notice of the change is not required, and disclosure does not jeopardize the security of the account or our electronic fund transfer system, we will notify you of the change in terms within 30 days after the change becomes effective. If there is more than one party to the account, notice to any one-account owner will be effective for all. We reserve the right to waive, reduce or reverse charges or fees in individual situations. You acknowledge and agree that the applicable deposit agreements and disclosures govern changes to fees applicable to specific accounts.

Disclaimer of Warranty and Limitation of Liability

We make no warranty of any kind, express or implied, including any implied warranty of merchantability or fitness for a particular purpose, in connection with the eStatements provided to you under this Agreement. We do not and cannot warrant that eStatements will operate without error, or that eStatements will be available at all times. Except as specifically provided in this Agreement, or otherwise required by law, you agree that our officers, directors, employees, agents or contractors are not liable for any indirect, incidental, special or consequential damages under or by reason of any services or products provided under this Agreement or by reason of your use of eStatements, including loss of profits, revenue, data or use by you or any third party, whether in an action in contract or tort or based on a warranty or any other legal theory. Further, in no event shall the liability of the Bank and its affiliates exceed the amounts paid by you for the services provided to you through eStatements.

Nantahala Bank & Trust Company eStatements Disclosure

Communications between the Bank and You

Unless this Agreement provides otherwise, you can communicate with us in any one of the following ways:

- Telephone:** You can contact us by telephone at: 828-369-2265
- Facsimile:** You can send a fax to us at: 828-524-8621
- Postal Mail:** You can write to us at: 120 Siler Road,
Franklin, NC 28734

Consent to Electronic Delivery of Notices

You agree that any notice or other type of communication provided to you pursuant to the terms of this Agreement, and any future disclosures required by law, including electronic fund transfer disclosures, may be made electronically via e-mail, notice with instructions/links or via an e-mail with attached disclosures. You agree to notify us immediately of any change in your e-mail address.

We will send all notices, attachments and/or documents via e-mail to the last known e-mail address provided by you. You agree to notify us promptly in person, in writing (by letter sent via U.S. Mail), or by calling us at 828-369-2265 if you do not receive The Bank's emails or of any change of your e-mail address. For your protection and for security purposes, we will not accept any change of e-mail address notices via e-mail. If you have not notified us in writing of any change of your e-mail address, you agree that your failure to provide us with a good e-mail address is the lack of ordinary care on your part. If we become aware that you are not receiving e-mail, we will send all notices, attachments and/or documents to you via U.S. Mail to your last address known to us.

eStatement Procedures

You will receive an e-mail shortly after the end of each statement period (not all accounts generate monthly statements) with your eStatement. You may link to the Bank's eStatement site by clicking on the link in the e-mail. Clicking this link will take you to the Logon page for eStatements. You will need to enter your user ID and password to view your eStatement.

Hardware and Software Requirements

We recommend Internet Explorer 5.5 Service Pack 2 or higher but can support any browser with 128-bit encryption capabilities (i.e. Netscape 4.03 or higher). To access, download, and print eStatements, you need to have a personal computer with Internet and email access. You must also have Adobe Acrobat Reader 5.0 or higher. To download a free copy of Adobe Acrobat Reader, please go to <http://www.adobe.com>.

Nantahala Bank & Trust Company eStatements Disclosure

Consent to Electronic Delivery of Promotions

You agree that any promotion or other type of communication provided to you by The Bank may be made electronically via e-mail, unless you specify in the opt-out section below. The Bank will not sell or distribute your email address to anyone outside of the bank for any purpose other than for its own promotional activities. You agree to notify us immediately of any change in your e-mail address.

We will send all promotions, attachments and/or documents via e-mail to the last known e-mail address provided by you. You agree to notify us promptly in person, in writing (by letter sent via U.S. Mail), or by calling us at 828-369-2265 of any change of your e-mail address. For your protection and for security purposes, we will not accept any change of e-mail address notices via e-mail. If you have not notified us in writing of any change of your e-mail address, you agree that your failure to provide us with a good e-mail address is the lack of ordinary care on your part.

 Promotional Opt-Out: By initialing in the space provided, I am indicating that I do
Initials not wish to receive any promotional email from the Nantahala Bank & Trust Co.

Agreement and Consent

By my signature, I am agreeing to the content of this document and consent to its provisions.

Signature

Date

Printed Name

Email Address

List account number(s)

Please return this form with an original signature to: Nantahala Bank & Trust, Operations Department, 120 Siler Road, Franklin, NC 28734, or fax the signed document to: 828-524-8621.