

ONLINE Bill Pay Agreement and Disclosure Statement

This ONLINE Bill Pay Agreement and Disclosure (the "Agreement") is between Chesapeake Bank and each consumer who has applied for, been approved for and enrolled in ONLINE Bill Pay bill paying service via the Internet, and any person authorized by such consumer to use his ONLINE Bill Pay service. This agreement sets forth the terms and conditions, under which you may use ONLINE Bill Pay to pay or transfer funds from your Chesapeake Bank checking account to designated payees, based on your instruction to us via electronic means.

By completing an ONLINE Bill Pay application form and signing and returning to us the acknowledgment of ONLINE Bill Pay Terms and Conditions, you have agreed to be bound by the terms and conditions of this Agreement. This Agreement describes your and our rights, responsibilities and obligations with respect to ONLINE Bill Pay services and supplements the electronic funds transfer agreement(s) and disclosure(s) that you received previously when opening your Chesapeake Bank deposit account(s) and/or contracting for other types of electronic funds transfer access to those accounts.

In this Agreement, the words "you," "your" and "user" mean those who sign as applicants, are authorized user(s) of your designated checking account or have an interest therein; and each and every person who now or hereafter subscribes to or uses ONLINE Bill Pay . The words "we," "us" and "our" mean Chesapeake Bank and any agent, independent contractor, designee, or assignee that Chesapeake Bank may, in its sole discretion, involve in the provision of online banking services. The word "Payee" means an individual or business that you select in advance to receive one or more ONLINE Bill Pay payments. "Payment Date" means the scheduled date on which an ONLINE Bill Pay payment is initiated. Once electronic payment is initiated the funds are deducted from your designated account immediately. Other definitions appear within the text of this Agreement.

ELIGIBILITY

To access our ONLINE Bill Pay service, you must have a qualified checking account with us that you designate on your ONLINE Bill Pay application form and be enrolled in our ONLINE Banking service. If in the future you wish to designate an additional checking account for use with ONLINE Bill Pay , you must fill out a maintenance form listing the additional checking account(s). NOTE: Only a checking account may be used -- not a savings and/or money market account.

ACCESS

Once we receive your Bill Pay application, the checking account(s) you asked to use for Bill Pay is(are) activated. An Email is sent advising you the checking account(s) you asked to use for Bill Pay has(have) been activated and is(are) available to use. Simply log-in to your Online Banking account and select "Pay Bills". ONLINE Bill Pay is generally available for use via the Internet 24 hours a day, 7 days a week, except during maintenance periods. However, ONLINE Bill Pay payments will only be processed Monday through Friday at 2:00 AM CST and again 12:00 Noon CST. (Payments can be entered any day of the week.) We are not liable under this Agreement for failure to provide access due to a system failure or other unforeseen acts. We may modify, suspend or terminate access to ONLINE Bill Pay services at any time and for any reason without prior notice, unless notice is required by law.

ONLINE BILL PAY PAYMENTS

Using your ONLINE Banking ID number and Password you can access ONLINE Bill Pay and use the system to instruct us to make payments from your designated checking account(s) to your Payees. You must provide us with information that sufficiently identifies each of your Payees to enable us to properly direct your payment to the Payee and enable the Payee to identify you as the source of the payment he receives.

You may also use ONLINE Bill Pay to review past or scheduled ONLINE Bill Pay payments from your designated checking account(s).

When you schedule a bill payment using ONLINE Bill Pay , you authorize us to withdraw the necessary funds from your designated checking account to fund that payment. For an ELECTRONIC PAYMENT, funds are debited the same day that the payment is sent, provided the payment is set up prior to 12:00 Noon CST.

Electronic payments submitted after 12:00 Noon CST are debited the next day during the 2:00 AM bill pay processing. If funds are not available at the time an Electronic payment is initiated the payment will not be processed, but will attempt to be paid until either sufficient funds are available or you delete the payment.

CHECK payment funds are debited from the account when the check clears your account at the bank. CHECK payments are handled in the same manner as a check written out of your checkbook against an insufficient balance.

If a check payment comes into your account and overdraws the account, an overdraft fee may be applied.

ONLINE Bill Pay payments may only be made to a Payee with a United States address.

TYPES OF ONLINE BILL PAY PAYMENTS

You may schedule ONLINE Bill Pay payments to be initiated on the day you enter the payment information, on a future date or on the same date each month, subject to the restrictions in this Agreement.

Single Payment: You may schedule a one-time payment to a Payee. Your payment Date for that payment may be up to 90 days in the future (a "future Single Payment") or you may schedule payment for the same day you enter the payment information on ONLINE Bill Pay (a "same day Single Payment"). A same day Single Payment must be scheduled by 1:00 P.M. EST Monday through Friday in order to be initiated on that same day. If same day Single Payment instructions are entered on Saturday, that payment will be initiated on Monday. A future Single Payment scheduled to occur on a Saturday will be initiated on the prior Friday.

Recurring Payments: You may schedule automatic fixed amount payments to be initiated on the same day of every month (a "Recurring Payment"). If your Recurring Payment Date does not exist in a particular month, the payment will be initiated on the last business day of the month only if you have selected Pay on last business day of the month. (For example, if your payment date is the 30th of every month, your February payment will be initiated on February 28th.) If a Recurring Payment Date falls on Saturday, your payment will be initiated on the previous Friday. NOTE: The Payment Guarantee described below does not apply to a Recurring Payment if, for that specific payment, the Payment Date for a payment by check does not fall at least five (5) business days before the payment's actual due date; or at least three (3) business days before the payment's actual due date for an electronic payment.

SCHEDULING ONLINE BILL PAY PAYMENTS

Generally, unless otherwise specified for a particular Payee, you must schedule any ONLINE Bill Pay check payment to be initiated at least five (5) business days, or any ONLINE Bill Pay electronic payment to be initiated at least three (3) business days before the payment's actual due date (not including any grace period). This will usually give us time to get your payment to the Payee on a timely basis.

DELIVERING YOUR PAYMENTS

After your payment is initiated, we will remit your payment by electronic funds transfer or by mailing your Payee a check. The determination regarding whether your ONLINE Bill Pay payment is remitted electronically or by check depends on your Payee. If your Payee is equipped to receive electronic funds transfers and you selected to use this electronic payee information at the time you set up this payee, your payment will be remitted in that format; if not, your payment will be in the form of a check. ONLINE Bill Pay provides a mechanism by which you can determine which payment option will be used for each of your Payees.

Because of the time needed to transmit your ONLINE Bill Pay payment to your Payee, your Payee will not receive payment on the Payment Date. To allow sufficient time for a payment to reach your Payee, you should schedule your Payment Date if paid by check at least five (5) business days before your payment's actual due date, and at least three (3) business days before your payment's actual due date for electronic payment. We will not be responsible for any loss that you may incur as a result of late payment if your scheduled Payment Date did not precede the payment's actual due date by five (5) or three (3) business days, as applicable.

PAYMENT GUARANTEE

We will reimburse you for any late payment fees or penalties you are required to pay, up to a maximum of \$50 per scheduled payment, as a result of the failure of a Payee to receive a payment made through ONLINE Bill Pay by the actual due date if you meet each of the following conditions:

You must properly schedule the Payment Date for Check payments at least five (5) business days and for electronic payments, at least three (3) business days before the payment's actual due date. This means that you must schedule the Payment Date for a Single Payment on a business day that is at least three (3) or five (5) business days, as applicable, before the payment's actual due date. For Recurring Payments, this means that you must allow additional time for months in which weekends and/or holidays reduce the number of business days between the scheduled Recurring Payment Date and the payment's actual due date.

You must provide the Payee's correct name, address, confirmation number, phone number, account information, and payment amount.

On the scheduled Payment Date, your designated account must have sufficient available funds to complete the payment.

The Payee must be a business, merchant or professional that generates a printed bill or invoice for products or services provided to you or on your behalf, and that has an address we can verify.

The late payment fee or penalty, or the method of its calculation, must be published by the Payee prior to the payment's actual due date (for example, on the payment invoice or coupon).

You agree to be bound by all applicable limitations.

CHANGING OR CANCELING PAYMENTS

Single Payments or Recurring Payments: You may add, edit, or delete a payment up to 2:00 AM CST on the day the payment is scheduled to be sent. If a same day payment is submitted between 2:00 AM CST and Noon CST it may be edited up until Noon CST Monday through Friday.

Canceling Payment After the Payment Date: You may request that we cancel an ONLINE Bill Pay payment after its Payment Date if the payment was sent as a check payment and the check has not been posted to your account as cashed. A Stop Payment form must be filled out and signed in order to stop the Bill Pay check. Once an electronic payment has been processed, cancellation of this payment is not possible. You will need to

contact the payee for reimbursement.

DOCUMENTATION OF ONLINE BILL PAY PAYMENTS

1. You are able to view all of your scheduled payments by selecting the "Pay Bills" menu.
2. Periodic Statement: You will get a monthly statement for your designated account (unless there are no transactions in a particular month, in any event, you will receive a statement at least quarterly). All ONLINE Bill Pay payments will appear on your account statement.

OUR LIABILITY FOR FAILURE TO COMPLETE PAYMENTS OR TRANSFERS

If we do not complete a payment or transfer 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 exceptions. We will NOT be liable, for instance:

If, through no fault of ours, you do not have enough available money in the account from which a payment or transfer is to be made, or if the account has been closed or is not in good standing, or if we reverse a payment or transfer because of insufficient funds.

If any payment or transfer would go over the credit limit of any account.

If your equipment or ours was not working properly and the breakdown should have been apparent to you when you attempted to conduct the transaction.

If you have not given us complete, correct or current account numbers or other identifying information so that we can properly complete the transaction.

If you do not properly follow our instructions or if you provide us with wrong or inaccurate information or fail to correct or tell us about any inaccuracy of which you are aware.

If you do not instruct us soon enough for your payment or transfer to be received and credited by the time it is due.

If the money in the account from which a payment or transfer is to be made is subject to legal process or other claim restricts the transaction.

If circumstances or persons beyond our control prevent, delay, intercept or alter the transaction, despite reasonable precautions that we have taken.

UNAUTHORIZED TRANSACTIONS OR LOSS OR THEFT OF YOUR INTERNET BANKING IDENTIFICATION NUMBER OR PASSWORD

If you believe your Internet Banking identification number or password or other means of access have been lost or stolen or that someone has used them without your authorization, call us immediately at 804-435-3386 during normal business hours, or Email us at onlinebanking@chesbank.com. You can also write to us at P.O. Box 1419, Kilmarnock, VA 22482. Quickly telephoning or Emailing us is the best way of reducing your possible losses.

BUSINESS DAYS For purposes of these electronic funds transfer disclosures, our business days are Monday through Friday. Weekends and Holidays are not included.

TERMINATION OF ONLINE BILL PAY SERVICE

You may terminate your use of ONLINE Bill Pay at any time by writing to us at Chesapeake Bank, P.O. Box 1419, Kilmarnock, VA 22482 or by completing and signing a termination of service form at any of our branches. You must notify us at least five (5) business days prior to the date of which you wish to have ONLINE Bill Pay terminated. If you have scheduled payments to occur within this five (5) day period and do not want them to clear your account, you must also separately cancel those payments. If we have not completed processing your termination request and you have not otherwise canceled a payment, you will be responsible for payments initiated before termination.

We may terminate your use of ONLINE Bill Pay in whole or in part, at any time without prior notice, except as otherwise required by law. Termination will not affect your liability for obligations under this Agreement accruing prior to the date of termination. The occurrence of any one of the following events may result in termination of your

ONLINE Bill Pay access:

You or any authorized user of your ONLINE Bill Pay services breach this or any other agreement with us;

We have reason to believe that there has been an unauthorized use of your ONLINE Banking ID or Password or

If on two (2) or more occasions during a twelve (12) month period your designated personal checking account and any overdraft protection account has insufficient available funds to cover an ONLINE Bill Pay payment you have instructed us to make.

FEES

The Bill Pay service is free to our Online Banking customers.

OTHER PROVISIONS

There may be a delay between the time a deposit is made and when it will be available to fund an ONLINE Bill Pay payment. You should review our Funds Availability Policy to determine the availability of funds you

deposit. We reserve the right to refuse to honor any ONLINE Bill Pay payment request that would draw upon insufficient funds, exceed a credit limit or lower an account balance below a required balance.

EQUIPMENT & SOFTWARE

You are responsible for the installation, maintenance and operations of your computer and its software. Chesapeake Bank is not responsible for any errors or failures from any malfunction of your computer or the software. Chesapeake Bank is also not responsible for any computer virus or related problems that may be associated with the use of any on-line system including Chesapeake Bank ONLINE Banking Services. Chesapeake Bank recommends the use of manufacturer recommended virus detection software.