



CERTIFICATE OF DEPOSIT

ACCOUNT DISCLOSURES

Rate Information

This is an interest bearing account with a fixed rate for the term of the certificate of deposit (CD)

Please refer to the rate schedule for the current interest rate and annual percentage yield (APY). The rate will be paid until the maturity date specified. The annual percentage yield assumes that interest remains on deposit until maturity. A withdrawal of interest will reduce earnings.

Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks).

Interest is compounded daily and credited quarterly.

If you close your account before interest is credited, you will not receive the accrued interest. Interest credited during a term can be withdrawn.

If we consent to a request for a withdrawal that is otherwise not permitted you may have to pay a penalty. The penalty will be an amount equal to 30 days interest if term of the CD is less than one year and 90 days interest if the term of the CD is equal to one year or greater than a year.

Minimum Balance Requirement

You must deposit \$100.00 to open the account. Maximum amount allowed to open this account is \$100,000.

Balance Computation Method

We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the balance in the account each day.

Other Account Information

Carter Bank & Trust and Varsity (a banking division of Carter Bank & Trust) deposits are combined for determining the amount of FDIC deposit insurance, and are insured by the FDIC.

This account will automatically renew on the maturity date unless you tell us differently.

You cannot transfer this account without our written consent. Transfer means any change in ownership, withdrawal rights, or survivorship rights, including (but not limited to) any pledge or assignment of this account as collateral.

You agree to keep your funds with us in this account until the maturity date. (An automatically renewable account matures at regular intervals.) You may not transfer this account without first obtaining our written consent.

This account is void if the deposit is made by any method requiring collection (such as a check) and the deposit is not immediately collected in full. If the deposit is made or payable in a foreign currency, the amount of the deposit will be adjusted to reflect final exchange into U.S. dollars.

We may change any term of this agreement. Rules governing changes in interest rates have been provided. For other changes we will give you reasonable notice in writing or by any other method permitted by law.

If any notice is necessary, you all agree that the notice will be sufficient if we mail it to the address listed on this account unless you have notified us of any change of address.

Each person on this account agrees that we may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such person's or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance due on the date for which we properly accelerate under the note. This right of set-off does not apply to this account if: (a) it is an Individual Retirement Account or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan, or (c) the debtor's right of withdrawal arises only in a representative capacity. You agree to hold us harmless from any claim arising as a result of our exercise of our right of set-off.

You cannot make additional deposits to this account during a term (other than credited interest). You cannot withdraw principal from this account without our consent except on or after maturity. (For accounts that automatically renew, there is a grace period after each renewal date during which withdrawals are permitted without penalty.)

Each renewal term will begin on the maturity date (unless we notify you, in writing, before a maturity date of a different term for renewal). You may also contact the bank at each maturity date for current rate and term information.

The rate for each renewal term will be determined by us on or just before the renewal date. You may call us on or shortly before the maturity date and we can tell you what the interest rate and the next renewal term. On accounts with terms of longer than one month we will remind you in advance of the renewal and tell you when the rate will be known for the renewal period.

You must notify us in writing or within a 10 day grace period after the maturity date if you do not want this account to automatically renew. This notice can be sent to:

VARSIITY
320 COLLEGE DRIVE
MARTINSVILLE, VA 24112

Please contact the Varsity Customer Contact Center at 888.9VARSIITY or 888.982.7748 for any information on this certificate of deposit.