



HIGH POINT BANK

EXECUTIVE CASH RESERVE FOR BUSINESSES ACCOUNT AGREEMENT

Your Executive Cash Reserve Account is a line of credit linked to your checking at High Point Bank and Trust Company. This Agreement governs the use of your High Point Bank and Trust Executive Cash Reserve Account.

GENERALLY:

When we use the term "Executive Cash Reserve account balance" in this agreement, we mean the sum of the unpaid principal of loans made under this plan, plus unpaid finance charges which have accrued. The term "checking account" means the account you have with us, the account number of which is listed on the Credit Application on the line labeled "Checking Account Number." The term "line of Credit" means the maximum amount we will ordinarily allow the unpaid principal of your Executive Cash Reserve account balance to be at any one time.

If any term in this agreement violates any law or for some other reason is not enforceable, that term will not be a part of this agreement. However, the other terms in this agreement will remain effective. This agreement is subject to the laws of North Carolina. This agreement constitutes the entire agreement between us.

REQUESTING A LOAN:

You request a loan under this plan whenever you:

- Write a check that brings your checking account balance below zero or by making a withdrawal by other means provided by the bank.

HOW THE LOAN IS ADVANCED:

When you request a loan, we will, subject to any limitations contained in this agreement, advance either the minimum advance of \$100.00 or the amount available in your Executive Cash Reserve Account, whichever is less, or, if more is requested, the smallest multiple of \$100.00 necessary to cover your request. We will make the advance by depositing the amount in your checking account, by advancing the money directly to you, or by paying the designated third person or account, depending on how we agree to make the advance. We will record the amount as a loan in your Executive Cash Reserve Account.

However, we will not ordinarily grant any request for a loan which would cause the unpaid principal of your loan account balance to be greater than your approved Executive Cash Reserve account line amount. (If your approved Executive Cash Reserve Line is NOT the line amount you requested, we will notify you of your approved Executive Cash Reserve Account Line in writing.) We may, at our option, grant such a request without obligating ourselves to do so in the future.

HOW FINANCE CHARGES ARE COMPUTED:

Finance charges begin to accrue immediately when we make a loan to you. To figure the finance charge, we will apply a monthly periodic rate of finance charge each billing cycle to the "average daily balance" of your loan account for the billing cycle. The "average daily balance" is computed as follows: First, we take your loan account's balance at the beginning of the day and subtract any unpaid finance charges that are due. Next, we subtract the portion of any payments or credits received that day which applies to the repayment of your loan. (A portion of each payment you make is applied to finance charges.) Then we add any new loans made that day. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance."

EXECUTIVE CASH RESERVE FIXED ACCOUNTS:

The monthly periodic rate of the **FINANCE CHARGE** is 1.0% which is equal to an **ANNUAL PERCENTAGE RATE of 12%**. The **ANNUAL PERCENTAGE RATE** includes interest and not other costs.

EXECUTIVE CASH RESERVE VARIABLE ACCOUNTS:

The current Wall Street Journal Prime Lending Rate is _____%.

Your Margin added to the Index _____%.

Your Monthly periodic rate _____%, which is equal to an **ANNUAL PERCENTAGE RATE of _____%**. The **ANNUAL PERCENTAGE RATE** includes interest and not other costs.

The Periodic Rate and the corresponding **ANNUAL PERCENTAGE RATE** on your Executive Cash Reserve account are subject to change from time to time based on changes in an independent index that is the Wall Street Journal Prime Lending Rate (the "Index"). The Index is not necessarily the lowest rate charged by us on our loans. If the Index becomes unavailable during the term of this Executive Cash Reserve account, we may designate a substitute index after giving notice to you. The **ANNUAL PERCENTAGE RATE** will not be greater than the maximum rate allowed by applicable law. Adjustments to the Periodic Rate and the corresponding **ANNUAL PERCENTAGE RATE** resulting from changes in the index will take effect **DAILY**. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** exceed 18% or go below 5% per annum at any time during the term of the loan.

HOW YOU REPAY YOUR LOANS:

On or before the 10th of each month or the next business day if the 10th falls on a day the bank is closed, you agree to make a minimum payment to reduce your debt. The minimum payment is 3% of your Executive Cash Reserve account balance on the last day of the billing cycle or \$50.00, whichever is greater.

LATE CHARGES:

If your Executive Cash Reserve Account is more than 30 days past due, there will be a Late Charge of \$5.00 assessed to that payment.

ADDITIONAL REPAYMENT TERMS:

If your Executive Cash Reserve account balance on a payment date is less than the minimum payment amount, you must pay only the Cash Reserve account balance.

If you fail to make a payment, we may, but are not required to, advance money to you to make the payment. All the terms of this agreement would apply to such a loan.

You can pay off all or part of what you owe at any time. However, so long as you owe any amount you must continue to make your periodic minimum payment.

The amounts you pay will first reduce the finance charges, and then will reduce the amount of unpaid loans and other charges.

AUTOMATIC WITHDRAWAL

You authorize us to automatically withdraw your payment from your checking account on the 10th of each month or the next business day if the 10th falls on a day the bank is closed, if your checking account does not have enough money in it to make the minimum payment, we may, but are not required to, lend you money to make the payment. All terms of this agreement will apply to such a loan. If your Executive Cash Reserve account balance is less than the minimum payment amount, we will withdraw only the amount necessary to reduce your Executive Cash Reserve account balance to zero.

CHANGING THE TERMS OF THIS AGREEMENT:

We reserve the right to change any term in this agreement. However, no such change will be effective until at least 15 days after we send written notice to your address listed on the Executive Cash Reserve Credit Application. (You should inform us of any change in address.)

TERMINATION:

You or we can cancel this agreement at any time, upon giving notice. However, you must still pay all you owe under this agreement even if it is cancelled. If the checking account linked to this line of credit is closed, this Executive Cash Reserve will automatically be terminated and you must pay us the amount you owe on this line of credit at this time.

ATTORNEY'S FEES:

You agree to pay all our costs, including reasonable attorney's fees, which we incur in legal proceedings to collect or enforce this debt should you be in default.

ADDITIONAL TERMS**DEFAULT:**

You will be in default on this agreement if any of the following occur: (a) you fail to make a payment when due; (b) you don't comply with any duty you have under this agreement or any agreement securing this agreement; (c) you die; (d) we reasonably feel we will have difficulty collecting what you owe under this agreement or any other agreement you have with us.

REMEDIES:

We may do any or all of the following if you are in default: (a) we may require you to immediately pay all amounts you owe us under this agreement; (b) we may deny any request for credit which you have made but which we have not yet granted; (c) we may use our right of set-off unless prohibited; (d) we may use any remedy provided by state or federal law; and (e) we may use any remedy provided in any agreement which secures loans under this agreement.

Even if we choose not to use one of our remedies when you default, we can still use that remedy if you default again. If we do not use a remedy when you default, we can still consider your action as a default in the future.

CREDIT INFORMATION:

You agree to supply us with whatever information we reasonably feel we need to decide whether to continue this plan. We agree to make requests for this information without undo frequency, and give you reasonable time in which to supply information.

You authorize us to make or have made any credit inquiries we feel are necessary. You also authorize the persons or agencies to whom we make these inquiries to supply us information we request.

NOTICE:

Below is important information about your rights in the event of a billing error.

YOUR BILLING RIGHTS KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

Notify Us In Case of Errors or Questions About Your Bill

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us at the address listed on your bill. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay your bill automatically from your savings, checking or other account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

Your Rights and Our Responsibilities After We Receive Your Written Notice

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any finance charges related to any questioned amount. If we did not make a mistake, you may have to pay finance charges related to any questioned amount. If we did not make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name of anyone we report you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.

High Point Bank Executive Cash Reserve Application for Businesses

TYPE AND AMOUNT OF CASH RESERVE REQUESTED

Your checking account number _____

IMPORTANT: Check the appropriate boxes below and complete the appropriate sections of the application. Upon approval, your checking account will be linked with overdraft protection and monthly payment on your Executive Cash Reserve Account.

12% APR **EXECUTIVE CASH RESERVE FIXED FOR BUSINESSES**
 Amount of Credit Line requested \$ _____

***WSJ Prime Plus _____** **EXECUTIVE CASH RESERVE VARIABLE FOR BUSINESSES** This cash reserve plan has a variable rate feature. The *ANNUAL PERCENTAGE RATE (APR)* is based on the **Wall Street Journal Prime Rate (WSJ Prime)** plus a margin set by High Point Bank and Trust Company. Ask us for the current index value, margin and annual percentage rate.
 Amount of Credit Line requested \$ _____

FOR CREDITOR USE ONLY

Date: _____
 Amt Approved: _____
 Approved By: _____
 Declined By: _____
 Adverse Action: _____

INFORMATION ABOUT BUSINESS *Please print or type all information.*

Legal Name of Business		Company Name	
Billing Address		Location Address	
City, State, Zip Code		City, State, Zip Code	
Contact person	Telephone Number	Merchandise or Service Provided	Business Hours

Type of Ownership: Corporation [] Partnership [] Sole Proprietor [] Other [] _____ Years in Business _____

REQUIRED DOCUMENTATION

Please submit the following documentation with the application.

1. RESOLUTION:

- Corporation: Current Corporate Resolution containing borrowing authorization.
- Partnership: Current Partnership Resolution containing borrowing authorization.
- Association: Borrowing resolution or minutes from meeting where decision was made to obtain credit card, stating desired credit limit.

The following additional documentation may also be required:

- The company's tax returns and financial statements, including the balance sheet and income statement for the past two years. Also include the most recent interim financial statements.
- If the company is less than two (2) years old or the credit decision will be based solely on the principal owner(s), submit the principal owner(s) tax returns for the past two years.
- Personal financial statement for principal owner(s).

PRINCIPALS/OFFICERS:

Name	Title	Social Security Number	Home Telephone Number
Home Address		City, State, Zip Code	%Ownership
Name	Title	Social Security Number	Home Telephone Number
Home Address		City, State, Zip Code	%Ownership

The undersigned company by its authorized officer(s) requests an Executive Cash Reserve Account be opened on behalf of the company. The undersigned authorizes High Point Bank and Trust Company to receive and exchange credit information, both on the company and the guarantor(s) and agrees to be bound by all terms and conditions of the Executive Cash Reserve for Businesses Agreement made applicable to the company's accounts. The undersigned company by its authorized officer(s) certifies that all of the information provided above and in financial statements and other documentation submitted herewith are true and correct and that the Executive Cash Reserve Account will be utilized solely for business purposes. The undersigned agree to provide additional financial information upon request. The principal owner(s) of the company should also sign in the Personal Guarantee section to the right I agree to be bound by the terms and conditions of the attached Executive Cash Reserve for Businesses Account Agreement.

1) Principal's/Officer's Signature _____ Date _____

2) Principal's/Officer's Signature _____ Date _____

PERSONAL GUARANTEE OF PAYMENT

I/we _____ as an individual(s), in consideration of the foregoing, absolutely guaranty, without any restriction, condition or limitation, payment of any and all charges made on and performances of all obligations of the company and the employees under this Executive Cash Reserve Account.

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____