

Community Bankshares, Inc. is participating in the FDIC's Transaction Account Guarantee Program. Under the program, through June 30, 2010, all non-interest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. For purposes of the program, non-interest-bearing accounts are defined to include IOLTA and other equivalent accounts and NOW Accounts with interest rates no higher than .50%. Coverage under the Transaction Account Guarantee Program is in addition to and separate from the coverage available under the FDIC's general deposit insurance rules.