

COMMUNITY BANKSHARES INC.

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MEMO

Date: August 10, 2007

To: All Employees

From: Marcia Wilson, Director of Internal Audit
Bill Traynham, CFO

Re: Whistleblower hotline

In accordance with American Stock Exchange and SEC requirements, Community Bankshares Inc. (CBI) and Community Resource Bank (CRB) have established a confidential and anonymous hotline for employees to use if they are aware of any financial or accounting fraud. This hotline is open for all employees. Messages can be sent by telephone, email, and web form.

The Hotline can be accessed through the following methods:

<https://www.openboard.info/SCB>

Voice: 1-866-886-1353

(all messages are slightly distorted to protect the caller's identity)

Email: SCB@openboard.info

Web form: <https://www.openboard.info/SCB/WebSubmit.cfm>

All messages will be reviewed by our Corporation's Internal Audit Director and our Audit Committee Chairman. Messages will be kept confidential. The Internal Audit Department is independent of management and will report regularly to the Board Audit Committee on the nature and disposition of the messages received.

Upon leaving a message, you will be provided with a 15-digit identifier that allows you to follow-up on your message in a completely anonymous way and gives the Internal Auditors a way to ask any follow-up questions for additional clarification.

CBI and CRB encourage open communication with respect to ethical matters and business practices and specifically prohibit retaliatory actions against parties who, in good faith, initiate such communications.