

# CERTIFICATE OF DEPOSIT TERMS AND CONDITIONS

1. Certificates of Deposit (CD) are issued subject to all state and federal laws and regulations governing time deposits.
2. This bank may redeem a CD at any maturity date by giving thirty days written notice of its intent to do so, mailed to the registered owner's address as shown on the Bank's record.
3. If a CD is registered in the names of more than one person, the principal value and accrued earnings are owned jointly with right of survivorship and payment (subject to any applicable early withdrawal penalties) to any one of them or their survivor(s) will satisfy this bank's obligation with regard to the CD.
4. If a CD is registered in the name of a proprietorship, partnership, corporation, governmental unit or unincorporated association, payment of proceeds shall be made only by check issued to such registrant or by credit to an existing account at this bank established in the registrant's name.
5. Interest Features:
  - A. Simple Interest will be accrued daily based on a 365-day year; 366 days in leap years.
  - B. The interest rate(s) stated on the CD Receipt will remain in effect until the maturity date unless noted on the front of the receipt
  - C. Accrual of interest begins on the Effective Date of the CD.
  - D. The Annual Percentage Yield (APY) assumes that funds remain on deposit and the interest is compounded at maturity if the term is less than 12 months. For CDs of less than 12 months, periodic withdrawal of interest will reduce earnings. Unless stated differently on the front of the receipt, for CDs written for 12 months or longer, the interest is compounded annually and periodic withdrawal of interest will not impact the APY.
6. Transaction Limitations: Unless stated differently on the front of the receipt, after the CD is established, you may not make deposits into or withdraw from the account until the maturity date.
7. If interest is not paid by check or credited to another deposit account, unless noted on the front of the receipt, it will be added to principal annually or on the maturity date, whichever ever comes first. Interest earned and not paid prior to the maturity date may be withdrawn without penalty. At maturity, all interest that has been added to the principal becomes part of the principal and is subject to the same withdrawal limitations as the original principal amount.

8. Balance Requirements:

Terms of Certificate	Minimum Investment
7 Through 31 Days	\$25,000.00
32 Days Through 1 Year	2,500.00
More than 1 Year	500.00

If a withdrawal reduces the balance below the minimum, it may be necessary to redeem the entire CD

9. A CD is issued in either single maturity or multiple maturity form. A single maturity CD will not earn interest after the maturity date. Unless stated differently on the front of this receipt, a multiple maturity CD will automatically renew for time periods equal to its original term at the interest rate and APY in effect on each renewal date.
10. During the Grace Period a CD may be redeemed without penalty or it may be renewed retroactive to its maturity date. A CD with an original term of 31 days or less has a Grace Period of three days. A CD with an original term greater than 31 days has a Grace Period of ten days. Interest is not earned during the grace period if the CD is redeemed.
11. Unless stated differently on the front of the receipt, there will be a penalty imposed if any principal is withdrawn before the maturity date on any CD:

Original Term	Early Withdrawal Penalty
7 days to 6 months	All interest that would have been earned on the amount withdrawn for the full term.
Over 6 months to 1 Year	Six months' interest earned on the amount withdrawn.
Greater than 1 year	Twelve months' interest earned on the amount withdrawn.

If you have any questions regarding this disclosure, please see a Customer Service Representative at your nearest 1st Source Banking Center. You may direct questions in writing to:

1st Source Bank Branch Administration  
P.O. Box 1602  
South Bend, IN 46634