



CDARS®

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Why CDARS?

**It's Everything
in One Place**

CDARS is a smart, secure, convenient way to invest in large-dollar CDs that are eligible for FDIC insurance.

Why is that? With the CDARS service, you can have it all.

- CD-level returns
- Access to multi-million-dollar FDIC insurance through a single bank relationship¹
- Time savings due to significantly **less** paperwork
- The ability to support local communities²

[1] Limits apply.

[2] This benefit applies to some, but not all types of CDARS transactions. Let us know if this benefit is important to you, so that we can explain the relevant terms and conditions in more detail. See additional disclosure on page 14.

Why CDARS?

CD-Level Returns
Peace of Mind

CD-level returns.

Earn rates that may compare favorably with other investment alternatives, including U.S. Treasuries and money market funds.



Peace of mind.

Enjoy the security associated with access to multi-million-dollar FDIC insurance on CD investments.



Why CDARS?

Time-Saving Conveniences



Capitalize on the ease.

- Work directly with our bank to access multi-million-dollar FDIC insurance.
- Earn one interest rate per maturity.
- Receive just one regular statement from us.

Why CDARS?

Time-Saving Conveniences

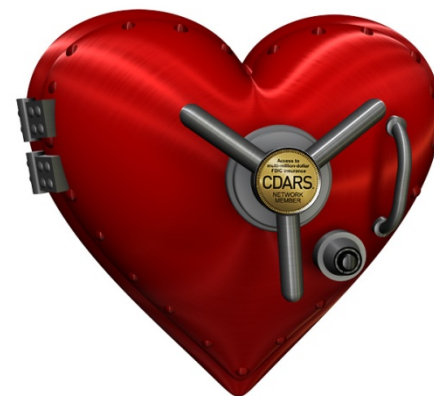
Forego the hassles of:

- Tracking and “marking to market” changing collateral values on an ongoing basis (if you are accustomed to doing so).
- Noting uninsured investments in financial statements.
- Opening accounts at different banks and/or under different insurable capacities.
- Manually consolidating account statements.
- Calculating blended rates and manually consolidating interest disbursements on a recurring basis.

Why CDARS?

Community Investment

Feel good knowing that ***the full amount*** of your invested funds can ***stay local*** to support lending opportunities that build a stronger community; when you invest in CDs through CDARS, you can also be investing in your own backyard.³



[3] This benefit applies to some, but not all types of CDARS transactions. See additional disclosure on page 14.

What MATURITIES are available?

**Investing Is Flexible to
Match Your Needs**

Choose from seven convenient terms:

- 4 weeks
- 13 weeks
- 26 weeks
- 52 weeks
- 2 years (104 weeks)
- 3 years (156 weeks)
- 5 years (260 weeks)

If desired, you can ladder CDs or combine maturities to create the equivalent of a customized term.⁴

[4] The creation of the equivalent of a customized term may require the use of a Resubmission Agreement. See additional disclosures relating to the use of a Resubmission Agreement on page 14.

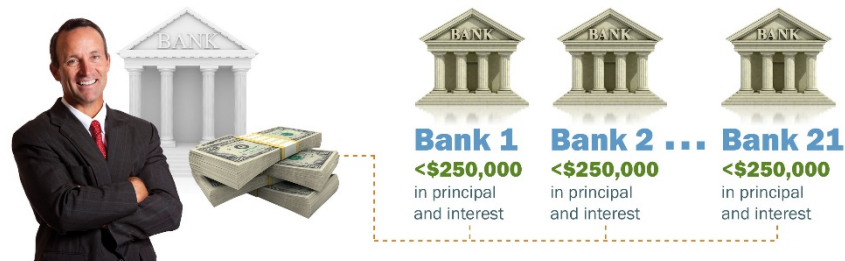
How does CDARS[®] work?

We Make It Easy

Banks that offer CDARS are members of a special network—the CDARS Network.

When you deposit a large amount with us, we place your funds into CDs issued by other banks in the CDARS Network—in increments less than the standard FDIC insurance maximum (\$250,000)—so that both principal and interest are eligible for FDIC protection. As a result, you can receive coverage through many banks while working directly with just us and receiving just one regular statement.

Customer invests \$5,000,000 through a Network member



21 CDs under \$250,000 are issued by 21 network banks

How does CDARS[®] work?

Investing Is Simple

1

You sign a CDARS Deposit Placement Agreement and a custodial agreement, and deposit money with us.

2

Your funds are placed using the CDARS service.

3

Your CDs are issued by banks in the CDARS Network.

4

You receive confirmation from our bank of your CDs.

5

You receive consolidated interest payments and statements from us.

How does CDARS® work?

Reporting Is
Straightforward

Sample New Account Notice

Best Deale Bank
P.O. Box 00001
Anytown, US 12345-0001

THE KING CUSTOMER
123 MAIN STREET
ANYTOWN, US 78901

Date 12/29/16
Account *****890
Page 1 of 1

Subject: New Account Notice

Legal Account Title: THE KING CUSTOMER

Thank you for purchasing certificates of deposit through Best Deale Bank. These deposits have been placed by us, as your agent and custodian, through CDARS® with one or more FDIC-insured depository institutions. Per your request, the funds will be resubmitted for deposit at maturity. There is no grace period after maturity, so please advise us prior to 4:00 PM (local time) two business days before maturity if you wish to amend these instructions. If any of the following information is incorrect, or if you have any questions, please contact us at **555-123-4567** or send an email to **contactus@bestdealebank.com**.

Account ID	*****890	Principal Amount	3,007,680.37
Effective Date	12/29/16	Interest Rate	0.50%
Maturity Date	03/30/17	Annual Percentage Yield	0.50%
Interest Payment Frequency	AT MATURITY		
Interest Disbursement Type	Credit to Principal		
Maturity Disbursement Type	Reinvest		
Product Name	13-WEEK NON-PERSONAL CD		

Your certificates of deposit were issued by the following FDIC-insured depository institutions:

Innerst Savings Bank	Kentstown, MD	248,500.00
First Eagleville Bank	Clarksburg, WV	248,500.00
Lockland Bank	Springtown, MI	248,500.00
Southstreet Community Bank	Plainsburg, OK	248,500.00
Loring Savings Bank	Loring, WA	248,500.00
Southeast Regional Bank	Atlanta, GA	230,139.86
Kendall Bank and Trust	Kendall, WI	38,040.51
First Bank of Ogdentown	Ogdentown, IA	6,000.00
Bank of North Havenbrook	Cobb, AZ	248,500.00
Copper Savings and Loan	Carson City, NV	248,500.00
Seashore National Trust Company	Orlando, FL	248,500.00
Sperry Sound Bank	Bellevue, OR	248,500.00
Harbor Bell Bank and Trust	Harbor Bell, RI	248,500.00
Huntingfield Bank	Dallas, TX	248,500.00
		<u>3,007,680.37</u>

Below are the depository institutions where you do not wish your funds placed, as you indicated at the time you submitted your funds to us for placement through CDARS.

FOREST VIEW SAVINGS BANK	Huntsville, AL
TORRENCE BANK	Adelaide, NJ
AMSEL BANK AND TRUST	Rome, AR
NILES BANK	Toledo, OH

Thank you for your business.

CDARS® is a registered service mark of Promontory Interfinancial Network, LLC.

CONTAINS CONFIDENTIAL INFORMATION

How does CDARS[®] work?

Reporting Is
Straightforward

Sample Monthly Statement

Date
Page 12/30/16
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CD Issued by Torrence Bank

12/30/16
Date
Page 12/30/16
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12/30/16
Date
Page 12/30/16
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CD Issued by Huntingfield Bank

ACCOUNT OVERVIEW

Account ID: *****890
Product Name: 13-WEEK NON-PERSONAL CD
Interest Rate: 0.52%
Account Balance: \$4,011,356.53
The Annual Percentage Yield Earned is 0.52%

Effective Date: 12/08/16
Maturity Date: 03/09/17
YTD Interest Paid: \$1,371.31
Int Earn: \$48,554.98

CD Issued by Amsel Bank and Trust

YTD Interest Paid: \$84.98
Int Earned Since Last Stmt: \$84.98

12/08/16
12/08/16
12/30/16
12/30/16

OPENING BALANCE
Deposit
Interest Payment
ENDING BALANCE

CD Issued by Bank of Hudsonville

YTD Interest Paid: \$84.98
Int Earned Since Last Stmt: \$84.98

12/08/16
12/08/16
12/30/16
12/30/16

OPENING BALANCE
Deposit
Interest Payment
ENDING BALANCE

CD Issued by Bear County Community Bank

YTD Interest Paid: \$84.98
Int Earned Since Last Stmt: \$84.98

12/08/16
12/08/16
12/30/16
12/30/16

OPENING BALANCE
Deposit
Interest Payment
ENDING BALANCE

CD Issued by Calera Bank

YTD Interest Paid: \$62.60
Int Earned Since Last Stmt: \$62.60

12/08/16
12/08/16
12/30/16
12/30/16

OPENING BALANCE
Deposit
Interest Payment
ENDING BALANCE

CD Issued by Capital Bank of St. Lawrence

YTD Interest Paid: \$4.55
Int Earned Since Last Stmt: \$4.55

12/08/16
12/08/16
12/30/16
12/30/16

OPENING BALANCE
Deposit
Interest Payment
ENDING BALANCE

CD Issued by Copper Savings and Loan

YTD Interest Paid: \$84.98
Int Earned Since Last Stmt: \$84.98

12/08/16
12/08/16
12/30/16
12/30/16

OPENING BALANCE
Deposit
Interest Payment
ENDING BALANCE

CD Issued by First Bank of Tiberon

YTD Interest Paid: \$84.98
Int Earned Since Last Stmt: \$84.98

12/08/16
12/08/16
12/30/16
12/30/16

OPENING BALANCE
Deposit
Interest Payment
ENDING BALANCE

CD Issued by Harbor Bell Bank and Trust

YTD Interest Paid: \$76.06
Int Earned Since Last Stmt: \$76.06

12/08/16
12/08/16

OPENING BALANCE
Deposit

Best Deal Bank
P.O. Box 0001
Anytown, US 12345

Date
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ABC PROPERTIES
1515 SOUTH QUEEN STREET
ANYTOWN, US 78901

Subject: CDARS[®] Customer Statement
Legal Account Title: ABC PROPERTIES

Below is a summary of your certificates of deposit, which we are holding for you as your custodian. These certificates of deposit have been issued through CDARS by one or more FDIC-insured depository institutions. Should you have any questions, please contact us at 855-123-4567 or send an email to contactus@bestdealbank.com.

Summary of Accounts Reflecting Placements Through CDARS

Account ID	Effective Date	Maturity Date	Interest Rate	Opening Balance	Ending Balance
*****890	12/08/16	03/09/17	0.52%	\$0.00	\$4,011,356.53
TOTAL				\$0.00	\$4,011,356.53

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CDARS[®] is a registered service mark of Primmera Interfinancial Network, LLC. CONTAINS CONFIDENTIAL INFORMATION

What else **DO YOU NEED** to know?

**Confidential Information
Remains Protected**

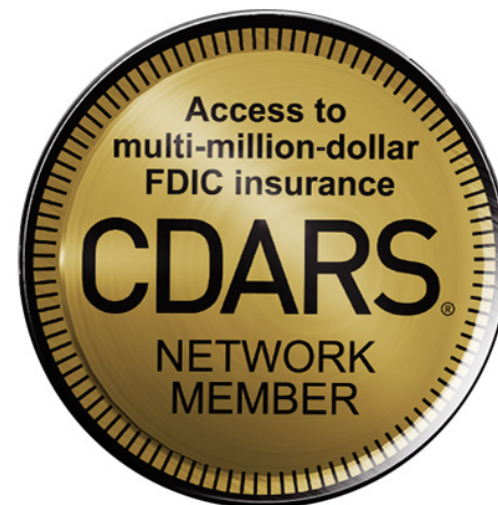
Your confidential information remains protected.

Let us know if you would like to learn more about our privacy policy.

Learn MORE

We're Here to Answer
Your Questions

Let's talk about how CDARS
can work for you.



Additional Information

Disclosures

The CDARS service has been designed to satisfy the FDIC's requirements for pass-through deposit insurance coverage.

Placement of funds through the CDARS service is subject to the terms, conditions, and disclosures in the service agreements, including the Deposit Placement Agreement ("DPA"). Limits apply. Although funds are placed at destination banks in amounts that do not exceed the FDIC standard maximum deposit insurance amount ("SMDIA"), a depositor's balances at the relationship institution that places the funds may exceed the SMDIA (e.g., before CDARS settlement for a deposit or after CDARS settlement for a withdrawal) or be ineligible for FDIC insurance (if the relationship institution is not a bank). As stated in the DPA, the depositor is responsible for making any necessary arrangements to protect such balances consistent with applicable law. If the depositor is subject to restrictions on placement of its funds, the depositor is responsible for determining whether its use of CDARS satisfies those restrictions.

When deposited funds are exchanged on a dollar-for-dollar basis with other participating institutions in the CDARS Network, we can use the full amount of a deposit placed through CDARS for local lending, satisfying some depositors' local investment goals or mandates. Alternatively, with a depositor's consent, our bank may choose to receive fee income instead of deposits from other Network members. Under these circumstances, deposited funds would not be available for local lending.

As with any CDARS placement, a placement resubmitted by using a Resubmission Agreement is not guaranteed, and unallocated funds will be returned to the depositor. If, at the time for resubmission specified in a Resubmission Agreement, the relationship institution is no longer authorized to submit orders using CDARS, then the resubmission will not occur. The depositor, prior to resubmission, can withdraw the depositor's authorization to the relationship institution to resubmit the funds. If so, the Resubmission Agreement can provide that the relationship institution, in such circumstances, may impose an appropriate penalty, not unlike an early withdrawal penalty.

CDARS and One Bank, One Rate, One Statement are registered service marks of Promontory Interfinancial Network, LLC.