

Agreement for Deposit

A C C O U N T S



Your partners from the first®

Communication is key to our customers' satisfaction

This *Agreement for Deposit Accounts* booklet includes information on practical ways to handle your accounts, and regulatory requirements that apply to both you and 1st Source Bank.

The terms of our Checking Accounts, Savings Accounts and Certificates of Deposit are included in this booklet. It also contains our Electronic Banking Agreement (Regulation E) and Availability of Funds Policy and Collection of Checks (Regulation CC).

This information:

- outlines rules and regulations which all banks must follow in certain circumstances
- describes your rights and responsibilities under these regulations

This booklet is designed to help make your dealings at 1st Source Bank easy to understand. If you have questions related to the material presented in this publication, please drop by any 1st Source banking center. As “*your partners from the first,*” we are eager to help you understand and fulfill all your financial needs.

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Laws Governing Deposit Accounts

In this Agreement, terms such as WE, OUR and THE BANK refer to 1st Source Bank, its parent and its subsidiaries. YOU and YOUR refer to the depositor or, where applicable, co-depositors.

Depositor – means any person or organization through its authorized signatories who signs the Bank’s deposit account signature card.

Organization – means any corporation, limited liability company, partnership, trust (business or otherwise), estate, association, sole proprietorship, government or government subdivision or agency, or any other legal or commercial entity.

Item – means any instrument for the payment of money even though it may not be negotiable.

Account – means any account the depositor maintains with the Bank and includes checking, savings, and time accounts.

Please retain this Agreement – we urge you to retain a copy of this Agreement. Feel free to ask any questions you may have at your nearest 1st Source banking center or direct your questions in writing to:

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

Account Opening – to open an account with 1st Source Bank you must complete the proper forms and provide us with any other documents, information or items that we require which include acceptable forms of identification and Tax Identification Number(s). All account openings are subject to 1st Source Bank’s new account standards. When opening an account, you will be asked for specific information and identification for each account holder, in compliance with the USA Patriot Act.

Contractual Agreement – when you sign the signature card for your deposit account and receive this document, or receive this document and then make a deposit to your account, you are entering into a formal agreement or contract with 1st Source Bank. In doing so, you agree to:

- the terms outlined in this disclosure for all deposit accounts;
- the terms of any agreement for specific services such as checking, savings, time deposits, and electronic banking; and,
- the terms of any additional schedules or fees or information you may receive from time to time.

Together these terms comprise the “Agreement for Deposit Accounts.”

Effective Date – these terms apply to all current and new deposit account relationships as of the date you enter into an account relationship with 1st Source Bank.

Change in Terms – the Bank may change the terms of this Agreement from time to time. The Bank will give you notice of the change as required under applicable law.

Right of Waiver – the Bank reserves the right to waive the enforcement of any of the terms of this Agreement with respect to any transaction or series of transactions. Any such waiver will not affect our right to enforce any of the terms with respect to other customers or to enforce any terms with respect to later transactions involving the same customer.

Right to Close Account – you may close your account at any time. You should understand that closing your account does not release you from the payment of fees

owed or liability for any checks in process. You should also understand that we may close your account at any time. Before closing your account, we will give you any notice required by law. After deducting applicable fees and charges, we will send the balance on deposit to the most recent address shown on our records. We will not be liable for not honoring, or for any loss that may result from not honoring, any checks or other withdrawal orders presented after your account is closed.

Laws Governing Your Account – each of your accounts is governed by the laws of the state in which the banking center holding the account is located, the laws of the United States, the rules and regulations of the Federal Reserve Board and the Federal Deposit Insurance Corporation (FDIC) and all other applicable laws and regulations.

Fees and Service Charges – You agree to pay service fees, maintenance charges and penalties in accordance with the applicable fee schedules established by the Bank from time to time. We will provide you with prior notice of changes in the fee schedules as may be required by applicable law. All service fees, maintenance charges and penalties will be automatically deducted from your account without prior notice to you. The Bank may charge your account or may deduct from the proceeds of electronic funds transfers that it receives for your account its customary fees for electronic funds transfers. The Bank may incur costs in connection with court or administrative orders, subpoenas, summonses, tax levies, or other legal process relating to you or your account and you agree to pay us for such costs, which may include our charges for research and the copying of documents and reasonable attorneys' fees.

Types of Deposit Accounts

What is Covered

This Deposit Account Agreement covers all types of deposit accounts offered by the Bank now or in the future. These include transaction accounts (checking and NOW), money market deposit account products, savings, and time deposit accounts.

Multiple Party Accounts

An account that you open for one or more parties is defined as a Multiple Party Account. We offer one or more of the following types of multiple party accounts:

Joint Accounts

An account that you open with one or more joint depositors will be a joint account with right of survivorship. This means that upon the death of one of the joint owners of the account, all proceeds in the account transfer to the surviving owner(s), subject to the Bank's right of "setoff."

When the account title on a joint account separates the owners by the word "or," the account is payable to any one of you. Any joint owner of a deposit account may withdraw, by any means the Bank makes available, any or all of the funds on deposit, close the account, enter into special agreements regarding the account, stop payment on any item drawn on the account, create an overdraft or authorize a telephone transfer of funds between related accounts.

Any joint owner guarantees the signatures of the others and authorizes the others to endorse checks for deposit if they are payable to any of the joint owners. A joint owner also authorizes the Bank to exercise setoff and enforce its security interest in the entire joint account, even though only one of the joint owners is the defaulting debtor; these rights exist irrespective of who contributed funds in the joint account. Similarly, the Bank can enforce overdraft liability in the joint account against any joint owner individually, even though the joint owner did not benefit from or sign the check which caused the overdraft. Garnishments against any or all joint owners are subject to the Bank's right of setoff and security interest. Notice provided by the Bank to any joint owner is notice to all.

If you establish an account that requires two (2) or more signatures on any items drawn on the account or limits the maximum amount for which any person can sign an item, then you acknowledge that any such requirements are solely for your own internal control purposes. You agree that the Bank will not be liable for paying any item lacking the required number of signatures or in an amount exceeding the maximum limit assigned to the signer.

“In Trust For” Accounts

An “in trust for” account is one that is opened in the name of one or more depositors, known as “trustees,” in trust for the benefit of one or more persons, known as “beneficiaries.” The account is not governed by a separate trust agreement or trust. The beneficiary will have no interest in the account during the lifetime of the trustee or the survivor of joint trustees.

The Bank may make payments or withdrawals from the account or take action on the instructions of the trustee or any one of joint trustees. We will have no liability or responsibility to the beneficiary or any one else if we do so. On the death of the trustee or the survivor of the trustees, the account is payable to the beneficiary.

Pay-on-death Accounts

An account that is payable on the death of the depositor, or the survivor of joint depositors, to a named person, known as a “payee,” is a pay-on-death account. If you open one of these accounts, the payee will have no interest in the account during your lifetime. If the account is a joint account, the payee will have no interest in it during the lifetime of the survivor of either of you.

Uniform Transfers/Gifts to Minors Act Accounts

Gifts or transfers made to minor children under the applicable law of the state in which the banking center holding the account is located are controlled by a custodian or successor custodian until the minor reaches the statutory age of majority.

What is not Covered

This Deposit Account Agreement does not cover safe deposit boxes, trust services, credit cards, discount brokerage services, or other deposit products that are governed by special rules: Individual Retirement Accounts (IRAs), KEOGH plans, sweep accounts, and CareFree Line of Credit.

Please be advised that Certificates of Deposit, while governed in part by this Deposit Account Agreement, are also governed by special provisions set forth on the face and reverse of the Certificate of Deposit Receipt.

Transferring Account Ownership

A deposit account is not transferable, except on the Bank’s books and records. If ownership is proposed to be transferred, the Bank may require that the account be closed and a new account opened in the name of the transferee.

Tax Identification Number Certification

Treasury Regulations require that we obtain a completed and signed Form W-8 or W-9. This is to certify the Tax Identification Number(s) (TIN) of the owner(s) of the account.

Until we have received the completed and signed form the Bank may either not pay interest or pay interest and comply with the backup withholding requirements of the Internal Revenue Service (IRS).

Notices and Other Mail

Any notices, statements, or other correspondence that the Bank sends you regarding any of your accounts may be sent by ordinary mail or other means to the last address you have given us pursuant to this paragraph and will be effective upon sending to such address. Notices or correspondence regarding any of your accounts that you send to the Bank shall be in writing and shall be sent to 1st Source Bank, Branch Administration, P.O. Box 1602, South Bend, IN 46634. Such notices or correspondence shall be effective when the Bank actually receives them and has had a reasonable time to act upon them.

If there is more than one depositor on any of your accounts, correspondence may be sent to any one of you.

Right of Setoff

It is important you understand that we have the right of setoff. We may charge any of your accounts for any debts or liabilities you owe us. We may exercise our right of setoff at any time and for any reason as allowed by law. If there is more than one owner of an account, this includes the debts and liabilities of any owner. We will not be liable for the dishonor of any check when the dishonor occurs because we setoff a debt against

this account. We may exercise the right of setoff even if it results in a penalty for early withdrawal from a time deposit account.

The right of setoff does not apply to an account if: (a) it is an IRA or other tax-deferred retirement account (KEOGH); or, (b) the debt is created by a consumer credit transaction under a credit card plan; or, (c) the debtor's right of withdrawal arises only in a representative capacity.

Power of Attorney

Once we accept a power of attorney, we may continue to recognize the authority of your attorney-in-fact until we receive written notice of revocation or termination and have had a reasonable time to act upon it. We may require the attorney-in-fact to present the original power of attorney and other evidence satisfactory to us before conducting any transaction.

Government Levy (Unpaid Taxes)

The IRS can issue a "Notice of Levy" attaching money on deposit in any deposit account the date the levy is received except IRAs or other qualified retirement plans. In the event we receive a levy on one of your accounts, we will mail a copy of the levy, in addition to our instruction letter, to the address that we have on file for your account.

Legal Attachment

An order from a court or other government authority could require us to hold or deliver funds in your account, or any other property we are keeping for you. In addition, if we must comply with such an order, we will subtract a fee from your account.

If we must comply with a subpoena or other legal process that forces us to provide information about your account, or about some other financial relationship you have with us, the party that had the subpoena issued normally will be assessed the charge for compliance.

Dormant Accounts

Deposit accounts are reclassified from active to dormant status when:

- there has been no customer-generated activity on a checking account for one year.
- there has been no customer-generated activity on a savings account for three years.

All accounts in the dormant category will normally be charged a dormant account fee.

Unclaimed Property

State laws require that we turn over your dormant checking or savings accounts to the state if you have not done any of the following:

- made a deposit or withdrawal within the time period specified by state law;
- corresponded in writing with us concerning the dormant status of your account within the time period specified by state law.

To recover your funds, you must file a claim with the applicable state agency.

Disclosure of Account Information

The Bank respects your right of privacy. We will disclose information about your account or electronic fund transfers you make under the following circumstances: (a) where it is necessary to complete any electronic fund transfer or other transactions; (b) to verify the existence and status of your account for other creditors, credit bureaus; (c) to report our experience regarding your account to financial institutions and credit reporting agencies; (d) to comply with a request from a government agency, a court order or other legal process; (e) to enforce our rights; or, (f) if you give us written permission.

In addition, we may disclose information about your account to an account verification service if we close your account.

Death/Incompetence of a Depositor

Your death, or the declaration that you are legally incompetent does not end our authority until we receive written notice of your death or declared incompetence. Even after receipt of notice, we can pay checks drawn by you prior to your death or declared incompetence as permitted under applicable law.

We may require the surviving owner(s) to provide proof of your death or incompetence and, in some states, tax releases or other documents or consents required by the Bank or government authorities. In some states all existing accounts belonging to the deceased may be frozen pending release.

The Bank will not be liable if it continues to accept, pay, or collect items until the Bank knows of the fact of death or a judgment of incompetence by court order and has a reasonable opportunity to act on it. In some cases deposits received through a preauthorized credit, electronic funds transfer (EFT) or Automated Clearing House (ACH) may be returned if the Bank is so instructed to do so by the person or government agency depositing the funds.

Currency Transaction Reporting

The Bank Secrecy Act, a federal law, requires all financial institutions to report large currency transactions to the IRS.

The Bank will prepare a Currency Transaction Report at the time the transaction occurs and forward it to the IRS. In order to complete the report, we are required to obtain certain information about the individual presenting the transaction as well as the organization or individual for whom the transaction is being conducted.

Change of Address or Other Depositor Information

You agree to notify the Bank promptly in writing of any changes of physical, postal, or electronic address, telephone number, or other relevant information on the Bank's records and the accounts affected. Such notice shall be signed by an authorized signer for each of the accounts affected, shall identify each account affected by name and account number and be sent to 1st Source Bank, Branch Administration, P.O. Box 1602, South Bend, IN 46634.

Deposits and Withdrawals

Subject to our right to require notice before withdrawals, you may make deposits to and withdrawals from your account at any time we are open to transact business. You may make deposits and withdrawals in person, by authorized agent, by mail, by automated teller machine (ATM), or by any other methods the Bank has available.

All deposits are subject to the Bank's right to review the cash, checks or other items deposited to confirm the amount of the deposit and that all checks and other items are properly payable. We can correct any errors we find. Unless otherwise agreed upon in writing, the Bank is authorized to accept a deposit to your account from anyone, made in any manner, at any time. We reserve the right to refuse to accept any check or item to be deposited. When we credit your account for a check or other non-cash item you deposit, the credit is conditional. We can revoke a credit for any reason permitted under applicable law.

The Bank has the right to supply any missing endorsement needed to facilitate our status as a "holder" of the check that you deposit. You agree to reimburse the Bank for any loss we may incur because an item was not endorsed exactly as drawn.

Unless we specifically permit you to do so by written agreement, you may not deposit any substitute check that has not previously been handled by a bank in the U.S. collections process. This means that you cannot deposit a substitute check that you create, or one that is created by another person, without a written agreement with us.

Federal Deposit Insurance (FDIC)

Each depositor's funds are insured for a maximum of \$250,000 until 12/31/2009 and that limitation applies to the total of a person's funds in checking, savings deposits, and time certificates of deposit for which our Bank is liable.

In addition to this coverage, funds in an IRA are insured up to \$250,000.

Information defining your coverage in detail is available at any 1st Source Banking Center.

Resolution of Disputes

Except as otherwise provided in this paragraph, you and the Bank agree to waive litigation and agree that the sole procedure for resolving every claim or dispute in connection with this Agreement shall be by applying the methods set forth in the Rules for Alternative Dispute Resolution (ADR), promulgated by the state in which the banking center holding your account is located, as amended from time to time, at the Bank's office in 60-day increments as follows: (a) conduct mediation or, if all parties agree, a mini-trial; and, (b) submit unresolved issues to binding arbitration at which time the arbitrator will dismiss claims that, under the law of the state in which the banking center holding your account is located, are beyond an applicable statute of limitation or that do not constitute a cause of action. You and the Bank shall pay an equal share of the costs for (a) and (b) above. If necessary, you or the Bank may commence an action to compel ADR. Judgment on an ADR award with costs may be entered in any court with jurisdiction. The provisions of this paragraph shall be specifically enforceable by any court having jurisdiction.

Checking Account Terms

Acceptable Form of Checks

The Bank has a variety of check styles on approved forms available to you. We may refuse to pay any check drawn on your account unless it is presented to us on a form we have provided or approved.

Account Statements

The Bank will provide periodic account statements and other information pertaining to activity in your account. We will rely on the postal or electronic address in our records for you; you are responsible for notifying us of any change of postal or electronic address. You agree to promptly review your account information and any accompanying items and notify the Bank in writing of any dispute or discrepancy, including unauthorized transfers, electronic funds transfers, withdrawals or other transactions, transactions involving substitute checks, unauthorized or forged signatures or endorsements, alterations or other irregularities. You must report in writing any such dispute or discrepancy to 1st Source Bank, Branch Administration, P.O. Box 1602, South Bend, IN 46634 within 14 days of the date of the earliest account statement describing such irregularities. If you fail to report any such dispute or discrepancy within the 14-day period, we will assume that you have accepted the stated balance as being correct and you will be precluded from seeking redress against the Bank for all transactions or matters covered by the account information. The Bank is relieved of any potential liability for multiple unauthorized signatures or alterations by the same wrongdoer if you do not notify the Bank within the 14-day period of such irregularities. Furthermore, the Bank will not be liable for any item forged or altered so cleverly that the fraud could not be detected by a reasonable financial institution.

CAUTION – YOU ARE IN THE BEST POSITION TO DETECT AN UNAUTHORIZED SIGNATURE OR TRANSACTION, OR A MATERIAL ALTERATION. IF YOU USE A BOOKKEEPER, IT IS YOUR RESPONSIBILITY TO VERIFY YOUR ACCOUNT STATEMENTS.

Automated Account Processing

Banks use high-speed check sorters to do automated account processing. As a result of automated account processing, we will pay all postdated checks you have written, unless you give the Bank "notice" that you do not want an item paid. It is entirely at the option of the Bank to pay or dishonor any check more than six (6) months old. This may be done without prior notice to you. You agree to hold us harmless for paying any stale-dated or postdated check and agree to reimburse us for any loss we might suffer because of such payment made in good faith.

In a similar fashion, we are also prevented from looking at the signatures on every check. However, in order to exercise reasonable care in the processing of checks, the Bank has established a dollar value of a check—above which we will examine signatures. You acknowledge that the establishment of a cutoff level will not by itself constitute a failure

to exercise ordinary care and that the establishment of a cutoff level is a commercially reasonable practice. In addition, the Bank reserves the right to change the cutoff level as needed.

Special Instructions on Checks

Banks' automatic check-processing equipment does not identify data written or printed on your check, other than the information that appears on the MICR line—drawee bank number, account number, check number, and the amount of the check. Thus, we may pay your checks even though special instructions were noted, such as "void if not paid in 30 days" or "not good in excess of \$100."

Facsimile or Mechanical Signatures

You agree that if you use an automatic check writing service, employ the use of a personal computer, employ the use of a facsimile signature or do not otherwise provide your personal signature on a check (collectively "facsimile signature"), you agree you shall have the sole responsibility for maintaining security of any such method or device by which your signature or authorization is affixed and that you shall bear the entire risk for the unauthorized use thereof whether or not you are negligent. The Bank may honor any check or other signed instruction that bears or appears to bear your facsimile signature regardless of by whom or by what means the actual or purported facsimile signature thereon may have been affixed to it. The Bank may refuse any item bearing a facsimile signature if you have not adopted the Bank's resolution for facsimile signatures on checks and other items. You accept sole responsibility for safeguarding your checks and maintaining security over any device for affixing a signature. You also agree to review promptly your account information for unauthorized use of facsimile signatures.

Check Safekeeping/Imaging

The Bank may provide the item number, amount and date of payment on your statement for items paid against your account and may provide images of checks paid against your account in lieu of returning the original items to you.

The Bank may retain or destroy the original items. If destroyed, the Bank will maintain images for the period required by law.

Preauthorized Drafts

If you voluntarily give information regarding your account to a third party selling you goods or services, that act authorizes the recipient to initiate debits to your account even though a particular transaction may not have been authorized.

Overdrafts

The Bank may pay or return any item that is drawn against insufficient funds. Honoring past overdrafts does not obligate the Bank to honor them in the future.

You agree to deposit sufficient funds to cover the overdraft and any fees, promptly upon notice. You also agree to reimburse the Bank for any costs we incur collecting the overdraft from you, including, without limitation, reasonable attorney fees and the cost of litigation, to the extent permitted by law. All such fees and costs may be charged to your account. Additionally, you will not hold us accountable for refusing to honor your checks because of insufficient funds caused by these charges.

The Bank is not required to send prior notice of checks returned for non-sufficient funds.

Any overdraft paid by the Bank is in anticipation of your making a deposit to cover the negative balance as soon as possible. This deposit can come from an automated source, such as payroll, other direct deposit, or you may choose to pay the negative balance, which includes any overdraft fee, by stopping by any convenient 1st Source Banking Center before your next direct deposit.

Stop Payment Orders

The Bank may charge a fee for each stop payment order. We will not stop payment on treasurer's checks, money orders or debit card transactions. You may stop payment on any of your checks, including checks drawn on a joint account, provided we receive your stop payment order in a manner and at a time that gives us a reasonable opportunity to act. Your stop payment order will be too late if it is not received within a reasonable

time before any of the actions described in Uniform Commercial Code section 4-303 are taken.

In general, these actions include:

- accepting the check
- paying the check in cash
- settling for the check as part of the collection process
- becoming accountable for the amount of the check
- passing of the next banking day after the banking day on which the Bank received the check

A stop payment order will be in effect for six (6) months. However, if you inform us orally to stop payment, we reserve the right to remove the stop payment order after 14 days if we have not received a signed stop payment order. You may renew your order in writing every six (6) months. We may pay any of your checks after your stop payment order has expired.

Your order to stop payment must contain your name and account number, the name to whom the check is made out (the payee), and the number and exact amount of the check. We will have no liability to you if any of the information you provide in your stop payment order is incorrect and we pay the check.

Any person authorized to write checks against your account can stop payment, even though that person may not have written the check.

Postdated Items

The Bank may accept or pay a postdated item drawn on your account and received by the Bank on a date which is prior to the date of the item or contrary to special instructions identified on the item, unless the Bank receives notice and agrees in writing to be bound by such date or special instructions. Such notice must provide the same information and be provided in the same time frame as stop payment orders. The notice will be effective for the same time periods as for stop payment orders. If the Bank re-credits your account after paying a postdated item over a valid and timely notice, you agree to transfer to the Bank all of your rights against the payee or other holder of the item, and to assist the Bank in legal action taken against that person.

Account Fees

The Bank may collect fees on your bank account in accordance with our Fee Schedule. Fees and expenses may be deducted from your account during a statement period other than the one in which it occurred.

You will not hold us accountable for refusing to pay checks because of insufficient funds as a result of these fees and expenses.

The Check 21 Act

Check 21 is a law enacted to simplify the way checks are processed in the United States. This law allows the creation of a new document called a "substitute check" which legally replaces the original paper check.

What is a Substitute Check

It is the legal equivalent of the original paper check. It is a picture of our original paper check, turned into an electronic image – similar in size with a slightly reduced image. The front of the check states, "This is a legal copy of your check, you may use it the same way you would use the original check."

A substitute check is the equivalent of the original paper check with all of the rights and obligations of the original check it replaces.

What if There Is an Error Involving a Substitute Check

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount of money from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover from this procedure may include the amount that was

withdrawn from your account and fees that were charged as a result of the withdrawal (for example, overdraft fees).

The amount of refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You are also entitled to interest on the amount of your refund if your account is an interest bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other laws.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) not later than 45 calendar days after we receive your claim. We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How Do I Make a Claim for a Refund

If you believe that you have suffered a loss relating to a substitute check that you received and was posted to your account, please contact us at 1st Source Bank, Research Department, P.O. Box 1602, South Bend, IN 46634 or telephone us at (574) 235-2000 (in St. Joseph County), or (800) 513-2360 (outside St. Joseph County).

You must contact us within 40 calendar days of the date we mailed (or otherwise delivered by means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this period of time if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

- A description of why you have suffered a loss (for example, you think the amount withdrawn is incorrect)
- A statement of the amount of your loss
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss
- A copy of the substitute check and/or the following information to help us identify the substitute check such as the check number, payee, and the amount of the check

Internal Money Management Accounting

For regulatory and accounting purposes, your checking account will consist of a master account with two "sub-accounts" on our books. This accounting process has no effect on the daily use of your account, on how checks are paid, or on how account activity appears on your periodic account statement.

Depending on whether your checking account is a non-interest or interest bearing account, the sub-accounts will be: 1) either a non-interest bearing sub-account or an interest bearing sub-account and 2) a non-interest bearing or interest bearing money market sub-account. At various times during each statement cycle of at least four weeks, a portion of the master checking account balance (which may be set and changed at our discretion) may be automatically transferred to the money market sub-account and classified as a money market deposit under, and subject to the limitations of Federal Reserve Board Regulation D. All checks, withdrawals and other charges will be made against the checking sub-account. As funds are needed, the Bank will, without charge to you, automatically transfer funds from the money market sub-account to the checking sub-account. This transfer of funds will continue as needed to pay items presented against your checking account, up to six times per statement month. If a sixth transfer is needed in a statement cycle, the entire balance in the money market sub-account will be transferred to the checking sub-account. Transfers from your master account to a sub-account (or between sub-accounts) will only be on our books and records and will not affect your master checking account, nor will they be reflected on your account statements. This process may be repeated each statement month.

Again, this is a procedural process used by the bank that does not affect your FDIC coverage, has no effect on the daily use of your account, on how checks are paid, or on how account activity appears on your periodic account statement.

Terms Applicable to Savings and Time Deposit Accounts

Interest

Interest-bearing accounts will be paid interest at such rates as we determine. We reserve the right to select the method of determining balances upon which interest will be calculated, the time such balances shall remain on deposit to be entitled to interest, the method of computing interest, and the dates interest will be paid.

For additional information, you may obtain a copy of the Bank's "Truth in Savings Disclosure" at any 1st Source banking center.

Savings Accounts

Savings accounts are defined as accounts that are not payable on a specified date or at the expiration of a specified time.

Regulations for Savings Accounts

Your deposit is a "savings deposit" as defined by the Federal Reserve Board and FDIC regulations. It is governed by those regulations pertaining to amount limitations, interest rates, manner of withdrawal, penalties, and other conditions.

Your account is also governed by the terms of this Agreement.

Right to Require Notice

The Bank has the right to require seven (7) days prior written notice of any withdrawal you may make from your account. If you close your account, you will be responsible for making sure that there is enough money in your account to cover all outstanding withdrawals.

Telephone and Preauthorized Transfers

If your account has been approved for telephone or preauthorized transfers, no more than six (6) transfers may be made from your account in any one month. This limitation does not apply to preauthorized loan payments at this Bank.

Money Management Accounts

The following terms, together with the terms governing savings accounts in general, govern your Money Management Account.

Minimum Balance

The minimum balances required for Money Management Accounts are listed in the *Product Disclosures* of the "Truth in Savings Disclosure."

Deposits

You may make additional deposits to your account.

Transfers

Preauthorized transfers and transfers by telephone or computer are limited to six (6) per month. This limitation does not apply to preauthorized loan payments at this Bank. No more than three (3) of these transfers may be third party checks. Preauthorized transfers include automatic bill payments, transfers to your other accounts with this Bank, or automatic transfers to third parties that you have authorized us to make.

Time Deposits/Certificates of Deposit

Time deposits include deposits that are payable, either on a specified date or at the expiration of a specified time, no less than seven (7) days after the date of deposit.

Regulations for Time Deposits

Your deposit is a "time deposit" as defined by the Federal Reserve Board and FDIC regulations. It is governed by those regulations pertaining to amount limitations, interest rates, manner of withdrawal, penalties, and other conditions. Your time deposit is also governed by the terms of this Agreement and the terms of any certificate of deposit document you receive.

Tax Penalty for Early Distribution

If your deposit is a retirement time deposit, there may be a tax penalty for early distribution. You are not, generally, allowed to withdraw funds from your IRA or qualified retirement plan unless you have reached the age of 59 1/2 or are disabled. If you receive

an early distribution, you may be subject to taxes and penalties under the Internal Revenue Code. You should consult a qualified, independent tax advisor.

Withdrawal of interest or principal prior to maturity will be permitted only in accordance with laws and regulations including the Bank's rules in effect.

Electronic Banking Agreement

(Regulation E)

Electronic Funds Transfer (EFT)

The Bank provides various EFT services for its customers. EFT means a transfer of funds through an electronic terminal, by telephone (InfoSource[®]), or by Internet (Online Banking), or the conversion of a check electronically. EFTs include, but are not limited to, automated teller machine (ATM) transactions, direct deposit or withdrawal of funds, transfers by telephone or computer, and debit card transactions, including those not involving an electronic terminal at the time of the transaction. The Bank may limit the availability of these services.

This disclosure outlines the basic rights, liabilities and responsibilities stated in the Electronic Funds Transfer Act, Regulation E.

Fees

The Bank reserves the right to deduct from your account any fees or expenses incurred for EFT services. You will not hold the Bank responsible for refusing to pay checks because of insufficient funds as a result of these fees or expenses.

For additional fee information, you may obtain a copy of the Bank's "Truth in Savings Disclosure" brochure at any 1st Source banking center.

Resource[®] Card/Resource Plus[®] Card

The Bank, upon request and credit approval, may issue a Resource[®] Card/Resource Plus[®] card and Personal Identification Number (PIN). These may allow you to:

- obtain checking and savings account balance information
- make deposits or withdrawals from your checking and savings accounts
- transfer funds between your checking, savings and Home Equity Line of Credit accounts
- make payments
- pay for various purchases (Resource Plus[®] card only)
- access our InfoSource[®] telephone system or Online Banking service

Terminating Card Privileges

The Bank may terminate your card privileges at any time **WITHOUT** written notice to you.

You may terminate your card privileges at any time by:

- sending the Bank written notice to:

1st Source Bank
Resource[®] Card
P.O. Box 1602
South Bend, IN 46634

- stopping by any 1st Source banking center and requesting card termination

Business Days

The Bank's business days are Monday through Friday, exclusive of holidays. When and where we are open on Saturdays, Sundays or holidays, we will accept transactions for posting on the next business day.

Limitation on Withdrawals

Cash withdrawals from our network of 24-hour ATMs are normally limited to \$300 per day. Purchases made using the Resource Plus® card are normally limited to \$300 a day when using your Personal Identification Number (PIN), and \$1,300 per day when signing for your purchases. See your nearest 1st Source banking center for the limits on your card.

To Report Losses or Errors

If your Resource® Card/Resource Plus® card has been lost or stolen, or you believe an unauthorized transfer or error has occurred or may occur, please contact us **AT ONCE** by calling 574 235-2000 (in St. Joseph County, IN) or 800 513-2360 (outside St. Joseph County, IN). After regular business hours, call 888 849-6046, as soon as possible.

The Bank will not be responsible for any and all damages that result from or are a consequence of a machine malfunction. Promptly notify the Bank if a machine fails during your use.

Customer Liability

Prompt action is crucial in the event of a lost or stolen Resource® Card/Resource Plus® card. If you believe an error has occurred or someone has used your card without your permission and you contact us within two (2) business days of discovery, your loss will be no more than \$50.

It is important to note that you **COULD LOSE** as much as \$500 if you **DO NOT** contact us within two (2) business days after discovering the loss and it appears that 1st Source Bank could have prevented the loss had you contacted us within that period. Also, if your statement shows transactions that you did not make, and you **DO NOT** contact us within 60 days after the statement is mailed to you, you **MAY NOT** be able to recover any money lost after that time if it appears that your contacting us would have prevented the loss.

An "unauthorized withdrawal" is a withdrawal that does not benefit you, by a person who does not have your actual permission. A withdrawal by a joint owner or other person with an interest in or authority to transact business on your account is not an unauthorized withdrawal.

Right to Receive Documentation

You will get a memo receipt at the time you make any transfer greater than \$15 from your account using one of our Resource Centers (ATMs) or at any CIRRUS, MasterCard® or NYCE terminals. You will receive a monthly checking account statement reflecting your transfers during the month. If there are preauthorized debits and/or ATM transactions posted to the savings account during the month, you will receive a monthly savings account statement. You may call us at 574 235-2000 (in St. Joseph County, IN) or 800 513-2360 (outside St. Joseph County, IN) to verify the receipt of a preauthorized credit.

You may call InfoSource® (a voice response system to access account information 24-hours a day) at 574 235-2557 (St. Joseph County, IN) or 800 235-2557 to obtain information on the status of your account. When calling InfoSource®, you must enter the last seven digits of your Resource® Card/Resource Plus® card number, followed by your PIN. With a Resource® Card/Resource Plus® card, you may also access your account through Online Banking at 1stsource.com.

Types of Electronic Funds Transfers

You may use your Resource® Card/Resource Plus® card to initiate the following transactions: (a) withdraw cash from your checking or savings account, including your CareFree or Savings Advance; (b) transfer funds between your checking, savings and Home Equity Line of Credit accounts in the amount you request; (c) deposit cash or checks in your checking or savings account; (d) make 1st Source Bank installment loan payments; (e) obtain checking and/or savings account balance information, including CareFree Line of Credit; (f) pay for various purchases (only available with Resource Plus® card). You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to: (a) pay for purchases; (b) pay bills.

YOUR CARD IS THE PROPERTY OF THE BANK AND WE MAY TERMINATE YOUR CARD PRIVILEGES AT ANY TIME WITHOUT WRITTEN NOTICE TO YOU.

Your Resource[®] Card/Resource Plus[®] card can be used at thousands of ATMs nationwide which display the CIRRUS[®], MasterCard[®] or NYCE[®] logos. When using any non-1st Source Bank ATM, there will be a fee per transaction. You will be notified of this fee prior to completing the transaction. This fee will be charged to the account you have accessed. You may use your Resource[®] Card/Resource Plus[®] card at any CIRRUS[®], MasterCard[®] or NYCE[®] terminals to initiate the following transactions:* (a) cash withdrawal from your checking and/or savings account, including your CareFree Line of Credit; (b) obtain checking and/or savings account balance information, including CareFree Line of Credit.

***Note:** Some of these services may not be available at all CIRRUS[®], MasterCard[®] or NYCE[®] terminals. The specific transactions you can perform depend upon the accounts you have previously designated for access by your Resource[®] Card/Resource Plus[®] card.

Resource Plus[®] Card Purchases

The Resource Plus[®] card (Debit MasterCard[®]) may be used instead of a check to pay for goods or services at millions of locations worldwide.

Automated Clearing House (ACH) Transactions

All ACH transactions are governed by the applicable operating rules and procedures. Credit given by a receiving bank to its customer for payment from your account is pending until final settlement has been made or until payment is considered received under applicable law.

If the bank does not receive final settlement or payment for a credit made to your account, the Bank will be entitled to reimbursement from you for the amount of the credit.

Termination of Electronic Transfer

Either the Bank or you may terminate an electronic transfer service. The Bank may terminate your right to receive electronic fund transfers and your card privileges at any time by sending you notice in writing to the last address the Bank has on record for you. You may terminate electronic transfers by calling us at 574 235-2000 (in St. Joseph County, IN) or 800 513-2360 (outside St. Joseph County, IN) or by writing us at 1st Source Bank, Deposit Services, P.O. Box 1602, South Bend, Indiana 46634.

Preauthorized Credits

You must specifically authorize the person or government agency to deposit funds electronically to your account.

You have the right to find out whether an electronic payment has been credited to your account. You can contact the Bank at 574 235-2000 (in St. Joseph County, IN) or 800 513-2360 (outside St. Joseph County, IN); call InfoSource[®] at 574 235-2557 (St. Joseph County, IN) or 800 235-2557; log-on to your Online Banking account and correspond with our Customer Service Department through our secure online service request form; or write to us at 1st Source Bank, Deposit Services, P.O. Box 1602, South Bend, Indiana 46634.

Electronic payment credit is provisional until the Bank receives final settlement or payment. If final settlement or payment is not received, the Bank is entitled to a refund of the credit. At the direction of the person or government agency which deposited the funds, the Bank may return the funds from your account without notice to you. The Bank is required by law to post any preauthorized credit to your consumer account as of the effective date of the deposit or the day the Bank receives it.

Liability for Failure to Make Transfers

If the Bank does not complete a transfer to or from your account on time or for the correct amount, according to our agreement with you, we will be liable for your actual losses or damages, but not consequential or incidental damage. However, there are some exceptions. For instance, we will not be liable: (a) if, through no fault of ours, your account does not contain sufficient collected and available funds to make the transfer;

(b) if we did not receive the proper or correct amount for the transfer from the payer or payee; (c) if the automated teller, our InfoSource[®] telephone service, and/or our Online Banking internet service were not working properly and you knew about the breakdown when you started the transfer or the breakdown occurred under circumstances beyond our control; (d) if you did not advise us of an addition, deletion, or change in the account(s) you wanted to access at the automated teller machine; (e) if circumstances beyond our control prevented the transfer.

Right to Stop Payment and Procedures for Doing So

If you have advised us in advance to make regular payments out of your account, you can stop any of these payments. Call us at 574 235-2000 (in St. Joseph County, IN) or 800 513-2360 (outside St. Joseph County, IN) or write to us at: 1st Source Bank, P.O. Box 1602, South Bend, Indiana 46634. You must call or write in time for us to receive your request three (3) business days or more before the payment is scheduled to be made. If you call, we will also require you to put your request in writing and make sure it is in our hands within 14 days after your call. If you request us to stop one of these payments three (3) business days or more before the transfer is scheduled and we do not do so, we will be liable for your losses or damages.

If your regular payments may vary in amount, the recipient of the payments will notify you ten days in advance of the amount and the date of each payment.

In Case of Errors or Questions

In case of errors or questions about electronic transfers initiated at a 24-hour automated teller machine, please call us at 574 235-2573 (in St. Joseph County, IN) or 800 513-2360 (outside St. Joseph County, IN). For transfers made by telephone through InfoSource[®], please call 574 235-2000 (in St. Joseph County, IN) or 800 513-2360 (outside St. Joseph County, IN). For transfers made by computer through Online Banking, please call 574 235-2250 (in St. Joseph County) or 888 258-3150 (outside St. Joseph County). For any such transactions, including preauthorized credits or debits, you may also write to us at: 1st Source Bank, P.O. Box 1602, South Bend, Indiana 46634. If you think a transaction listed on your memo receipt or statement is wrong, or if you need more information about a transaction listed on either, please contact us at once. Remember, we must hear from you no later than 60 days after we send you the first statement on which the problem or error appeared. When you call or write to us, please provide the following information: (a) your name and account number; (b) description of the error or the transfer you are unsure about. (Please explain as clearly as you can why you believe it is an error or why you need more information); (c) the dollar amount and date of the suspected error. If you call us to report the error, we may require that you send us your complaint or question in writing within 10 business days after we hear from you. Upon receiving that written information, we will correct any error promptly. If we need more time to complete the investigation we may take up to 45 days to investigate your question, or up to 90 days if it is a new account, point of sale or foreign transaction. We will provisionally re-credit your account within 10 business days or 20 day business days, if a new account, for the amount you think is in error. If we request but do not receive a written notification within 10 business days, we may not re-credit your account. If we decide that there was no error, we will send you a written explanation within three (3) business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation.

Disclosure of Account Information

The Bank respects your right of privacy. We will only disclose information about your account or electronic fund transfers you make under the following circumstances: (a) where it is necessary to complete any electronic fund transfer or other transactions; (b) to verify the existence and status of your account for creditors or credit bureaus; (c) to report our experience regarding your account to financial institutions and credit reporting agencies; (d) to comply with a request from a government agency, a court order or other legal proceeding; (e) to enforce our rights; or, (f) if you give written permission.

In addition, we may disclose information about your account to an account verification service if we close your account.

Availability of Funds Policy and Collection of Checks

(Regulation CC)

1st Source Bank's Availability of Funds Policy

The Expedited Funds Availability Act Title VI, of the Competitive Equality Banking Act, Regulation CC, was enacted to ensure prompt availability and use of the funds you deposit with 1st Source Bank. It also expedites the return of dishonored checks through the national payments mechanism.

Our policy is to make funds from your deposit available to you on the first business day after we receive your deposit. Electronic direct deposit funds will be available on the day we receive the deposit. At that time, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

Determining the Availability of a Deposit

For determining the availability of your deposits, every day is a business day, except Saturday, Sunday and federal holidays. If you make a deposit before the posted closing time or posted "cutoff" time on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit on a day we are not open or after the posted cutoff time, we will consider that the deposit was made on the next business day we are open. The cutoff time may vary by banking center. If the cutoff time is earlier than the banking center closing time, the cutoff time will be posted in the banking center.

If you make a deposit in a 1st Source Bank ATM **AFTER** 12:00 p.m. (noon) or on a day not considered our business day, we will consider that the deposit was made on the next business day we are open.

If you make a deposit in a 1st Source Bank night depository **AFTER** 12:00 p.m. (noon) or the cutoff time otherwise posted, or on a day not considered our business day, we will consider that the deposit was made on the next business day we are open.

The Bank may refuse any item to be deposited.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

Funds from the following deposits are available on the first business day after the day of your deposit:

- cash
- wire transfer
- U.S. Treasury checks payable to the depositor
- state and local government checks, Treasurer's, cashier's, certified and teller's checks that are payable to the depositor
- Federal Reserve Bank checks, Federal Home Loan Bank checks and postal money orders (if these items are payable to the depositor)

Our policy is to make funds available on local and non-local checks as follows:

Local Checks

A deposit of local checks will be available on the first business day after the day of your deposit. A check is defined as a "local" check if the first four digits of the routing number are: 0710, 2710, 0711, 2711, 0712, 2712, 0719, 2719, 0750, 2750, 0759, 2759. All other checks with routing numbers other than those noted are defined as "non-local" checks. Routing numbers defining "local" checks may change from time to time as 1st Source Bank enters new markets.

Non-local Checks

The first \$100 from a deposit of non-local checks will be available on the first business day after the day of your deposit. The remaining funds will be available not later than the fifth business day after the day of your deposit.

Longer Delays May Apply

In some cases, we will not make all the funds you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the fifth business day after the day of your deposit. However, the first \$100 of your deposit will be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first business day after the day of your deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide it is necessary to take this action after you have left the premises, we will mail you the notice by the day after we received your deposit, or on the business day we learn of the reason requiring the delay.

If you will need funds from a deposit right away, you should ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period of time under the following circumstances:

- if we believe a check you deposit will not be paid
- when you deposit checks totaling more than \$5,000 on any one day
- when you redeposit a check that has been returned unpaid
- when you have overdrawn your account repeatedly in the last six months
- if there is an emergency (such as failure of communications or computer equipment)

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the 11th business day after the day of your deposit.

Holds on Other Funds (Check Cashing)

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

Special Rules for New Accounts

If you are a new customer, the following special rules could apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions — for example, the checks must be payable to you. The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit. Funds from all other check deposits less than \$5,000 will be available on the fifth business day after the day of your deposit.

Check Endorsement Standards

You should be aware of special endorsement standards stated in Regulation CC of the Federal Reserve System. Failure to comply with these endorsement standards may make you responsible for loss resulting from a delay in return caused by endorsements that are not legible due to placement of endorsement, or due to other printed or written text or numbers appearing on the back of the check. Check endorsements are to be wholly contained on the back of the check confined to the area within 1 1/2" from each item's trailing edge; i.e., the left edge of an item as you are looking at it from the front.

Collection-of-Checks Policy

The customer appoints the Bank as its agent for the collection of checks, drafts, and other orders for the payment of money, including orders for payment in clearinghouse funds and wire transfers that the customer deposits with us. We will make the proceeds

of these items available to the customer in accordance with our availability policy currently in effect.

All credits for non-cash items received for deposit are provisional subject to final settlement. the Bank or any of its correspondents, as agent for the customer, may accept the draft or credit of any bank or other payer in lieu of cash.

The Bank will exercise ordinary care in the handling of items of deposit and withdrawal per the standards and procedures established for the transaction involved.

Deposited Check Returns

The Bank can charge back to your account any item deposited that is returned unpaid. We may do this even if you have made withdrawals against those deposited checks.

We may, at our discretion, send checks back for collection one or more times when they have been deposited to your account and returned unpaid. We have no liability for resubmitting these checks without notice to you.



Your partners from the first®

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