ACCOUNT DISCLOSURE – CERTIFICATE OF DEPOSIT ("CD") ACCOUNT

All CD Accounts are available for consumer accounts and business accounts, except Individual Retirement Account ("IRA") available to consumers only.

This document along with the following additional documents Open Bank ("we," "us," "our") provides to you ("owner," "your") are collectively referred to as the "*Agreement*" and contain the rules which govern your deposit account ("account"), including but not limited to the *Deposit Account Agreement* and any other agreements, disclosures, or documents regarding your account or services provided to you at any time, including at account opening.

Carefully review all documents contained within the *Agreement* so that you know and understand your account terms, conditions, features, and fees.

Your account is void if the opening deposit is made by any method requiring collection (such as a check) and the deposit is not immediately collected in full.

You agree to keep the funds with us in your account until the maturity date. You may not transfer your account without first obtaining our consent.

Your account may be closed by us, solely at our discretion, at any time with or without a prior notice to you.

Interest Rate ("Rate") and Annual Percentage Yield ("APY") Information – The current Rate and corresponding APY on your account are stated on your *Certificate of Deposit*. The initial Rate and corresponding APY for your account depend on the balance tier and maturity term you select. They are effective as of your account opening deposit date. The Rate and corresponding APY are fixed and remain in effect until the initial maturity date of your account. APY means a percentage rate reflecting the total amount of interest paid on your account based on the Rate and frequency of compounding for a 365-day period (366-day period for a leap year). The stated APY is based on the assumption that interest remains in the account until maturity and that a withdrawal of interest prior to maturity will reduce earnings.

We may not pay interest on funds we hold or set aside in response to a legal process. The accompanying *Deposit Account Agreement* discusses Legal Processes.

Compounding Frequency – Interest on a CD Account with a term of 365 days or less (366 days or less in a leap year) does not compound (earns simple interest). Interest on a CD Account with a term longer than 365 days (longer than 366 days in a leap year) compounds annually unless you choose to have the interest paid to you by check or transfer to another account.

Crediting Frequency

- ***Other than IRA CD-*** You can withdraw credited interest without penalty. Interest earned during a term that is not withdrawn during the term or the grace period is added to and becomes part of your principal balance for the renewal term.

  CDs with a term of 365 days or less/366 days or less for a leap year. You may choose to have accrued interest paid to you monthly, quarterly, semi-annually, or at maturity by check or transfer into another deposit account. Or, you may choose to have the accrued interest added (credited) to your CD's principal balance at maturity.

  CDs with a term longer than 365 days/longer than 366 days for a leap year. You may choose to have accrued interest paid to you monthly, quarterly, semi-annually, or annually and at maturity by check or transfer into another deposit account. Or, you may choose to have accrued interest added (credited) to your CD's principal balance annually and at maturity. Accrued interest must be paid on an annual or more frequent basis.

- ***IRA CD Only***- The accrued interest is added to your principal annually and at maturity if your account has a term longer than 365 days (366 days for a leap year) unless you choose the interest payment for your annual Required Minimum Distribution (RMD). Refer to the separate IRA Disclosure Statement and IRS's website at www.irs.gov for RMD.

Effect of Closing – Accrued interest is paid if your account is closed before the accrued interest is scheduled to be credited.

***IRA Only* –** The accrued interest is **not** paid if your account is closed within seven (7) days of the opening date.

Minimum Opening Balance – A minimum of $1,000.00 must be deposited to open your account.

Minimum Daily Balance to Earn Stated APY – You must maintain the above "Minimum Opening Balance" in your account each day to earn the stated APY. The Rate is applied to your end-of-day account balance during our nightly processing.

Balance Computation Method – We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in your account at the end of each day.

Accrual of Interest on Noncash Deposits – Interest begins to accrue on the business day you deposit noncash items (for example, checks). The accompanying *Deposit Account Agreement* defines our Business Days.

Fees & Charges – There are no monthly service fees or charges. The accompanying *Schedule of Fees* lists other fees and charges that may apply.

Certain fees and charges may change without specific notice to you, as permitted by law. You must promptly pay all fees and charges associated with your account and banking services, and each account owner is jointly and severally liable for such fees and charges. We may deduct fees and charges automatically from your account.

Transaction Limitations – Unless otherwise provided, early or partial withdrawals from, or deposit to, your account whether in-person or by preauthorized, automatic, or electronic transfer are not permitted until maturity.

IRA Only – Additional deposits into account are allowed, except during the last seven (7) days before maturity. Partial principal withdrawal and a premature closing is allowed without penalty when an account owner is age of 59 ½ or older. However, the interval of each withdrawal should be longer than six days. Otherwise, partial principal withdrawal is not allowed and considered a premature closing of the account and will be subject to an Early Withdrawal Penalty imposed by us.

We reserve the right to limit or restrict cash withdrawals or payments due to the amount of funds available for withdrawal in your account or the amount of currency we have on hand. The accompanying *Deposit Account Agreement* outlines our Funds Availability Policy. If we do not have sufficient cash for a large withdrawal or payment, we may make arrangements for a later cash payment or offer to make payment with a Bank check. We assume no responsibility to provide protection for you if you elect to carry large sums of money out of our branch office. We reserve the right to limit the amount of funds that you maintain in your account.

Early Withdrawal Penalty –We will impose an early withdrawal penalty when we permit a withdrawal of principal from your CD before maturity. The penalty is first applied against available interest and any excess is deducted from your principal. In addition, for a consumer account, tax penalties may apply to premature distributions from an IRA or other tax-deferred savings plan. Speak with your accountant or tax adviser if you have questions regarding potential tax implications.

For accounts with a term between 548 days to 729 days, the penalty is equal to 90 days simple interest on the amount withdrawn.

In certain circumstances such as the death or incompetence of an account owner, the law permits, or in some cases, requires the waiver of the Early Withdrawal Penalty. In addition, the Early Withdrawal Penalty is waived when the funds are no longer FDIC insured due to a Bank merger for a period of one year from the date of merger. Other exceptions may also apply, for example, when your account is part of an IRA or other tax-deferred savings plan. Refer to the separate IRA Disclosure Statement and IRS's website at www.irs.gov for tax on early distributions and exceptions.

Renewal Policy & Terms

- **Automatic Renewal.** If your account is automatically renewed at maturity, the account renews for the same term (duration) and at the prevailing Rate and corresponding APY in effect for a CD of the same type, amount, and duration. Interest is calculated on the same basis as during the original term. Unless specifically stated otherwise, any bonus or special promotion we are offering does not apply to your renewing CD. We can change your account term at the time of renewal if we no longer offer the original term and we mail you a notice at least 30 calendar days before maturity.
  Your account has a ten (10) day grace period that begins after the maturity date of your account. You can deposit, withdraw, and/or change the terms of your account during your grace period without penalty. Your grace period is extended through the next business day when the last day of your ten (10) day grace period falls on a day other than a business day unless you made a change to your account during your grace period. If you make any deposits, withdrawal, or other change to your account during your grace period, your grace period ends on the day of the deposit, withdrawal, or other change.
  You may prevent renewal when you close your account or request to have your account closed at maturity or within your grace period. We can prevent renewal if we mail you a notice at least 30 calendar days before maturity. Interest stops accruing upon the maturity date of your account when either you or we prevent your account from renewing.
  IRAs are generally offered as automatic renewals.

- **Non-Automatic Renewal/Single Maturity**. If your account does not automatically renew at maturity, interest stops accruing upon the maturity date of your account. You must contact us to renew, close, or take other action on your account.

Questions & Comments – Call or visit one of our branch offices during normal business hours or contact us at (213) 892-9999 if you have any questions or comments regarding your account, banking services, Rates and APYs, fees, or penalties.