

DEPOSIT CAPITAL

“Courtesy Deposit” Introduction

THE LOAN PACKAGE ATTACHED HEREWITH QUALIFIES AND IS APPROVED FOR A COURTESY DEPOSIT

The attached loan proposal qualifies for a courtesy deposit at your institution. On behalf of the borrower, Deposit Capital will make a "courtesy deposit" in the form of Jumbo CD purchases at your institution. Deposit Capital's intent is to enhance the relationship with the borrower more appealing to the bank by including a deposit of funds via the purchase of CDs at your institution. Whereas these funds used to purchase the CDs are not the borrowers funds and the CDs are not owned by the borrower or part of their proposed transaction with your institution. The borrower is responsible for arranging these CD purchases (known as “courtesy deposits”) at your institution. Deposit Capital has no involvement with the lenders loan approval process and or the borrowers business. Deposit Capital only makes the purchase of Certificate of Deposits at the lending institution. It is important to note that these funds brought to the bank at zero cost to the bank and through no extra effort of the bank

"Courtesy Deposit" Defined

A "courtesy deposit" is a deposit of funds with a financial institution to enhance a client's financing proposal. The funds are only deposited via the purchase of Certificates of Deposit in the name of Deposit Capital. The deposits are made in increments of \$100,000 to \$250,000 depending on the requirements of the accepting financial institution. The term of the Certificate of Deposit can range from one to five years. All deposits can be renewed for additional terms.

Deposit Restrictions

The "courtesy deposit" can never be subject to risk. Accordingly, the financial institution must carry appropriate FDIC insurance to cover all deposits arranged by Deposit Capital. At no time can the funds be encumbered, pledged, put in jeopardy, used to collateralize a customer's loan, or used to guarantee any customer's situation. The bank does not have the right to offset against these deposits.

Benefits to the Bank

By approving a loan package that includes a "courtesy deposit," the bank may benefit in multiple ways. First, the Courtesy Deposit may provide additional liquidity. The bank gains a new "center of influence" client. The bank can apply this capital in whatever manner the bank sees fit, including, for example, making additional loans, using the funds for arbitrage, or investing the funds for gain. Only The Bank can identify the proper use for the courtesy deposits like:

A. Earning More Revenue

The bank is able to redeploy the funds and increase its profitability by using the courtesy deposit to fund additional loans.

B. Additional Significant Sales

By approving a loan package that includes a "courtesy deposit," the bank and banker are gaining two significant relationships. The bank gains a relationship that utilizes multiple products, beginning with a courtesy deposit which will remain with the bank for a predetermined period and potential extended period of time. Furthermore, the bank has a new customer and is able to add products to the relationship such as treasury management services, investment management, personal accounts, etc., which all significantly enhance the relationship and further the bank's ability to become The provider of banking services.

Compliance

All Deposit Capital arranged Courtesy Deposits are typically institutional funds and come from USA domiciled individuals, corporate funds, municipalities, financial institutions or other domestic investors. All information necessary to comply fully with all applicable regulations, including the Patriot Act, the Bank Secrecy Act, and the Money Laundering Control Act will be provided along with any other information required by the lending institution. Information provided can include ID's, fingerprint cards, authorizations, tax ID numbers or other identifying information, the source of the funds, the originating account, the purpose of the funds and whatever else is required from the receiving bank.

Conclusion

In summation, the financing request package attached herewith that does include a "courtesy deposit," may benefit the bank. Deposit Capital's relationship with the bank and the CD purchases will remain completely separate from the proposed financing transaction with the borrower.

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