

TUSCANY HOA 2021 ANNUAL MEETING FINANCIAL STRATEGIES

DEPOSITS PROGRAMS

ICS – Insured Cash Sweep

- a. CIT Bank FDIC insured up to \$10MM
- b. APY – Up to 0.20%



Access multi-million-dollar FDIC insurance on deposits

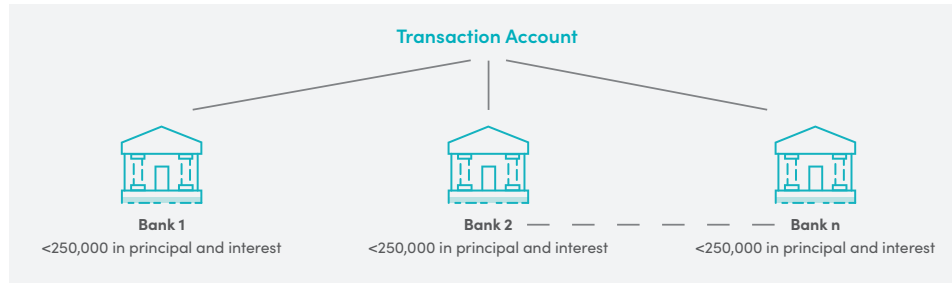
Protect your funds even when they exceed the FDIC insurance limit with ICS®, the Insured Cash Sweep® service. Through ICS®, you can earn interest and access multimillion-dollar FDIC protection on your large deposits.

ICS is flexible and easy to use

When your transaction account balance exceeds your established threshold, the excess amount is transferred through ICS to multiple banks in increments below the FDIC insurance coverage amount so that your principal and interest are eligible for FDIC insurance. You always have 24/7 access to your account information with our online banking tool and receive just one statement identifying all deposits. Funds can also be transferred or returned to your transaction account when its balance falls below a specified amount.

How does ICS work?

Set up or use an existing checking or other transaction account, sign the agreements and deposit your funds. Funds can be transferred to money market deposit accounts using the ICS savings option or to demand deposit accounts using the ICS demand option. If you choose both the savings and demand options, you will need to set up a separate transaction account for each.



Deposits are sent to demand deposit accounts or money market deposit accounts at other network banks in amounts under \$250,000, the standard FDIC insurance maximum per insured capacity, per bank.

Start protecting your deposits. Call me today to get started with ICS.

April Ahrendsen, Vice President
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Placement of funds through the ICS service is subject to the terms, conditions, and disclosures in the service agreements, including the Deposit Placement Agreement ("DPA"). Limits and customer eligibility criteria apply. In the ICS savings option, program withdrawals are limited to six per month. 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 ICS settlement for a deposit or after ICS 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 ICS satisfies those restrictions. ICS, Insured Cash Sweep are registered service marks of Promontory Interfinancial Network, LLC. Deposit and loan products are offered through CIT Bank, N.A., the FDIC-insured national bank subsidiary of CIT Group Inc. ©2020 CIT Group Inc. All rights reserved. CIT and the CIT logo are registered trademarks of CIT Group Inc. MM#7684



1. CDARS – Certificate of Deposit Account Registry Service

- a. CIT Bank FDIC insured NTE \$250,000
- b. Protection over \$250,000 through CDARS network banks
- c. APY – Up to 0.45% (Ladder CDARS)



Certificate of Deposit Account Registry Service® or CDARS®



Protect your deposits

Protect your large deposit even if it exceeds the standard maximum FDIC insurance limit with CDARS. With CDARS, you can access FDIC insurance beyond \$250,000 on CDs in a variety of terms.

How does CDARS work?

Our bank is a member of a special network, the CDARS Network. When your community association places a deposit using CDARS, it's divided into amounts under the standard FDIC insurance maximum (\$250,000) and allocated to CD accounts at other Network member banks. Your larger deposit is eligible for FDIC insurance while you continue working directly with us and receiving one regular statement.

Access FDIC insurance and reduce administrative burdens

With access to multimillion-dollar FDIC insurance, you can reduce any ongoing collateralization and avoid the hassle of opening accounts at different banks and the need to manually consolidate account statements and interest disbursements. With CDARS, you'll reduce administrative burdens – especially during tax and financial reporting seasons – and free up valuable time.

CDARS Example



Your community association has \$1 million in funds.



Your CIT account is nearing the \$250,000 FDIC limit.



Through CDARS, the \$1 million in funds are divided into five different banks within the CDARS Network.



Even with interest accruing on your CDs, your individual balances stay under the FDIC's \$250,000 limit keeping your funds insured.

Explore the ways CDARS can work for your HOA or community association at cit.com/CAB.

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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. CDARS and Certificate of Deposit Account Registry Service are registered service marks of Promontory Interfinancial Network, LLC. Deposit and loan products are offered through CIT Bank, N.A., the FDIC-insured national bank subsidiary of CIT Group Inc. ©2020 CIT Group Inc. All rights reserved. CIT and the CIT logo are registered trademarks of CIT Group Inc. MM#7739



GL CODE	CURRENT – CIT & WTB		CIT SCENARIO 1		APY
	10000	Operating	47,112.92	ICS – Operating	
11000	Checking	601,353.67	ICS – Reserve	450,000.00	0.15%
11100	Checking Escrow	600.00	CDARS – Capital	101,420.27	0.45%
	Total	649,066.59	Total	651,420.27	
11500	WTB (*)	252,353.68	CDARS – Investment	250,000.00	0.45%
	TOTAL	901,420.27	TOTAL	901,420.27	

RESERVE ACCOUNT

- 2019 Reserve Study
- CC&R Reserve Account

5.5.2.2 Reserve Account. Establish and fund a reserve account with a reputable banking institution or savings and loan association or title insurance company authorized to do business in the State of Idaho, which reserve account shall be dedicated to the costs of repair, replacement, maintenance and improvement of the Common Area.



Community Association Banking

Accurate as of: Monday, May 3, 2021

*Certificate of Deposit Account Registry Service (CDARS)

Term	Rate	APY
4 Weeks	0.20%	0.20%
13 Weeks	0.25%	0.25%
26 Weeks	0.35%	0.35%
52 Weeks	0.55%	0.55%
104 Weeks	0.80%	0.80%
156 Weeks	<u>0.80%</u>	0.80%

Minimum Opening Deposit \$10,000

*Rate quotes are for interest at maturity only. Order limits may apply and may vary by term. The interest rate and APY may change after the initial maturity. APY assumes interest will remain on deposit until maturity. Orders can be placed for a minimum of \$10,000 and a maximum of \$1,000,000 per maturity term. Penalty will be incurred for withdrawal prior to maturity.

**Insured Cash Sweep (ICS)

Tier	Rate	APY
\$0 - \$14,999.99	0.00%	0.00%
\$15,000 - \$99,999.99	0.10%	0.10%
\$100,000 - \$499,999.99	0.15%	0.15%
\$500,000 - \$1,999,999.99	0.20%	0.20%
\$2,000,000.00 & Above	<u>0.20%</u>	0.20%

Minimum Opening Deposit \$50,000

**Maximum of \$10,000,000 per customer. Maximum of 6 transactions per month. Talk to your representative about specific product limits. The illustrated minimum collected balance must be maintained to obtain the disclosed APY for that tier. The daily collected balance method is used to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. The interest rate and APY (Annual Percentage Yield) may change after account opening. Fees could reduce the earnings on the account.

***Ladder Certificate of Deposit Account Registry Service (Ladder CDARS)

Term	Rate	APY
4 Weeks	0.45%	0.45%
13 Weeks	0.45%	0.45%
26 Weeks	0.45%	0.45%
52 Weeks	<u>0.45%</u>	0.45%

Minimum Opening Deposit \$20,000

Offer applies to new deposits only. Not applicable for existing deposits.

***APY assumes interest will remain on deposit until maturity. Minimum opening deposit \$20,000 (\$5,000 per term) required to open Ladder CD accounts. Minimum collected balance of \$5,000 per CD term required to earn interest. Penalties may be imposed for early withdrawal. Maximum Deposit \$50,000,000 per Tax Identification Number. Orders can be placed for a minimum of \$20,000 and a maximum of \$50,000,000 per Tax Identification Number. Penalty will be incurred for withdrawal prior to maturity. Upon maturity, all Ladder CD terms will automatically renew to a 52-week term. Rates subject to change. Offer subject to change.



Community Association Banking

Accurate as of: Monday, May 3, 2021

*CAB Interest Checking

Tier	Rate	APY
\$ 0.00 - \$25,000 & Over	0.05%	0.05%

Minimum Opening Deposit \$100

*CAB Money Market

Tier	Rate	APY
\$1,000 - \$99,999.99	0.15%	0.15%
\$100,000 - \$249,999	0.15%	0.15%
\$250,000 - \$499,999	0.20%	0.20%
\$500,000 & above	0.25%	0.25%

Minimum Opening Deposit \$1,000

*Fixed Rate Certificate of Deposit (CD)

Term	Rate	APY
30 Days	0.20%	0.20%
60 Days	0.20%	0.20%
90 Days	0.20%	0.20%
6 Months	0.30%	0.30%
9 Months	0.35%	0.35%
12 Months	0.45%	0.45%
18 Months	0.60%	0.60%
24 Months	0.65%	0.65%
36 Months	0.65%	0.65%
48 Months	0.65%	0.65%
60 Months	0.65%	0.65%

Minimum Opening Deposit \$1,000

*The illustrated minimum collected balance must be maintained to obtain the disclosed APY for that tier. Fees could reduce the earnings on the account. Penalty may be imposed for early withdrawal on accounts with stated maturities. The interest Rate and APY may change after account opening for accounts without a stated maturity. APY assumes interest will remain on deposit until maturity. Interest on tiered accounts is paid on the full balances.