

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

This disclosure contains important information about your Home Equity Line-of-Credit Agreement. You should read it carefully and keep a copy for your records.

Availability of Terms: All of the terms described below are subject to change. If any of these terms change (other than the **ANNUAL PERCENTAGE RATE**) and you decide, as a result, not to enter into an agreement with us, you are entitled to a refund of any fees that you paid to us or anyone else in connection with your application.

Security Interest: We will take a Mortgage on your home. You could lose your home if you do not meet the obligations in your agreement with us.

Possible Actions:

Termination and Acceleration

We can terminate the Home Equity Line-of-Credit Agreement and require you to pay us the entire outstanding balance in one payment and charge you certain fees if:

- (a) you commit fraud or material misrepresentation at any time in connection with this Agreement;
- (b) you do not meet the repayment terms of this Agreement;
- (c) your action or inaction adversely affects the collateral for the Agreement or our rights in the collateral.

Suspension or Reduction

We can refuse to make additional extensions of credit or reduce your credit line if:

- (a) any reasons listed above exist;
- (b) the value of your dwelling declines significantly below its appraised value for purposes of this Agreement;
- (c) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances;
- (d) you are in default of a material obligation of this Agreement;
- (e) government action prevents us from imposing the **ANNUAL PERCENTAGE RATE** provided for under this Agreement or impairs our security interest such that the value of the interest is less than 120 percent of the credit line;
- (f) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice;
- (g) the maximum **ANNUAL PERCENTAGE RATE** under this Agreement is reached.

Change in Terms

Our home equity credit agreement permits us to make certain changes to the terms of this Agreement at specified times or upon the occurrence of specified events.

Minimum Payment Requirements: You can obtain advances of credit for 5 year(s) (the "draw period"). After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance on your account (the "repayment period"). The length of the repayment period is 10 year(s). During both the draw and repayment periods, payments will be due monthly. Your minimum monthly payment will equal 1.50% of the principal balance outstanding (rounded to the nearest \$1,000) as of the date of the last advance or \$60.00 whichever is greater. The minimum monthly payments may not be sufficient to fully repay the principal that is outstanding on your line of credit by the end of the repayment period. If they are not, you will then be required to pay the entire balance in a single payment. Balances of less than \$60.00 must be paid in full.

Balloon Payment: This Agreement has a balloon payment feature. This means that your minimum monthly payment will not fully reduce the principal that is outstanding by the final payment date, and making only the minimum monthly payment will build little or no equity in your home. On the final payment date, you will be required to pay the entire outstanding balance in a single, lump-sum payment. You further understand that we are under no obligation to refinance the balloon payment when it becomes due.

You will be required to make the payment out of your own assets, or find a lender (which may be us) willing to lend you the money. If you refinance the balloon, you may have to pay closing costs normally associated with a new loan. You understand that we may have other loan options that do not have a balloon feature, and you can obtain information on these other loan options if you ask.

Minimum Payment Example: If you made only the minimum monthly payment and took no other credit advances, it would take 6 years and 6 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 4.75%. During that period, you would make 60 payments of \$150.00 followed by 17 payments of \$150.00, with a final payment of \$83.00.

Fees and Charges: To open and maintain an account, you must pay the following fees to us:

Late Charges: If your payment is more than 1 day late, you will be charged 5% of the payment due.

Returned Check Fee: \$25.00

Document/Statement Copy Fee: \$2.00 per page

You must also pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies. These fees generally total between \$100.00 and \$500.00. If you ask, we will provide you with an itemization of the fees you will have to pay to third parties.

Property Insurance: You must carry insurance on the property that secures this Agreement. If the property is located in a Special Flood Hazard Area we will require you to obtain flood insurance if it is available.

Access to the Agreement: You may obtain advances under this Agreement in person, by mail, by telephone, or by Convenience Checks.

Transaction Requirements: The minimum initial advance you can receive is \$4,000. There is a minimum of \$300.00 for subsequent advances.

Tax Deductibility: You should consult a tax advisor regarding the deductibility of interest and charges for this Agreement.

Refundability of Fees: If you decide not to enter into this Agreement within three business days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fee you may have already paid.

Variable Rate Feature: This Agreement has a variable rate feature, and the ANNUAL PERCENTAGE RATE can change as a result. The ANNUAL PERCENTAGE RATE includes only interest and no other costs.

The ANNUAL PERCENTAGE RATE is based on the value of an index. The index is the highest rate of interest identified as the 'Prime Rate' in the 'Money Rates' section of the Wall Street Journal in effect on the last day of each calendar month of each year. To determine the ANNUAL PERCENTAGE RATE that will apply to your account, we add a margin to the value of the index. Your margin will be determined based on your creditworthiness.

Ask us for the current index value, margins and ANNUAL PERCENTAGE RATES. After you open an account, rate information will be provided on periodic statements that we send you.

Rate Changes: The ANNUAL PERCENTAGE RATE can change on the first day of each month. There is no limit on the amount by which the ANNUAL PERCENTAGE RATE can change during any one year period. The maximum ANNUAL PERCENTAGE RATE that can apply is 18% or the maximum permitted by applicable law. The ANNUAL PERCENTAGE RATE will not fall below 4% during the Agreement.

Maximum Rate and Payment Example: If you had an outstanding balance of \$10,000, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 18% would be \$150.00. The maximum annual percentage rate could be reached in the first month

Prepayment: You may prepay all or any amounts owing under this Agreement without penalty.

Historical Example: The following table shows how the percentage rate and the minimum payments for a single \$10,000 credit advance would have changed based on changes in the index over the past 15 years. The index values are from the first Monday in September. If the first Monday is a holiday then the index values are from the first business day following that Monday.

The table assumes that no additional credit advances were taken and that only the minimum payment was made. It does not necessarily indicate how the index or your payments would change in the future

YEAR	INDEX (%)	MARGIN (1) (Percent)	ANNUAL PERCENTAGE RATE	MONTHLY PAYMENT (Dollars)
2007	8.25	1.50	9.75	\$150.00
2008	5.00	1.50	6.50	\$150.00
2009	3.25	1.50	4.75	\$150.00
2010	3.25	1.50	4.75	\$150.00
2011	3.25	1.50	4.75	\$150.00
2012 (2)	3.25	1.50	4.75	\$150.00
2013	3.25	1.50	4.75	\$150.00
2014	3.25	1.50	4.75	
2015	3.25	1.50	4.75	
2016	3.50	1.50	5.00	
2017	4.25	1.50	5.75	
2018	5.00	1.50	6.50	
2019	5.25	1.50	6.75	
2020	3.25	1.50	4.75	
2021	3.25	1.50	4.75	

1. This is a margin we have used recently; your margin may be different and will be based on your creditworthiness.
2. The repayment period begins in this year.