

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

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

1. **AVAILABILITY OF TERMS.** All of the terms described below are subject to change. If 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 have paid to us or anyone else in connection with your application.
2. **SECURITY INTEREST.** We will take a security interest in your home. You could lose your home if you do not meet the obligations in your agreement with us.
3. **POSSIBLE ACTIONS.** Under certain circumstances, we can:
 - A. Terminate your line of credit and require you to pay us the entire outstanding balance in one payment;
 - B. Refuse to make additional extensions of credit;
 - C. Reduce your credit limit; and
 - D. Make specific changes that are set forth in your agreement with us.

If you ask, we will give you more specific information about when we can take these actions.

The initial agreement permits us to make certain changes in the terms of the line of credit at specified times or upon the occurrence of specified events.

4. **MINIMUM PAYMENT REQUIREMENTS.** You can obtain credit advances for 120 months (the "draw period"). During this draw period, payments will be due monthly. Your minimum monthly payment will equal the following:

*The amount of accrued finance charges on the last day of the billing cycle.

The minimum payment amount will be rounded up to the nearest .01. The minimum monthly payments during the draw period will not reduce the principal that is outstanding on your line of credit. After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance on your line of credit (the "repayment period.") The length of the repayment period is 180 months. During the repayment period, payments will be due monthly. Your minimum monthly payment will equal the following:

* An amortized payment of the loan account balance on the last day of the draw period plus the finance charges that have accrued on the remaining balance. This balance will be amortized over 180 months.

The minimum payment will change whenever the annual percentage rate changes. The minimum payment amount will be rounded to the nearest .01. 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, to the extent permitted by law, be required to pay the entire balance in a single payment. Balances of less than \$25.00 must be paid in full.

5. **MINIMUM PAYMENT EXAMPLE.** If you made only the minimum monthly payment and took no other credit advances, it would take 25 years to pay off a credit advance of \$10,000.00. During the draw period, you would make 120 payments of \$35.42 at an ANNUAL PERCENTAGE RATE of 4.250% followed by the repayment period, when you would make 179 payments of \$80.39 at an ANNUAL PERCENTAGE RATE of 5.250%, with a final payment of \$79.86.

6. **FEES AND CHARGES.** To open and maintain a line of credit, you must pay the following fees to us: (See EARLY TERMINATION for **)

* Loan Processing: \$300.00 (**)

* Annual Fee: \$50.00, beginning on the date you enter into an agreement for a line of credit and thereafter annually on the anniversary of that date for the term of the agreement.

* Returned Check Charge: \$36.00

* Stop Payment: \$35.00

* Late Charge: If payment is more than 10 days late, 5% percent of unpaid portion of payment (only imposed once for each late payment.)

Note that some fees may only apply upon the occurrence of an event and have been provided for informational purposes only.

You must also pay certain fees to third parties, such as appraisers, credit reporting firms, and government agencies. These fees generally total \$2,386.98. The following are estimates of third party fees based on a credit line of \$150,000.01. Your fees may vary based on the amount of the line of credit

* Abstract or Title Search: \$155.00 (**)

* Appraisal: \$525.00

* City/County Tax Stamps - Mortgage: \$126.00 (**)

* Settlement: \$325.00 (**)

* Credit Report: \$24.98 (**)

* Flood Insurance Determination: \$14.00 (**)

* Recording - Mortgage: \$60.00 (**)

* State Tax Stamps - Mortgage: \$378.00 (**)

* Tax Service: \$99.00 (**)

* Closing Protection Letter: \$20.00 (**)

* Title Insurance: \$435.00 (**)

* Notary: \$225.00 (**)

*In addition, if allowed by applicable law, you agree to pay the costs of recording the release or satisfaction of the security instrument, which shall or may be added to the payoff amount.

You must carry insurance on the property that secures the line of credit.

7. **REFUNDABILITY OF FEES.** If you decide not to enter into this plan within three days of receiving this disclosure and the Home Equity Booklet, you are entitled to a refund of any fee you may have already paid.

8. **TAX DEDUCTIBILITY.** You should consult a tax advisor regarding the deductibility of interest and charges for the line of credit

9. **AVAILABILITY OF OTHER HOME EQUITY PLANS.** If you ask, we will provide you with information on our other available home equity lines of credit.

10. **VARIABLE RATE FEATURES.** This line of credit has a variable rate feature and the annual percentage rate (corresponding to the periodic rate) and the minimum monthly payment 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 base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate (WSJP) and is published daily in the Wall Street Journal. To determine the annual percentage rate that will apply to your line of credit, we add a margin to the value of the index. Ask us for the current index value, margin, and annual percentage rate. After you open a line of credit, rate information will be provided on periodic statements that we send you.

11. **RATE CHANGES.** Except for the maximum ANNUAL PERCENTAGE RATE cap, there is no limit on the amount by which the rate can change in any one year period. The maximum ANNUAL PERCENTAGE RATE that can apply during the line of credit is 21.000 percent or the maximum annual percentage rate allowed by applicable law, whichever is less. Except for any Promotional Interest Period, the minimum ANNUAL PERCENTAGE RATE that can apply during the line of credit is 3.250 percent.

A. Draw Rate. During the draw period, the annual percentage rate may change each day.

B. Repayment Rate. During the repayment period, the annual percentage rate may change every 60 months.

MAXIMUM RATE AND PAYMENT EXAMPLES. If you had an outstanding balance of \$10,000.00 at the beginning of the draw period, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 21.000 percent would be \$175.00. The maximum annual percentage rate could be reached in the 1st month of the draw period.

If you had an outstanding balance of \$10,000.00 at the beginning of the repayment period, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 21.000 percent would be \$183.06. The maximum annual percentage rate could be reached in the 1st month of the repayment period.

12. **EARLY TERMINATION.** We may agree to advance some or all of the closing costs on your behalf at, before or after the time of settlement (except that the cost of any appraisal will not be advanced by us on your behalf before settlement); however, we may require you to reimburse us for the closing costs advanced by us on your behalf. We may add this amount to your loan balance at the time of payoff, or if requested, you must pay us directly upon demand. A double asterisk (**) after the fee description and amount represents a closing cost that may be advanced by us on your behalf, and subject to reimbursement as described herein, which you agree shall be solely a reimbursement and not a penalty. This requirement to reimburse us for any closing costs advanced by us on your behalf shall be waived if you keep this line of credit open for at least three (3) years.

13. **HISTORICAL EXAMPLES.** The following table shows how the annual percentage rate and the minimum payments for a single \$10,000.00 credit advance would have changed based on changes in the index over the last 15 years. The index values are from the first business day of January. While only one payment amount per year is shown, payments would have varied during each year. The table assumes that no additional credit advances were taken, that only the minimum payment was made, and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments would change in the future.

Year	Index (%)	Margin* (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment (\$)
2008	7.250	1.000	8.250	68.75
2009	3.250	1.000	4.250	35.42
2010	3.250	1.000	4.250	35.42
2011	3.250	1.000	4.250	35.42
2012	3.250	1.000	4.250	35.42
2013	3.250	1.000	4.250	35.42
2014	3.250	1.000	4.250	35.42
2015	3.250	1.000	4.250	35.42
2016	3.500	1.000	4.500	37.50
2017	3.750	1.000	4.750	39.58
2018 (O)	4.500	2.000	6.500	85.75
2019	5.500	2.000	7.500	90.41
2020	4.750	2.000	6.750	87.94
2021	3.250	2.000	5.250	82.05
2022	3.250	2.000	5.250	82.05

* This is a margin we have used recently; your margin may be different.

(O) The repayment period begins in this year.

This is not a commitment to make a loan

ADDENDUM TO IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

This disclosure addendum (Disclosure Addendum) contains additional important information about our Home Equity Line of Credit. You should read it carefully along with the disclosure, "Important Terms of Our Home Equity Line of Credit," (Disclosure) and keep a copy of both the Disclosure and this Disclosure Addendum for your records.

RATE CHANGES. The first ANNUAL PERCENTAGE RATE (APR) change for this line of credit does not occur with the same frequency as later changes. The first ANNUAL PERCENTAGE RATE change for this line of credit will occur on the one-year anniversary date of the Agreement Date. Thereafter, Rate Changes will occur as outlined in the Disclosure.

PROMOTIONAL RATE FEATURE. Your APR is fixed at 4.99% for the first 365 days from the Agreement Date (Promotional Interest Period), subject to your agreement that: i) you request an Initial Advance of at least \$20,000; ii) you maintain a Loan Account Balance of at least \$20,000 for a period of at least six (6) months from the Agreement Date; and iii) all periodic payments will be paid pursuant to an automatic debit arrangement.

Failure to meet these criteria during the Promotional Interest Period will result in changes to your APR during the Promotional Interest Period as follows:

A. If you fail to continue to participate in the automatic debit arrangement during the Promotional Interest Period but you continue to maintain a Loan Account Balance of at least \$20,000 during the six (6) month-period following from the Agreement Date, your APR will be increased by 0.25% for the remainder of the Promotional Interest Period. At the end of the Promotional Interest Period, your APR will be based on a variable index as stated in the Disclosure.

B. If you fail to maintain a Loan Account Balance of at least \$20,000 at any time during the six (6) month-period following the Agreement Date but you continue to participate in the automatic debit arrangement during the Promotional Interest Period, your APR will be increased by 0.75% for the remainder of the Promotional Interest Period. At the end of the Promotional Interest Period, your APR will be based on a variable index as stated in the Disclosure, which may include a discount for your participation in an automatic debit arrangement.

C. If you fail to continue to participate in the automatic debit arrangement during the Promotional Interest Period and you fail to maintain a Loan Account Balance of at least \$20,000 at any time during the six (6) month-period following from the Agreement Date, your APR will be increased by 1.00% for the remainder of the Promotional Interest Period. At the end of the Promotional Interest Period, your APR will continue to be based on a variable index as stated in the Disclosure.

This is not a commitment to make a loan.