

IMPORTANT TERMS of our HOME EQUITY LINE OF CREDIT

THIS DISCLOSURE CONTAINS INFORMATION ABOUT OUR HOME EQUITY LINE OF CREDIT. YOU SHOULD READ IT CAREFULLY AND KEEP THIS COPY FOR YOURSELF.

Availability Of Terms

All 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 you paid to us or anyone else in connection with your application.

Security Interest

We will take a Deed of Trust/Mortgage on your home ("Security Property"). You could lose your home if you do not meet certain obligations in your agreement with us.

Possible Actions

Termination

If you fail to meet the terms of repayment, or if you act or fail to act in a way that adversely affects our security interest or other rights in the Security Property, or if you have committed fraud or made a material misrepresentation in connection with the account, we may, subject to the Governing Law, terminate the plan, require payment in full of the entire outstanding balance in a single payment or cause the Security Property to be sold and the proceeds of such sale to be applied to your obligation to us. You agree to pay any reasonable costs of protecting, retaking, repairing or selling the Security Property.

Suspension

Your right to request additional advances may be suspended, or your maximum credit limit reduced, at our option, in the following instances: (1) you fail to make the scheduled payments due to us; (2) you fail to make timely payments to the holders of Deeds of Trust/Mortgages senior to ours; (3) you fail to pay real property taxes prior to delinquency; (4) you fail to maintain the required property insurance; (5) the value of the Security Property declines significantly below the appraised value upon which we relied in approving your application; (6) we reasonably believe that your ability to meet your payment obligations is impaired because of a material change in your financial circumstances; (7) governmental action precludes our imposing the interest rate provided herein or adversely affects the priority of our security interest such that the value of our interest is less than 120% of your maximum credit limit; (8) the maximum interest rate under the plan is reached; or (9) government regulatory authorities find that further advances under this plan constitute an unsafe and unsound practice. When the condition which caused the suspension of advances or reduction of your maximum credit limit no longer exists, the original terms of your agreement will be reinstated. You understand that if your right to request additional advances is suspended or your maximum credit limit is reduced, you still owe us whatever sums you have already borrowed, all other charges under your agreement and applicable Finance Charges.

Minimum Payment Requirements

You can obtain credit advances for 84 months (the draw period). During the draw period, payments will be due on a monthly basis. Your minimum monthly payment will be established and fixed at the time of each advance (other than for any credit insurance premiums) to the amount necessary to fully amortize your outstanding account balance no later than 240 months from the date of agreement, subject to the lesser of \$100 or your account balance.

After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance (the repayment period). The length of the repayment period will depend on the date and amount of your last advance but in no event will exceed 156 months. During the repayment period, minimum payments will be due on a monthly basis and will be calculated in the same manner as the draw period, subject to the lesser of \$100 or your account balance.

Paying only the minimum payment may not be sufficient to fully amortize your unpaid account balance by the end of the repayment period in which case, you will be required to pay your entire remaining account balance in a single balloon payment on the Agreement Maturity Date.

Minimum Payment Example

If you made only the minimum payments and took no other credit advances, it would take 130 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 5.00%. During that period, you would make 84 monthly payments of \$100.00, followed by 45 monthly payments of \$100.00, and a final payment of \$63.36.

Late Charges

If your payment is more than 10 days late you will be charged 5.00% of the payment due.

Fees And Charges

To open and maintain a line of credit, you must pay to us an application fee of \$25 at the time of application. This fee is non-refundable unless the terms shown herein change prior to your account being established and, as a result, you decide not to enter into an agreement with us. You must also pay certain fees to third parties. These fees generally total from \$500 to \$1,300. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

Insurance

You must carry insurance on the property that secures this plan.

Minimum Draw And Balance Requirements

The minimum initial credit advance you can receive is \$2,500. The minimum subsequent advance you can receive is \$100.

Tax Deductibility

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

Variable Rate Feature

This plan has a Variable Rate feature. The Annual Percentage Rate (corresponding to the periodic rate) and the number of payments during the draw and the repayment periods 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 Prime Rate as published in the Money Rates Section of The Wall Street Journal in effect on the last day of each calendar quarter of each year. If more than one rate is shown, we will use the higher rate. 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 in periodic statements that we send you.

Rate Changes

Your Annual Percentage Rate can change quarterly. There is no limit on the amount by which the interest rate can change during any one-year period other than the maximum and minimum Annual Percentage Rates that can apply at any time to this account.

The minimum **ANNUAL PERCENTAGE RATE** at any time is 5.00%. The maximum **ANNUAL PERCENTAGE RATE** at any time is 18.00%.

Maximum Rate And Payment Examples

If you had an outstanding balance of \$10,000 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$154.35. This Annual Percentage Rate could be reached during the 1st month of the draw period.

If you had an outstanding balance of \$10,000 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$166.31. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

Historical Example

The following table shows how the Annual Percentage Rate and the monthly payments for a single \$10,000 credit advance would have changed based on changes in the index since 1999. The index is from The Wall Street Journal and is calculated on the first day of April of each year. While only one payment amount per year is shown, payments may have varied during the year. The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during the year. It does not necessarily indicate how the index or your payments will change in the future.

| Year | Index | Margin ⁽¹⁾ | ANNUAL PERCENTAGE RATE | Payment Period | Minimum Payment |
|------|-------|-----------------------|-------------------------------|----------------|-----------------------|
| 1999 | 7.75 | 1.0 | 8.75% | DRAW | 100.00 ⁽²⁾ |
| 2000 | 9.00 | 1.0 | 10.00% | DRAW | 100.00 ⁽²⁾ |
| 2001 | 8.00 | 1.0 | 9.00% | DRAW | 100.00 ⁽²⁾ |
| 2002 | 4.75 | 1.0 | 5.75% | DRAW | 100.00 ⁽²⁾ |
| 2003 | 4.25 | 1.0 | 5.25% | DRAW | 100.00 ⁽²⁾ |
| 2004 | 4.00 | 1.0 | 5.00% | DRAW | 100.00 ⁽²⁾ |
| 2005 | 5.75 | 1.0 | 6.75% | DRAW | 100.00 ⁽²⁾ |
| 2006 | 7.75 | 1.0 | 8.75% | REPAYMENT | 100.00 ⁽²⁾ |
| 2007 | 8.25 | 1.0 | 9.25% | REPAYMENT | 100.00 ⁽²⁾ |
| 2008 | 5.25 | 1.0 | 6.25% | REPAYMENT | 100.00 ⁽²⁾ |
| 2009 | 3.25 | 1.0 | 5.00% ⁽³⁾ | REPAYMENT | 100.00 ⁽²⁾ |
| 2010 | 3.25 | 1.0 | 5.00% ⁽³⁾ | REPAYMENT | 100.00 ⁽²⁾ |
| 2011 | 3.25 | 1.0 | 5.00% ⁽³⁾ | REPAYMENT | 100.00 ⁽²⁾ |
| 2012 | 3.25 | 1.0 | 5.00% ⁽³⁾ | REPAYMENT | 100.00 ⁽²⁾ |
| 2013 | 3.25 | 1.0 | 5.00% ⁽³⁾ | REPAYMENT | 0.00 |

(1) This represents a margin we have recently used.

(2) This represents the \$100.00 minimum payment.

(3) This represents the 5.00% minimum interest rate.