

IMPORTANT TERMS of our HOME EQUITY LINE OF CREDIT

THIS DISCLOSURE CONTAINS INFORMATION ABOUT OUR HOME EQUITY SECURED 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 and require payment in full of the entire outstanding balance in a single payment.

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 Mortgage/Deeds of Trust 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 this 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 this 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 this Agreement and applicable Finance Charges.

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

Minimum Payment Requirements

You can obtain credit advances for 60 months (the "Draw Period"). During the Draw Period, Your Minimum Periodic Payment will be established at the close of each billing cycle at an amount equal to 1.00% of Your then unpaid principal balance (rounded up to the nearest \$1.00), subject to the lesser of \$100.00 or Your unpaid Account balance.

After the Draw Period ends, you will no longer be able to obtain credit advances and you must repay your outstanding Account balance (the "Repayment Period"). The length of the Repayment Period will depend on the date and the amount of your last advance but in no event will exceed 120 months. During the Repayment Period Your Minimum Periodic Payment will be established and fixed at the time of each advance and any subsequent change in Interest Rate, to the amount necessary to fully amortize Your outstanding Account balance no later than the Agreement Maturity Date (rounded up to the nearest \$1.00), subject to the lesser of \$100.00 or Your Account balance.

Minimum Payment Example

If you made only the minimum payments and took no other credit advances, it would take 122 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 4.00%. During that period, you would make 60 monthly payments of \$100.00, followed by 61 monthly payments of \$100.00, and a final payment of \$84.55.

Negative Amortization

Under some circumstances, your payment will not cover the Finance Charges that accrue and Negative Amortization will occur. Negative Amortization will increase the amount that you owe us and reduce your equity in your home.

Fees And Charges

To open a line of credit, you may have to pay certain fees to third parties. These fees generally total from \$150.00 to \$750.00. 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 Requirements

The minimum initial credit advance you can receive is \$10,000.00. All subsequent advances, except for any credit insurance premiums, must be at least \$500.00 and in any event there is a maximum of 6 advances per quarter.

Tax Deductibility

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

Variable Rate

Following the expiration of the Introductory Rate period, your account is subject to a Variable Rate feature, and as a result, the Annual Percentage Rate (corresponding to the periodic rate) may affect the number of your scheduled payments during the draw period and the amount of your scheduled payments during the repayment period. 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 on the 20th day preceding the last day of each calendar quarter. 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, discounted rate 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

Following the expiration of the Introductory Rate period, your Annual Percentage Rate can change quarterly. Except for when the Introductory Rate period expires, and other than the minimum and maximum Annual Percentage Rates that can apply at any time to this account, your interest rate cannot change by more than 1.00 percentage point on each change date.

The maximum **ANNUAL PERCENTAGE RATE** at any time is 18.00%. The minimum **ANNUAL PERCENTAGE RATE** at any time is 4.00%.

Introductory Rate

Immediately following the Date of Agreement and until the first anniversary of your account, the **ANNUAL PERCENTAGE RATE** that will apply to your account will be 2.49%*. Subsequently, your account will be subject to the variable rate provisions described herein. The initial Annual Percentage Rate is discounted; it is not based on the index and margin used for later rate adjustments.

*This represents an Introductory Rate that we have recently used.

Maximum Rate And Payment Examples

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$100.00. This Annual Percentage Rate could be reached during the 12th month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$181.00. This Annual Percentage Rate could be reached during the 41st month of the repayment period.

Historical Example

The following table shows how the Annual Percentage Rate and the monthly payments for a single \$10,000.00 credit advance would have changed based on changes in the index since 2000. The index is from The Wall Street Journal and is calculated on the first day of May 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 ⁽³⁾
2000	9.00%	0.00	2.49%	DRAW	\$100.00
2001	7.50%	0.00	7.50%	DRAW	\$100.00 ⁽³⁾
2002	4.75%	0.00	4.75%	DRAW	\$100.00 ⁽³⁾
2003	4.25%	0.00	4.25%	DRAW	\$100.00 ⁽³⁾
2004	4.00%	0.00	4.00%	DRAW	\$100.00 ⁽³⁾
2005	5.75%	0.00	5.75%	REPAYMENT	\$100.00 ⁽³⁾
2006	7.75%	0.00	7.75%	REPAYMENT	\$100.00 ⁽³⁾
2007	8.25%	0.00	8.25%	REPAYMENT	\$100.00 ⁽³⁾
2008	5.00%	0.00	5.00%	REPAYMENT	\$100.00 ⁽³⁾
2009	3.25%	0.00	4.00% ⁽²⁾	REPAYMENT	\$100.00 ⁽³⁾
2010	3.25%	0.00	4.00% ⁽²⁾	REPAYMENT	\$100.00 ⁽³⁾
2011	3.25%	0.00	4.00% ⁽²⁾	REPAYMENT	\$0.00
2012	3.25%	0.00	4.00% ⁽²⁾	REPAYMENT	\$0.00
2013	3.25%	0.00	4.00% ⁽²⁾	REPAYMENT	\$0.00
2014	3.25%	0.00	4.00% ⁽²⁾	REPAYMENT	\$0.00

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

(2) This represents the minimum interest rate.

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