

Meadows Credit Union

3350 Salt Creek Lane Suite 100

Arlington Heights, IL 60005

Telephone: (847) 342-9300

Fax Number: (847) 342-0740

Web Address: www.mcuonline.com

Lender**- 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, require you to pay us the entire outstanding balance in one payment, and charge you certain fees;
- B. Refuse to make additional extensions of credit; and
- C. Reduce your credit limit.

We can terminate your line of credit, require you to pay us the entire outstanding balance in one payment, and charge you certain fees if:

- A. You engage in fraud or material misrepresentation in connection with the line of credit;
- B. You fail to make a payment as required by the agreement; or
- C. Your action or inaction adversely affects the collateral or our rights in the collateral.

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

- A. The value of the dwelling securing the line of credit declines significantly below its appraised value for purposes of the line of credit;
- B. We reasonably believe you will not be able to meet the repayment requirements under the line of credit due to a material change in your financial circumstances;
- C. You are in default of a material obligation of the agreement;
- D. Government action prevents us from imposing the annual percentage rate provided for in the agreement, or impairs our security interest such that the value of the interest is less than 120 percent of the credit limit on the line of credit;
- E. A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice; or
- F. The maximum annual percentage rate is reached.

4. MINIMUM PAYMENT REQUIREMENTS. You can obtain credit advances for 15 years (the "draw period"). During this period, payments will be due monthly. Your minimum monthly payment will equal the greater of the following:

- * The amount of accrued finance charges on the last day of the billing cycle;
- * \$100.00; or
- * 1.000 percent of the principal balance outstanding on the last day of the billing cycle, for the last billing cycle in which an advance was made.

The minimum payment amount will be rounded to the nearest \$.01. Whenever a flat dollar amount is used to determine the minimum payment however, the minimum payment will be rounded to the nearest \$.01. The minimum monthly payments during the draw period may 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 10 years. During the repayment period, payments will be due monthly. Your minimum monthly payment will equal the greater of the following:

- * \$100.00; or
- * The amount of accrued finance charges plus 0.833 percent of the principal balance outstanding on the last day of the billing cycle.

The minimum payment amount will be rounded to the nearest \$.01. Whenever a flat dollar amount is used to determine the minimum payment however, the minimum payment 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 then be required to pay the entire balance in a single payment.

Balances of less than \$100.00 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 10 years and 6 months to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 4.500%. During that period, you would make 125 payments of \$100.00 with a final payment of \$56.96.

6. FEES AND CHARGES. To open and maintain a line of credit, you must pay the following fees to us:

- * Maintenance: \$30.00 (due annually)
- * Loan Origination: \$200.00 (due when account is opened)

You must also pay certain fees to third parties, such as appraisers, credit reporting firms, and government agencies. These fees generally total \$126.00 to \$288.00. The following are an estimate of third party fees:

- * Appraisal: \$135.00

- * Title search: \$65.00
- * Flood Determination: \$13.00
- * Recording Fees: \$75.00

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. MINIMUM DRAW REQUIREMENTS. The minimum credit advance that you can receive is \$500.00. The minimum initial credit advance must be at least \$10,000.00.

9. TAX DEDUCTIBILITY. You should consult a tax advisor regarding the deductibility of interest and charges for the line 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 not 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 and is published 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. The annual percentage rate can change monthly. There is no limit on the amount by which the rate can change in any one year period. The ANNUAL PERCENTAGE RATE can not increase by more than 7.000 percentage point(s) above the initial rate. Ask us for the specific rate limitation that will apply to your line of credit.

12. 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 11.500 percent would be \$100.00. The maximum annual percentage rate during the draw period, could be reached in the 1st month (1 month) following an initial hold of 1 month.

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 11.500 percent would be \$179.13. The maximum annual percentage rate during the repayment period, could be reached in the 2nd month (2 months).

13. ADDITIONAL TERMS. Minimum Payment Requirements: Payments may change annually on January 10th (the change date) of each year or upon subsequent advances during the draw and repayment periods. Your minimum monthly payment will equal the greater of (a) \$100; or (b) the amount of your "Regular Payment"; plus any amount past due, any amount by which you have exceeded your credit limit shown on the Open-end Credit Plan and any amount due for all other charges (including insurance premiums, if applicable) due us pursuant to the terms of this Plan.

If the number of months remaining upon expiration of the draw period to the maturity date of the Plan ("maturity date") is less than 120 months, the lesser number of months will be used to calculate your Regular Payment.

Your minimum monthly payments may change if we change your Regular Payment for one of these reasons: (a) You obtain new credit advance; (b) the ANNUAL PERCENTAGE RATE has increased so much that your Regular Payment is no longer sufficient to repay your outstanding Plan balance in the given number of months; or (c) the ANNUAL PERCENTAGE RATE has increased so much that your Regular Payment will not cover interest due. If any one of these events occurs, your Regular Payment will be recalculated and increased or decreased by an amount necessary to repay your outstanding Plan balance at the new ANNUAL PERCENTAGE RATE within the acceptable number of months. Your account will be reviewed periodically by us to determine what effects, if any, increases in the ANNUAL PERCENTAGE RATE will have on your minimum monthly payment. Each time your minimum payment changes, you will receive a notice from us showing the amount and due date of the new payment. Any change in your minimum monthly payment will be effective for the payment due in the month following the month on which the notice is given.

Rate Changes: The ANNUAL PERCENTAGE RATE can change on the 10th day of each month. We will use the most recent index value available to us as of 10 days before the date of any adjustment to the ANNUAL PERCENTAGE RATE.

In the event you pay all amounts owing under this agreement and close or otherwise cancel your line of credit within 36 months of the effective date of this agreement, you agree to pay an early closure release fee of \$300 to reimburse lender for recoupment of waived fees associated in the processing and origination of your line of credit.

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

Transaction Requirements: You may obtain advances under this Plan by loan draft, online banking, TIPS (Transaction & Inquiry Phone Service), mail, telephone or in person.

Change in Terms: Your home equity credit agreement permits us to make certain changes to the terms of this Plan at specified times or upon the occurrence of specified events.

14. 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 (\$)
1996	8.500	1.250	9.750	100.00
1997	8.250	1.250	9.500	100.00
1998	8.500	1.250	9.750	100.00
1999	7.750	1.250	9.000	100.00
2000	8.500	1.250	9.750	100.00
2001	9.500	1.250	10.750	100.00
2002	4.750	1.250	6.000	100.00
2003	4.250	1.250	5.500	100.00
2004	4.000	1.250	5.250	100.00
2005	5.250	1.250	6.500	100.00
2006	7.250	1.250	8.500	100.00
2007	8.250	1.250	9.500	100.00
2008	7.250	1.250	8.500	100.00
2009	3.250	1.250	4.500	100.00
2010	3.250	1.250	4.500	100.00

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

This is not a commitment to make a loan.

You hereby acknowledge receipt of this Home Equity Plan Disclosure and a copy of the Home Equity Brochure on today's date.

Signature Date

Signature Date