

LAKE RIDGE BANK
6430 BRIDGE ROAD
MONONA, WI 53713

**EARLY DISCLOSURE OF IMPORTANT TERMS
OF OUR
HOME EQUITY LINE OF CREDIT PRODUCT
Special Promotion – Fixed for Six Months**

This disclosure contains important information about our Home Equity Line of Credit. 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 these terms change (other than change due to fluctuation in the index) 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. If your loan is denied or not closed for any other reason, the bank reserves the right to collect for those expenses incurred on the processing of your loan.

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: Under certain circumstances we can (1) terminate your line and require you to pay to us the entire outstanding balance in one payment; (2) refuse to make additional extensions of credit; (3) reduce your credit limit; and (4) make specific changes that are set forth in your agreement with us.

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

Minimum Payment Requirement: You can obtain advances of credit for a five-year term. We may renew your line upon review of a current financial statement. Your minimum monthly payment will equal the finance charges that accrued on the outstanding balance during the preceding month. The minimum payment will not reduce the principal that is outstanding on your line. At the end of your term, you will no longer be able to obtain credit advances and you will then be required to pay the entire balance in a single balloon payment, unless we, at our option, renew your line.

Minimum Payment Example: If you made only the minimum monthly payments and took no other credit advances, it would take five years to pay off a credit advance of \$10,000.00 at an annual percentage rate of 10.00%. During that period, the highest minimum monthly payment (31 days) would be \$84.93 with the final 60th payment of \$10,084.93.

Fees and Charges: To open and maintain a line of credit there is no annual fee due to creditor. In the event that you overdraw your line, you may have to pay a fee of \$50.00 at the time the line is overdrawn.

You may also pay certain fees to third parties to open a line. The settlement fees you may pay include title insurance \$150-\$475 and appraisal fee \$400-\$475. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

Finance Charge Accrual: Finance charge begins to accrue on the date loans are posted to the account.

Property Insurance: You must carry insurance on the property that secures this agreement.

Minimum Draw Requirements: The minimum credit advance you can receive is \$100.00.

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

Other Products: If you ask, we will provide you with information on our other available home equity loans.

Variable Rate Feature: The line has a variable rate feature and the annual percentage rate (corresponding to the periodic rate) and the payments of interest and final 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 highest “Prime Rate” as published in the “Money Rates” table of the online or print edition of The Wall Street Journal. To determine the annual percentage rate that will apply to your line, we add or subtract a margin to the value of the index.

The initial annual percentage rate is “discounted” – it is not based on the index and margin used for later rate adjustments. The initial rate will be in effect for the first 6 months your credit line is open.

Ask us for the current index value, margin and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

Rate Changes: The annual percentage rate can change monthly. During the term of your line of credit, the maximum annual percentage rate that can apply is 18.00% and the minimum annual percentage rate that can apply is a floor of 3.99%. Apart from these rate “caps”, there is no limit on the amount by which the rate can change during any one-year period.

Maximum Rate and Payment Example: If the ANNUAL PERCENTAGE RATE equaled the 18.00% maximum and you had an outstanding balance of \$10,000.00 the minimum monthly payment would be \$152.88. This annual percentage rate could be reached during the first month of your loan.

Historical Example: The following table shows how the annual percentage rate and the minimum monthly 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 business day of May of each year. While only one payment amount per year is shown, the payments would have varied during each 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 each year. It does not necessarily indicate how the index or your payments will change in the future.

<u>Year</u>	<u>Index</u> (%)	<u>Margin*</u> (%)	<u>Annual</u> <u>Percentage Rate</u> (%)	<u>Monthly Payment</u> (%)
2009	3.25	1.75	5.00	42.47
2010	3.25	1.75	5.00	42.47
2011	3.25	1.75	5.00	42.47
2012	3.25	1.75	5.00	42.47
2013	3.25	1.75	5.00	42.47
2014	3.25	1.75	5.00	42.47
2015	3.25	1.75	5.00	42.47
2016	3.50	1.75	5.25	44.59
2017	4.00	1.75	5.75	48.84
2018	4.75	1.75	6.50	55.20
2019	5.50	1.75	7.25	61.58
2020	3.25	1.25	4.50	38.22
2021	3.25	1.25	4.50	38.22
2022	3.50	1.25	4.75	40.34
2023	8.00	2.00	10.00	84.93

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