



DEVON BANK

HOME EQUITY APPLICATION DISCLOSURE

**Devon Bank
Chicago Office
6445 N. Western Ave.
Chicago, IL 60645**

IMPORTANT TERMS OF OUR HOME EQUITY APPLICATION DISCLOSURE

This disclosure contains important information about our HELOC to TERM (the "Plan" or the "Credit Line"). You should read it carefully and keep a copy for your records.

AVAILABILITY OF TERMS. All of the terms of the Plan described herein are subject to change. If any of 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 paid to us or anyone else in connection with your application.

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.

POSSIBLE ACTIONS. Under this Plan, we have the following rights: We can terminate your account, 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 Plan.
- (b) You do not meet the repayment terms of the Plan.
- (c) Your action or inaction adversely affects the collateral for the Plan 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 Plan declines significantly below its appraised value for purposes of the Plan.
- (b) We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
- (c) You are in default of a material obligation of the Plan.
- (d) Government action prevents us from imposing the annual percentage rate provided for under the Plan or impairs our security interest such that the value of the interest is less than 120 percent of the credit line.
- (e) A government authority has notified us that continued advances would constitute an unsafe business practice.
- (f) The maximum annual percentage rate is reached.

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

Fees and Charges. In order to open and maintain an account, you must pay certain fees and charges.

Lender Fees. The following fees must be paid to us:

Description	Amount	When Charged
Annual Fee:	\$250.00	Annually. First year's fee will be waived.
NSF Handling Fee:	\$50.00	At the time a payment is returned to us for non-sufficient funds
Stop Payment Fee:	\$30.00	At the time you request a Stop Payment
Overlimit Charge:	\$50.00	At the time your Credit Line balance exceeds your credit limit
Early Cancellation Fee will be charged if the line is closed prior to the third anniversary date of the Credit Agreement:	500.00	At Account Closing

Late Charge. Your payment will be late if it is not received by us within **10 days after the "Payment Due Date" shown on your periodic statement.** If your payment is late we may charge you \$10.00.

Third Party Fees. You must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies.

These third party fees generally total between \$294.20 and \$1,906.70. We estimate the breakdown of these as follows:

Description	Amount	When Charged
Recording Fees:	\$50.00 to \$150.00	At Account Opening
Appraisal Fee:	\$0.00 to \$550.00	At Account Opening
Credit Report Fee:	\$10.00 to \$50.00	At Account Opening
Flood Certification Fee:	\$11.70	At Account Opening
Lender's Title Insurance Fee:	\$150.00 to \$650.00	At Account Opening
Settlement Agent Fee:	\$0.00 to \$350.00	At Account Opening
Tax Service Fee:	\$72.50 - \$145.00	At Account Opening

PROPERTY INSURANCE. You must carry insurance on the property that secures the Plan.

MINIMUM PAYMENT REQUIREMENTS. You can obtain advances of credit during the following period: **5 years (60 months) (the "Draw Period").** After the Draw Period ends, the repayment period will begin. You will no longer be able to obtain credit advances. The length of the

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repayment period is as follows: 15 years (180 months). Your Regular Payment will equal the amount of your accrued FINANCE CHARGES ("First Payment Stream"). You will make 60 of these payments. Your payments will be due monthly. Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges. An increase in the ANNUAL PERCENTAGE RATE may increase the amount of your Regular Payment. The Minimum Payment during the First Payment Stream will not reduce the principal that is outstanding on your Credit Line.

After completion of the First Payment Stream, your Regular Payment will be based on an amortization of your balance at the start of this payment period as shown below ("Second Payment Stream"). Your payments will be due monthly.

<u>Range of Balances</u>	<u>Number of Payments</u>	<u>Amortization Period</u>
\$999,999.99 and Under	180	180 payments

Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges.

A change in the ANNUAL PERCENTAGE RATE can cause the balance to be repaid more quickly or more slowly. When rates decrease, less interest is due, so more of the payment repays the principal balance. When rates increase, more interest is due, so less of the payment repays the principal balance. If this happens, we may adjust your payment as follows: your payment may be increased by the amount necessary to repay the balance by the end of this payment stream. Each time the ANNUAL PERCENTAGE RATE changes, we will review the effect the change has on your Credit Line Account to see if your payment is sufficient to pay the balance by the Maturity Date. If it is not, your payment will be increased by an amount necessary to repay the balance by the Maturity Date.

In any event, if your Credit Line balance falls below \$50.00, you agree to pay your balance in full.

MINIMUM PAYMENT EXAMPLE. If you made only the minimum payment and took no other credit advances, it would take 20 years to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 8.250%. During that period, you would make 60 monthly payments ranging from \$63.29 to \$70.07. Then you would make 180 monthly payments ranging from \$96.56 to \$97.03.

TRANSACTION REQUIREMENTS. The following transaction limitations will apply to the use of your Credit Line:

Credit Line Home Equity Line of Credit Check, Telephone Request, In Person Request and Online Banking Limitations. The following transaction limitations will apply to your Credit Line and the writing of Home Equity Line of Credit Checks, requesting an advance by telephone, requesting an advance in person and accessing by other methods.

Minimum Advance Amount. The minimum amount of any credit advance that can be made on your Credit Line is \$500.00. This means any Home Equity Line of Credit Check must be written for at least the minimum advance amount.

TAX DEDUCTIBILITY. You should consult a tax advisor regarding the deductibility of interest and charges for the Plan.

ADDITIONAL HOME EQUITY PROGRAMS. Please ask us about our other available Home Equity Line of Credit plans.

VARIABLE RATE FEATURE. The Plan has a variable rate feature. The ANNUAL PERCENTAGE RATE (corresponding to the periodic rate), and the minimum payment amount can change as a result. The ANNUAL PERCENTAGE RATE does not include costs other than interest.

THE INDEX. The annual percentage rate is based on the value of an index (referred to in this disclosure as the "Index"). The Index is the Prime Rate of Interest as published in the Money Section of the Wall Street Journal. Information about the Index is available or published in the Money Section of the Wall Street Journal. We will use the most recent Index value available to us as of one day prior to any annual percentage rate adjustment.

ANNUAL PERCENTAGE RATE. To determine the Periodic Rate that will apply to your account, we add a margin to the value of the Index, subtract any preferred rate reductions in effect as specified below, then divide the value by 365 days. To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by the number of days in a year (366 during leap years). This result is the ANNUAL PERCENTAGE RATE for your First Payment Stream. To determine the Periodic Rate that will apply to your account, we add a margin to the value of the Index, subtract any preferred rate reductions in effect as specified below, then divide the value by 365 days. To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by the number of days in a year (366 during leap years). This result is the ANNUAL PERCENTAGE RATE for your Second Payment Stream. A change in the Index rate generally will result in a change in the ANNUAL PERCENTAGE RATE. However, if the Index rate change since the previous adjustment is less than 0.125%, the ANNUAL PERCENTAGE RATE will not change. The amount that your ANNUAL PERCENTAGE RATE may change also may be affected by the lifetime annual percentage rate limits, as discussed below.

Please 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.

PREFERRED RATE REDUCTION. The ANNUAL PERCENTAGE RATE under the Plan includes a preferred rate reduction. If the preferred rate reduction is terminated, the Periodic Rate and the corresponding ANNUAL PERCENTAGE RATE may increase. The preferred rate reduction is subject to the following rules and provisions:

Reduction Percentage: 0.250%

Description of Event That Would Cause the Preferred Rate Reduction to Terminate.

Borrower cancels the auto-debit authorization from Devon Bank deposit account at any time during the term of the loan, or Borrower fails to maintain Devon Bank deposit account balances sufficient to make timely loan payments.

How The New Rate Will Be Determined Upon Termination of the Preferred Rate Reduction.

The interest rate will increase by 0.250%.

Rules.

Auto-debit authorization from Devon Bank deposit account has to remain in place as long as the loan account is active/open.

FREQUENCY OF ANNUAL PERCENTAGE RATE ADJUSTMENTS. Your ANNUAL PERCENTAGE RATE can change daily. There is no limit on the amount by which the annual percentage rate can change during any one year period. However, under no circumstances will your ANNUAL PERCENTAGE RATE exceed 18.250% per annum or, go below 3.750% per annum at any time during the term of the Plan.

MAXIMUM RATE AND PAYMENT EXAMPLE.

Draw Period. If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 18.250% would be \$155.00. This ANNUAL PERCENTAGE RATE could be reached immediately or prior to the 1st payment.

Repayment Period. If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 18.250% would be \$162.86. This ANNUAL PERCENTAGE RATE could be reached at the time of the 1st payment during the repayment period.

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PREPAYMENT. You may prepay all or any amount owing under the Plan at any time without penalty.

HISTORICAL EXAMPLE. The example below 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 from 2011 to 2025. The Index values are from the following reference period: as of July 1st (or the next business day subsequent). While only one payment per year is shown, payments may have varied during each year. Different outstanding principal balances could result in different payment amounts.

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 would change in the future.

INDEX TABLE

Year (as of July 1st (or the next business day subsequent))	Index (Percent)	Margin ⁽¹⁾ (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)	
Draw Period	2011.....	3.250...	0.750	4.000	33.97
	2012.....	3.250...	0.750	4.000	33.97
	2013.....	3.250...	0.750	4.000	33.97
	2014.....	3.250...	0.750	4.000	33.97
	2015.....	3.250...	0.750	4.000	33.97
Repayment Period	2016.....	3.500...	0.750	4.250	75.24
	2017.....	4.250...	0.750	5.000	78.86
	2018.....	5.000...	0.750	5.750	82.34
	2019.....	5.500...	0.750	6.250	84.56
	2020.....	3.250...	0.750	4.000	75.55
	2021.....	3.250...	0.750	4.000	75.55
	2022.....	4.750...	0.750	5.500	80.47
	2023.....	8.250...	0.750	9.000	91.39
	2024.....	8.500...	0.750	9.250	92.11
	2025.....	7.500...	0.750	8.250	89.60

(1) This is a margin we have used recently; your margin may be different.