

HOME EQUITY APPLICATION DISCLOSURE

Associated Bank, N.A.
10708 W. Janesville Rd
Hales Corners WI 53130

IMPORTANT TERMS OF OUR HOME EQUITY APPLICATION DISCLOSURE

This disclosure contains important information about our Illinois Home Equity Line of Credit (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:

Termination and Acceleration. We can terminate the Plan and require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if any of the following happens:

- (a) You commit fraud or make a material misrepresentation at any time in connection with the Plan. This can include, for example, a false statement about your income, assets, liabilities, or any other aspect of your financial condition.
- (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. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a senior lien on the dwelling without our permission, foreclosure by the holder of another lien or the use of funds or the dwelling for prohibited purposes.

Suspension or Reduction. In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your credit limit during any period in which any of the following are in effect:

- (a) The value of your dwelling declines significantly below the dwelling's appraised value for purposes of the Plan. This includes, for example, a decline such that the initial difference between the credit limit and the available equity is reduced by fifty percent and may include a smaller decline depending on the individual circumstances.
- (b) We reasonably believe that you will be unable to fulfill your payment obligations under the Plan due to a material change in your financial circumstances.
- (c) You are in default under any material obligation of the Plan. We consider all of your obligations to be material. Categories of material obligations include, but are not limited to, the events described above under Termination and Acceleration, obligations to pay fees and charges, obligations and limitations on the receipt of credit advances, obligations concerning maintenance or use of the dwelling or proceeds, obligations to pay and perform the terms of any other deed of trust, mortgage or lease of the dwelling, obligations to notify us and to provide documents or information to us (such as updated financial information), obligations to comply with applicable laws (such as zoning restrictions).
- (d) We are precluded by government action from imposing the **ANNUAL PERCENTAGE RATE** provided for under the Plan.
- (e) The priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit limit.
- (f) We have been notified by governmental authority that continued advances may constitute an unsafe and unsound business practice.
- (g) The maximum **ANNUAL PERCENTAGE RATE** under the Plan is reached.

Change in Terms. We may make changes to the terms of the Plan if you agree to the change in writing at that time, if the change will unequivocally benefit you throughout the remainder of the Plan, or if the change is insignificant (such as changes relating to our data processing systems).

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:	\$50.00	Annually after the first year
Returned Item Fee:	\$25.00	At the time a payment is returned to us for non-sufficient funds
Lock-in Fee:	\$100.00	At the time of a lock in if the amount is less than \$10,000.00
Unlock Fee:	\$100.00	At the time the locked balance is unlocked, if requested

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 5.000% of the unpaid amount of the payment or \$10.00, whichever is greater.

Third Party Fees. No origination or closing fees are paid by the borrower. All origination and closing fees are paid by the lender.

HOME EQUITY APPLICATION DISCLOSURE (Continued)

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: After the expiration of any period during which you have the right to rescind the mortgage that secures your Credit Line, you may obtain advances of credit up to 120 months from the date of your Credit Line agreement (the "Draw Period"). During the Draw Period, your "Regular Payment" will equal the amount of your accrued FINANCE CHARGES or \$50.00, whichever is greater ("First Payment Stream"). You will make 120 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 fees and charges. An increase in the **ANNUAL PERCENTAGE RATE** may increase the amount of your Regular Payment. The Minimum Payment during the Draw Period ("First Payment Stream") may not reduce the principal that is outstanding on your Credit Line.

After completion of the Draw Period ("First Payment Stream"), the Repayment Period will begin and you will no longer be able to obtain credit advances. The length of the Repayment Period is twenty (20) years, which is 240 months after the last day of the Draw Period. Your "Regular Payment" will be based on a percentage of your balance at the start of this repayment period plus all accrued FINANCE CHARGES as shown below ("Second Payment Stream"). Your payments will be due monthly.

<u>Range of Balances</u>	<u>Number of Payments</u>	<u>Regular Payment Calculation</u>
All Balances	240	0.417% of your balance at the start of the repayment period plus all accrued FINANCE CHARGES

Your "Minimum Payment" will be the Regular Payment plus any amount past due and all other fees and charges. An increase in the **ANNUAL PERCENTAGE RATE** may increase the amount of your Regular Payment.

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 30 years to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 6.750%. During that period, you would make 120 monthly payments ranging from \$51.78 to \$57.33. Then you would make 240 monthly payments ranging from \$33.89 to \$99.03.

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

Overdraft Limitations. The following transaction limitations will apply to your Credit Line and overdrawing a designated deposit account.

Other Transaction Requirements. You must complete an Overdraft Protection Transfer Authorization in order to designate a checking account that is able to access your Credit Line Account by writing a check in excess of your checking account balance. Transfers from your Credit Line Account to pay overdrafts on your checking account may be subject to minimum transfer requirements of up to \$100 per transfer as provided by the Overdraft Protection Authorization.

Credit Line Cash Advance Check, In Person Request and Online Transfer Limitations. There are no transaction limitations for the writing of Cash Advance Checks, requesting an advance in person or accessing through an online transfer if funds are available.

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

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. We are required to notify you of any increase in the interest rate.

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 Wall Street Journal U.S. Prime Rate. Information about the Index is available or published in the Money Rate section of the Wall Street Journal. We will use the most recent Index value available to us as of the second Tuesday of the month preceding the month in which the Billing Cycle begins for any **ANNUAL PERCENTAGE RATE** adjustment. If the Index is no longer available, we will choose a new Index and margin. The new Index will have an historical movement substantially similar to the original Index, and the new Index and margin will result in an **ANNUAL PERCENTAGE RATE** that is substantially similar to the rate in effect at the time the original Index becomes unavailable.

ANNUAL PERCENTAGE RATE. To determine the Periodic Rate that will apply to your Draw Period ("First Payment Stream"), we add a margin to the value of the Index, then divide the value by the number of days in a year (366 during leap years). 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 Draw Period ("First Payment Stream"). To determine the Periodic Rate that will apply to your Repayment Period ("Second Payment Stream"), we add a margin to the value of the Index, then divide the value by the number of days in a year (366 during leap years). 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 Repayment Period ("Second Payment Stream"). A change in the Index rate generally will result in a change in the **ANNUAL PERCENTAGE RATE**. The amount that your **ANNUAL PERCENTAGE RATE** may change also may be affected by the lifetime **ANNUAL PERCENTAGE RATE** limits, as discussed below.

The margin and **ANNUAL PERCENTAGE RATE** may be lower or higher based on your individual loan characteristics, including the commitment amount for which you are eligible. 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.

Conversion Option. The conversion of all or a portion of the outstanding balance of your Credit Line from a variable **ANNUAL PERCENTAGE RATE** to a fixed **ANNUAL PERCENTAGE RATE** payable over a fixed period of time is called a "Lock-In". After you exercise a Lock-In the **ANNUAL PERCENTAGE RATE** applicable to the amount of your outstanding balance that you have locked in will not change provided you are not in default under the terms of this Credit Agreement. A Lock-In allows you to repay all or a portion of the outstanding balance of your Credit Line over a fixed term of 60, 120 or 180 months. We may but are not obligated to allow you to unlock a balance that is subject to a Lock-In. When you exercise a Lock-In we will determine the payment amount required to pay off the Lock-In balance in substantially equal payments over the Lock-In term based on the fixed **ANNUAL PERCENTAGE RATE** applicable to the locked in balance. Payment in full for any amounts subject to a Lock-In is due on the earlier of the Lock-In maturity date, the Maturity Date of this Agreement, or upon the termination of your Credit Line Account as provided by this Agreement. After you exercise a Lock-In, the Minimum Payment due on your Credit Line Account will be the fixed payment due for each balance subject to a Lock-In, plus the Regular Payment applicable to balances not subject to a Lock-In as provided by this Agreement, plus any amount that is past due and all other fees and charges. Balances subject to a Lock-In will reduce the amount of credit available to you on your Credit Line. Your available credit will be replenished as you

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(Continued)**

repay the Lock-In balance provided your account has not been suspended in accordance with the terms of this Agreement. Balances subject to a Lock-In are subject to all other applicable terms of this Agreement, including without limitation, Termination and Acceleration.

ANNUAL PERCENTAGE RATE Increase. Your **ANNUAL PERCENTAGE RATE** may increase if you exercise this option to convert to a fixed rate.

Conversion Periods. You can exercise the option to convert to a fixed rate only during the following period or periods: You may Lock-In all or a portion of your outstanding balance to a fixed **ANNUAL PERCENTAGE RATE** and a fixed repayment term of 60, 120, or 180 months at any time during the term of your Agreement until the beginning of the 60th month prior to the Maturity Date. You may not Lock-In balances within 60 months of the Maturity Date.

Conversion Fees. You will be required to pay the following fees at the time of conversion to a fixed rate: A \$100 Lock-In Fee is charged to convert a balance to a fixed **ANNUAL PERCENTAGE RATE** and a fixed term. A \$100 Unlock Fee is charged to unlock a Lock-In balance. Both a Lock-In Fee and an Unlock Fee will be charged when a balance subject to a Lock-In is changed to a different fixed rate and/or fixed term. The \$100 Lock-In Fee is waived when you Lock-In at the time of closing or with a new advance in the amount of \$10,000 or more.

Conversion Rules. You can convert to a fixed rate only during the period or periods described above. In addition, the following rules apply to the conversion option for the Plan: We may deny you the ability to exercise a Lock-In if you have defaulted on any promise you have made with respect to your Credit Line Account, if additional advances on your Credit Line Account are prohibited, or if we have received a request for a balance payoff. In order to exercise a Lock-In you must sign and return a Home Equity Line of Credit Lock-In Addendum to the address specified on the Addendum. The repayment term of your Lock-In must mature on or before the Maturity Date of this Agreement. Once a balance is subject to a Lock-In you may not add advances to that balance. The minimum Lock-In balance is \$5000.

Rate Determination. The fixed rate will be determined as follows: The fixed **ANNUAL PERCENTAGE RATE** applicable to a Lock-In will be the maximum **ANNUAL PERCENTAGE RATE** permitted by this Agreement. We may however, choose to apply a discounted **ANNUAL PERCENTAGE RATE**. To find out current information about discounted rates on Lock-Ins, please contact a banker at any of our branches or call us at 866-LENDABC (866-536-3222). The **ANNUAL PERCENTAGE RATE** applicable to your Lock-In will be shown on the Home Equity Line of Credit Lock-In Addendum that you will receive when you exercise a Lock-In.

FREQUENCY OF ANNUAL PERCENTAGE RATE ADJUSTMENTS. Your **ANNUAL PERCENTAGE RATE** can change Monthly. 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 18.000% per annum or, go below 2.50% 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 18.000% would be \$152.88. 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 18.000% would be \$194.58. This **ANNUAL PERCENTAGE RATE** could be reached at the time of the 1st payment during the repayment period.

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 2005 to 2019. The Index values are from the following reference period: reported on the second Tuesday of January each year. 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 (reported on the second Tuesday of January each year)	Index (Percent)	Margin (1) (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2005.....	5.250.....	1.250	6.500	55.21
2006.....	7.250.....	1.250	8.500	72.19
2007.....	8.250.....	1.250	9.500	80.68
2008.....	7.250.....	1.250	8.500	72.19
Draw Period 2009.....	3.250.....	1.250	4.500	50.00
2010.....	3.250.....	1.250	4.500	50.00
2011.....	3.250.....	1.250	4.500	50.00
2012.....	3.250.....	1.250	4.500	50.00
2013.....	3.250.....	1.250	4.500	50.00
2014.....	3.250.....	1.250	4.500	50.00
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Repayment Period 2015.....	3.250.....	1.250	4.500	71.70
2016.....	3.500.....	1.250	4.750	71.79
2017.....	3.750.....	1.250	5.000	71.69
2018.....	4.500.....	1.250	5.750	74.64
2019.....	5.500.....	1.250	6.750	78.55

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