

Mickey Mouse Minnie Mouse 123 Fourth Lane Scenic City, SOUTH DAKOTA 57777	Sioux Empire Federal Credit Union P.O. Box 84627 Sioux Falls, South Dakota 57118 Phone: (605) 367-7070
Borrower's Name and Address "1/Me" means each borrower above, jointly and severally.	Credit Union's Name and Address "We" or "us" means the Credit Union named above.

Account # _____	Line of Credit \$ <u>50,000.00</u>	Draw Period <u>60 months</u>
Loan # <u>77777-820</u>	Initial Advance \$ <u>674.00</u>	Repayment Period <u>10 years \$100.00 Minimum</u>
Date of Loan <u>August 31, 2009</u>	Minimum Advance Amount \$ <u>500.00</u>	Payment Date <u>28th</u>
Final Payment Date <u>September 28, 2024</u>	Margin Added to Index <u>0.750%</u>	of every <u>Month</u>

HOME EQUITY LINE OF CREDIT AGREEMENT AND TRUTH-IN-LENDING DISCLOSURE

GENERALLY: The undersigned, as member(s) of or borrower(s) from Sioux Empire Federal Credit Union, agree to the following terms and conditions of this real property secured, variable rate, home equity line of credit loan agreement (hereinafter referred to as the "Agreement").

If any term of this agreement violates any law or for some other reason is not enforceable, that term will not be part of this agreement. This agreement is subject to the laws of South Dakota.

ESTABLISHMENT OF LINE OF CREDIT: Sioux Empire Federal Credit Union, in its discretion, will grant me a real property secured home equity line of credit. The amount of the line of credit may be changed, reduced, modified or revoked by the credit union in the future and as permitted by law.

ADVANCES AGAINST MY LINE OF CREDIT: I can obtain advances during the first five (5) years from the date of the Plan (the "Draw Period"). The repayment period is an amortization period, based upon the outstanding account balance. The maximum term of this Agreement is fifteen (15) years. **Advances.** Whenever I request a transaction, Sioux Empire Federal Credit Union may require me to prove my identity. If I request an advance by telephone, We will deposit the amount requested in my Share Account or my Share Draft Account and I authorize Sioux Empire Federal Credit Union to do this, or Sioux Empire Federal Credit Union may draw a draft or check made payable to me and mail it to me. When the amount advanced appears on a subsequent statement, that will be conclusive evidence of my request. I understand that all advances are subject to Sioux Empire Federal Credit Union prior approval. Advance requests must meet the credit union's terms and conditions at the time of the request. The only limit on the amount of credit that may be obtained is the total line of credit available to me, with a minimum credit line of \$5,000.00, and maximum possibility of \$50,000.00 and a minimum advance of \$500.00 or amount available.

AGREEMENT TO REPAY: The repayment term runs the entire duration of this Agreement. I agree to repay to Sioux Empire Federal Credit Union all amounts advanced against my real property secured home equity line of credit. I also agree to pay interest on the outstanding balance on my line of credit. I agree to repay the outstanding balance by paying the minimum monthly payment each month for the line of credit. The interest shall be computed at a daily periodic rate which is 1/365th of the applicable variable **ANNUAL PERCENTAGE RATE**. I agree to continue making payments until the entire outstanding balance, other costs and charges, and interest have been paid in full. Each minimum monthly payment shall be due on the date set forth in the latest Advance Request Statement. Interest shall accrue at the applicable variable **ANNUAL PERCENTAGE RATE** before and after judgement. Payments shall be made at, or mailed to, the credit union office.

VARIABLE RATE PROVISIONS: The **ANNUAL PERCENTAGE RATE** shall be determined by adding Sioux Empire Federal Credit Union's real property rate adjustment to the prevailing prime rate as published in the Money Rates Section of *The Wall Street Journal* in effect on the first business day of each calendar quarter of each year (January 1, April 1, July 1, October 1). Changes in the Index will cause changes in the Interest Rate on the fifteenth day of the following month following any such changes in the Index. Increases or decreases in the Interest Rate will cause like increases or decreases in the Finance Charge and will change the amount of the scheduled payment.

POSSIBLE ACTIONS: Under certain circumstances, Sioux Empire Federal Credit Union can terminate my line of credit, accelerate and require me to pay the entire outstanding balance in one payment, charge me certain fees, refuse to make additional extensions of credit, reduce my credit limit, and change other terms according to this Agreement. Circumstances which could result in any one or more of the foregoing actions after my default under any of the terms and conditions of this Agreement, or the Advance Request Statement. Other conditions are: (1) my fraud or material misrepresentation at any time during the application or loan periods; (2) my failing to meet the repayment terms of the Agreement; (3) any act or failure to act on my part in a manner that adversely affects the credit union's security interest for this line of credit including failure to maintain the property or using it destructively; (4) my death; (5) my failure to pay taxes on the property which secures this line of credit; (6) if the value of the dwelling that secures this line of credit significantly declines; (7) if the credit union reasonably thinks that I will not be able to meet the repayment terms in this agreement because of a material change in my financial circumstances; (8) if the **ANNUAL PERCENTAGE RATE** has reached the maximum allowed under this line of credit; and (9) any action/interference by a governmental agency, government action prevents us from imposing the annual percentage rate provided for or impairs our security interest such that the value of the interest is less than 120% of the credit line; (10) a regulatory agency has notified the Credit Union that continued advances would constitute an unsafe and unsound practice.

TAX DEDUCTIBILITY: I understand that I should consult a tax advisor regarding the deductibility of interest and charges under this Home Equity Agreement.

MINIMUM MONTHLY PAYMENTS: The minimum monthly payment is determined by a calculation using an amortization period based on the outstanding account balance, and the applicable **ANNUAL PERCENTAGE RATE**. All Lines of Credit are based on ten (10) years repayment. The maximum term this Agreement is fifteen (15) years.

No payment will be less than \$100.00 unless the outstanding balance is less than \$100.00. Included in the balance to be paid within the required amortization period are finance charges that have accrued on the outstanding balance. Payments do not decline as principal declines. During the entire period there is a balance, my payments will be due monthly.

STATEMENTS AND WAIVER OF NOTICE: I understand that Sioux Empire Federal Credit Union will provide regular statements to me on a periodic basis. The statements will set forth the amounts currently due to Sioux Empire Federal Credit Union. However, my obligation to the credit union is not dependent upon my receipt of these statements or any other notice. I hereby waive all notice of presentment, default, dishonor or late payment.

COMPUTATION OF INTEREST: The interest is computed by multiplying the outstanding balance for that day by the daily periodic rate. The outstanding balance for each day is the balance of my account at the close of business after all transactions including payments and other credits and new borrowings and other charges have been entered.

PREPAYMENT: I may prepay my obligation to Sioux Empire Federal Credit Union at any time without penalty.

MORTGAGE ON HOME: I understand that I am giving Sioux Empire Federal Credit Union a mortgage on my home to secure the line of credit, and that I could lose my home if I fail to meet my obligations under this Agreement.

JOINT OBLIGATIONS: Each member, borrower or joint account holder hereunder authorizes each other to obtain advances individually for which each of us are jointly and severally liable. Each of us will be individually and jointly responsible for paying all amounts owed. This means the credit union can require any one of us to repay all advances plus applicable finance charges, other applicable charges, and credit insurance costs. The credit union may refuse to make advances if it receives what it deems to be conflicting demands/instructions.

LATE CHARGES: A late charge of 5% of the current payment amount, subject to a minimum of \$5.00 and a maximum of \$20.00 if the payment not made within ten (10) days of its due date.

CHANGING THE TERMS OF THIS AGREEMENT: Generally, Sioux Empire Federal Credit Union may not change the terms of this agreement. However, we may change the terms in the following circumstances.

- If this is a variable rate plan, we may change the index if the original index described above becomes unavailable. Any new index will have a historical movement similar to the original, and will produce a similar interest rate.
- We may make changes that you have agreed to in writing.
- We may make changes that unequivocally benefit you.
- We may make changes to insignificant terms of this agreement.
- We will refuse to make additional extensions of credit or reduce your credit limit if the maximum annual percentage rate is reached.

If we are required to send notice of a change in terms, we will send the notice to your address listed above. (You should inform us of any change in address.)

ASSIGNMENT: The undersigned member(s)/borrower(s) may not assign or transfer their rights under this Agreement without the prior and express written consent of Sioux Empire Federal Credit Union.

PROPERTY INSURANCE: I am required to maintain property insurance in a form and an amount satisfactory to Sioux Empire Federal Credit Union. This insurance is required for any property in which the Sioux Empire Federal Credit Union has an interest. I may obtain this insurance from the insurer of my choice. Insurance provided by the credit union because of my failure to provide insurance may only protect the credit union's interest. Sioux Empire Federal Credit Union must be named as a loss payee.

ADDITIONAL CHARGES: I agree to pay the following additional charges:

Appraisal Fee	Mouse Properties	\$	425.00
Credit Report	Sioux Empire Federal Credit Union	\$	7.00
Document Preparation	Sioux Empire Federal Credit Union	\$	35.00
Flood Certification	Sioux Empire Federal Credit Union	\$	14.00
Title Insurance	Land Title Guaranty	\$	145.00
Recording Fees	Register of Deeds	\$	18.00
Prepaid Satisfaction/Addendum	Sioux Empire Federal Credit Union	\$	30.00

ATTORNEY'S FEES: The borrowers agree to pay all of the credit union's costs, including reasonable attorney's fees and witness fees (including expert witness fees), that we incur if this obligation is referred for collection to an attorney, whether or not our salaried employee, and whether or not the costs and attorney's fees are incurred prior to suit, after suit, or in enforcement of our rights herein during a bankruptcy proceeding.

ADDITIONAL TERMS

DEFAULT: The borrowers will be in default on this agreement if any of the following occur:

- (1) The borrowers engage in fraud or material misrepresentation, by your actions or failure to act, in connection with any phase of this home equity line of credit;
- (2) Subject to any right to cure that you may have, if you do not meet the repayment terms;
- (3) Your action or inaction adversely affects the collateral or our rights in the collateral, including but not limited to: (a) failure to maintain required insurance on the dwelling; (b) your transfer of the property; (c) failure to maintain the property or use of it in a destructive manner; (d) commission of waste; (e) failure to pay taxes or assessments on the property or otherwise fail to act and thereby cause a lien to be filed against the property that is senior to our lien; (f) death; (g) the property is taken through eminent domain; (h) a judgement is filed against you and subjects you and the property to action that adversely affects our interest; or (i) a prior lien holder forecloses on the property and as a result, our interest is adversely affected.

YOUR BILLING RIGHTS

KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

NOTIFY US IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR BILL

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us at the address listed on your bill. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
 - The dollar amount of the suspected error.
 - Describe the error and explain, if you can, why you believe there is an error.
- If you need more information, describe the item you are not sure about.

If you have authorized us to pay your bill automatically from your savings, checking or other account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

YOUR RIGHTS AND OUR RESPONSIBILITIES AFTER WE RECEIVE YOUR WRITTEN NOTICE

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.

FINAL EXPRESSION: This agreement is the final expression of the terms and conditions of this loan transaction between Sioux Empire Federal Credit Union and the undersigned member(s)/borrower(s); this written Agreement may not be contradicted by evidence of any alleged oral agreement.

Signature _____
Mickey Mouse

Signature _____
Minnie Mouse