

HOME EQUITY APPLICATION DISCLOSURE

Security Bank of Kansas City
7th & Minnesota
701 Minnesota Avenue
P.O. Box 171297
Kansas City, KS 66117

IMPORTANT TERMS OF OUR HOME EQUITY APPLICATION DISCLOSURE

This disclosure contains important information about our **10 Year HELOC 1st Lien** (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:	\$50.00	Annually, on the anniversary date of the Plan for the term of the Draw Period

Late Charge. Your payment will be late if it is not received by us within **15 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 \$25.00, whichever is less.

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 \$0.00 and \$2,500.00. Upon request, we will provide you with an itemization of the fees you will have to pay to third parties.

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: 10 years (the "Draw Period"). Your Regular Payment will equal the amount of your accrued FINANCE CHARGES or \$50.00, whichever is greater. You will make 119 of these payments. You will then be required to pay the entire balance owing in a single balloon payment. If you make only the minimum payments, you may not repay any of the principal balance by the end of this payment stream. 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.

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 10 years to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 9.500%. During that period, you would make 119 monthly payments ranging from \$72.88 to \$80.68 and one final payment of \$10,080.68.

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

Credit Line Check, Request By Mail, In Person Request, Online Banking and Telephone Request Limitations. There are no transaction limitations for the writing of Checks, requesting an advance by mail, requesting an advance in person, accessing by other methods or requesting an advance by telephone.

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

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the minimum payment amount can change as a result. The ANNUAL PERCENTAGE RATE does not include costs other than interest. **Page 2**

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 highest prime rate as published in The Wall Street Journal. Information about the Index is available or published in the Wall Street Journal. We will use the most recent Index value available to us as of the day prior to the rate change date of 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, round that sum up to the nearest 0.125%, then divide the rounded 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**. 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.

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.

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 4.750% per annum at any time during the term of the Plan.

MAXIMUM RATE AND PAYMENT EXAMPLE. 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 at the time of the 1st payment.

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 2010 to 2024. The Index values are from the following reference period: the first business day of August. 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 (the first business day of August)	Index (Percent)	Margin (1) (Percent)	Annual Percentage Rate	Monthly Payment (Dollars)
2010	3.250	1.000	4.750 (8)	50.00
2011	3.250	1.000	4.750 (8)	50.00
2012	3.250	1.000	4.750 (8)	50.00
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2017	4.250	1.000	5.250	50.00
2018	5.000	1.000	6.000	50.00
2019	5.250	1.000	6.250	50.00
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2022	5.500	1.000	6.500	
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(1) This is a margin we have used recently; your margin may be different.

(8) This A.P.R. reflects a 4.750 percent floor.

ADDITIONAL EVENTS OF DEFAULT. By not later than 30 days after we make a request in writing, you agree to provide all financial/income information we may reasonably request including, but not limited to, signed financial statements and Federal income tax return documents. Financial statements shall consist of at least a balance sheet, a listing of all contingent liabilities, and a statement of year-to-date income as of the end of your last fiscal year. Your failure to provide the requested information may be considered an event of default under this Agreement.

ADDITIONAL REASON FOR SUSPENSION OF DRAW PRIVILEGES. In addition to the reasons stated in the "Suspension or Reduction" paragraph above, we may suspend additional extensions of credit or reduce your Credit Limit if your principal residence ceases to qualify as your homestead under applicable law at any time before the Maturity Date. As used in this paragraph, "principal residence" means the real property described in the Deed of Trust or Mortgage that secures repayment of the Plan.

ADDITIONAL EXCLUSIONS. Third party fees and closing costs in connection with new requests for loan amounts between \$10,000.00 and \$250,000.00 are paid on your behalf to the appropriate providers of service if the Plan is established with Automatic Payments out of a Security Bank of Kansas City deposit account at the time the Plan is opened. For loan amounts not between \$10,000 and \$250,000.00 or the Plan is not established with Automatic Payments out of a Security Bank of Kansas City deposit account at the time the Plan is opened, third party fees and closing costs may be due from the applicant(s).

If you refinance your existing Plan with us, the closing costs may be waived (or paid by us) if the plan was originated more than three years ago, or, you increase your line by 20% or more (up to \$250,000. If the loan amount is less than \$10,000, or more than \$250,000, or does not have automatic payments scheduled out of a Security Bank of Kansas City deposit account, the closing costs will not be waived and must be paid by the applicant/borrower.

If the applicant does not meet one of these two criteria, or the the request is less than \$10,000 or more than \$250,000, or if the Plan is not

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established with Automatic Payments out of a Security Bank of Kansas City deposit account at the time the Plan is opened, the third party fees and closing costs will be required to be paid by the applicant(s).

If you reside in one of the following states or the collateral used for securing a Home Equity Line of credit is located in NY, MD, LA, GA, MN, TN, VA, or FL, you may be required to pay a portion of or all of the required transfer or recording taxes due and/or recording charges required.

Property to be held as collateral located in the state of Texas is not eligible for this product.

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ADDITIONAL EVENTS OF DEFAULT. By not later than 30 days after we make a request in writing, you agree to provide all financial/income information we may reasonably request including, but not limited to, signed financial statements and Federal income tax return documents. Financial statements shall consist of at least a balance sheet, a listing of all contingent liabilities, and a statement of year-to-date income as of the end of your last fiscal year. Your failure to provide the requested information may be considered an event of default under this Agreement.

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established with Automatic Payments out of a Security Bank of Kansas City deposit account at the time the Plan is opened, the third party fees and closing costs will be required to be paid by the applicant(s).

If you reside in one of the following states or the collateral used for securing a Home Equity Line of credit is location in NY, MD, LA, GA, MN, TN, VA, or FL, you may be required to pay a portion of or all of the required transfer or recording taxes due and/or recording charges required.

Property to be held as collateral located in the state of Texas is not eligible for this product.