

CB&S Bank
 PO Box 910
 Russellville, AL 35653
 Telephone: 256-332-1710
 Fax Number: 256-718-4701
 Web Address: www.cbsbank.com
 Lender

HOME EQUITY LINE OF CREDIT

This disclosure contains important information about our Home Equity Line of Credit. You should read it carefully and keep a copy for your records.

1. **AVAILABILITY OF TERMS.** All of the terms described below are subject to change. If 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 have paid to us or anyone else in connection with your application.
2. **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.
3. **POSSIBLE ACTIONS.** Under certain circumstances, we can:
 - A. Terminate your line of credit and require you to pay us the entire outstanding balance in one payment;
 - B. Refuse to make additional extensions of credit; and
 - C. Reduce your credit limit.

We can terminate your line of credit and require you to pay us the entire outstanding balance in one payment if:

- A. You engage in fraud or material misrepresentation in connection with the line of credit;
- B. You fail to make a payment as required by the agreement; or
- C. Your action or inaction adversely affects the collateral 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 line of credit declines significantly below its appraised value for purposes of the line of credit;
- B. We reasonably believe you will not be able to meet the repayment requirements under the line of credit due to a material change in your financial circumstances;
- C. You are in default of a material obligation of the agreement;
- D. Government action prevents us from imposing the annual percentage rate provided for in the agreement, or impairs our security interest such that the value of the interest is less than 120 percent of the credit limit on the line of credit;
- E. A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice; or
- F. The maximum annual percentage rate is reached.

4. MINIMUM PAYMENT REQUIREMENTS:

Payment Option 1: You can obtain credit advances during the following period: 120 months (the "Draw Period"). Your Regular Payment will be based on a percentage of your outstanding balance as shown below or \$100.00 plus all accrued FINANCE CHARGES, whichever is greater. Your payments will be due monthly.

<u>Range of Balances</u>	<u>Maximum Number of Payments</u>	<u>Regular Payment Calculation</u>
All Balances	120	1.500% of your outstanding balance

Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges. The Minimum Payment will not fully repay the principal that is outstanding on your Credit Line and your final payment will be a single balloon payment.

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 final payment may be increased. Each time the ANNUAL PERCENTAGE RATE increase, we will check to see if your payment is sufficient to pay the interest due. If it is not, your payment will be increased by an amount sufficient to cover all accrued FINANCE CHARGES.

In any event, if your Credit Line balance falls below \$100.00, you agree to pay your balance in full.

Payment Option 2: You can obtain advances of credit during the following period: 60 months (the "Draw Period"). Your Regular Payment will equal the amount of your accrued FINANCE CHARGES. You will make 59 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 \$100.00, you agree to pay your balance in full.

Payment Option 3: You can obtain credit advances during the following period: 120 months (the "Draw Period"). Your Regular Payment will equal the amount of your accrued FINANCE CHARGES ("First Payment Stream"). You will make 12 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 a percentage of your outstanding balance, including principal and unpaid interest, as shown below ("Second Payment Stream"). Your payments will be due monthly.

<u>Range of Balances</u>	<u>Maximum Number of Payments</u>	<u>Regular Payment Calculation</u>
All Balances	108	1.500% of your outstanding balance

Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges. The Minimum Payment will not fully repay the principal that is outstanding on your Credit Line and your final payment will be a single balloon payment.

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 final payment may be increased. Each time the ANNUAL PERCENTAGE RATE increase, we will check to see if your payment is sufficient to pay the interest due. If it is not, your payment will be increased by an amount sufficient to cover all accrued FINANCE CHARGES.

In any event, if your Credit Line balance falls below \$100.00, you agree to pay your balance in full.

Payment Option 4: You can obtain advances of credit during the following period: 60 months (the "Draw Period"). Your Regular Payment will equal the amount of your accrued FINANCE CHARGES. You will make 59 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 \$100.00, you agree to pay your balance in full.

5. MINIMUM PAYMENT EXAMPLE.

Payment Option 1: If you made only the minimum monthly payment and took no other credit advances, it would take 8 years and 4 months to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 7.500%. During that period, you would make 100 payments varying between \$100.62 and \$163.70.

Payment Option 2: If you made only the minimum monthly payment and took no other credit advances, it would take 5 years to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 7.500%. During that period, you would make 59 payments of \$57.53 to \$63.70, with a final payment of \$10,063.70.

Payment Option 3: If you made only the minimum monthly 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 7.500%. During that period, you would make 12 monthly payments ranging from \$57.53 to \$63.70. Then you would make 107 monthly payments ranging from \$58.89 to \$150.96 and one final payment of \$3,892.06.

Payment Option 4: If you made only the minimum payment and took no other credit advances, it would take 5 years to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 7.500%. During that period, you would make 59 monthly payments ranging from \$57.53 to \$63.70 and one final payment of \$10,063.70.

6. FEES AND CHARGES. To open and maintain a line of credit, you must pay the following fees to us:

- * In House Appraisal: \$150.00
- * Returned Check Charges: \$30.00
- * Home Equity Annual Fee: \$50.00 (due annually)

Note that some fees may only apply upon the occurrence of an event and have been provided for informational purposes only.

You must also pay certain fees to third parties, such as appraisers, credit reporting firms, and government agencies. These fees generally total \$14.00 to \$800.00. If you ask, we will provide you with an itemization of the fees you will have to pay to third parties.

Annual Fee: Each year on your home equity line anniversary date the Bank will impose a non-refundable annual fee of \$50.00 on your home equity line whether or not you have used it. Your closing costs will be paid by the Bank, unless the home equity line of credit amount is more than \$100,000. If a minimum balance of \$10,000 is not maintained for 90 days these closing costs will be deducted from your Home Equity line of credit as a draw. Your closing costs are estimated to be \$800.00.

You must carry insurance on the property that secures the line of credit.

7. REFUNDABILITY OF FEES. If you decide not to enter into this plan within three days of receiving this disclosure and the Home Equity Booklet, you are entitled to a refund of any fee you may have already paid.

8. MINIMUM DRAW REQUIREMENTS. The minimum initial credit advance must be at least \$10,000.00. The minimum amount of any other credit advances that can be made on your Credit Line is \$50.00

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

10. VARIABLE RATE FEATURES. This line of credit has a variable rate feature and the annual percentage rate (corresponding to the periodic rate) and the minimum monthly 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 base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate and is published daily in the Wall Street Journal. To determine the annual percentage rate that will apply to your line of credit, we add a margin to the value of the index and then round to the nearest .001 percent. On payment options 3 and 4 the initial annual percentage rate is discounted. It is not based on the index and margin used to make later rate adjustments. The initial rate will be in effect for 12 months. Ask us for the current index value, margin, and annual percentage rate. After you open a line of credit, rate information will be provided on periodic statements that we send you.

11. RATE CHANGES. The annual percentage rate can change daily. There is no limit on the amount by which the rate can change in any one year period. The maximum ANNUAL PERCENTAGE RATE that can apply during the line of credit is 18.000 percent. The minimum ANNUAL PERCENTAGE RATE that can apply during the line of credit is 5%.

12. MAXIMUM RATE AND PAYMENT EXAMPLES.

PAYMENT OPTION 1: If you had an outstanding balance of \$10,000.00, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 18.000 percent would be \$252.88. This ANNUAL PERCENTAGE RATE could be reached immediately or prior to the 1st payment.

PAYMENT OPTION 2: 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.

PAYMENT OPTION 3: If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 18.000% would be \$152.25. This ANNUAL PERCENTAGE RATE could be reached immediately or prior to the 1st payment.

PAYMENT OPTION 4: 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.

13. HISTORICAL EXAMPLES. The following table 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 over the last 15 years. The index values are from the first business day of February. While only one payment amount per year is shown, payments would have varied during each year. The table assumes that no additional credit advances were taken, that only the minimum payment was made, and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments would change in the future.

Payment Option
1:

Year	Index (%)	Margin* (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment (\$)
2005	5.250	2.000	7.250	161.58
2006	7.500	2.000	9.500	171.00
2007	8.250	2.000	10.250	166.16
2008	6.000	2.000	8.000	143.48
2009	3.250	2.000	5.250	123.19
2010	3.250	2.000	5.500	117.84
2011	3.250	2.000	5.250	112.48
2012	3.250	2.000	5.250	107.13
2013	3.250	2.000	5.250	101.78
2014	3.250	2.000	5.500	N/A
2015	3.250	2.000	5.500	N/A
2016	3.500	2.000	5.500	N/A
2017	3.750	2.000	5.750	N/A
2018	4.500	2.000	6.500	N/A
2019	5.500	2.000	7.500	N/A

Payment Option
2:

Year	Index (%)	Margin* (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment (\$)
2005	5.250	2.000	4.740 (L)	40.26
2006	7.500	2.000	9.500	80.68
2007	8.250	2.000	10.250	87.05
2008	6.000	2.000	8.000	67.95
2009	3.250	2.000	5.250	44.59
2010	3.250	2.000	5.250	N/A
2011	3.250	2.000	2.250	N/A
2012	3.250	2.000	5.250	N/A
2013	3.250	2.000	5.250	N/A
2014	3.250	2.000	5.250	N/A
2015	3.250	2.000	5.250	N/A
2016	3.500	2.000	5.500	N/A
2017	3.750	2.000	5.750	N/A
2018	4.500	2.000	6.500	N/A
2019	5.500	2.000	7.500	N/A

Payment Option
3:

Year	Index (%)	Margin* (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment (\$)
2005	5.250	2.000	4.740 (L)	40.26
2006	7.500	2.000	9.500	151.21
2007	8.250	2.000	10.250	138.77
2008	6.000	2.000	8.000	127.95
2009	3.250	2.000	5.250	115.32
2010	3.250	2.000	5.250	101.36
2011	3.250	2.000	5.250	89.11
2012	3.250	2.000	5.250	78.33
2013	3.250	2.000	5.250	68.85
2014	3.250	2.000	5.250	60.52
2015	3.250	2.000	5.250	N/A
2016	3.500	2.000	5.500	N/A
2017	3.750	2.000	5.750	N/A
2018	4.500	2.000	6.500	N/A
2019	5.500	2.000	7.500	N/A

Payment Option
4:

Year	Index (%)	Margin* (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment (\$)
2005	5.250	2.000	4.740 (L)	40.26
2006	7.500	2.000	9.500	80.68
2007	8.250	2.000	10.250	87.05
2008	6.000	2.000	8.000	67.95
2009	3.250	2.000	5.250	115.32
2010	3.250	2.000	5.250	44.59
2011	3.250	2.000	5.250	N/A
2012	3.250	2.000	5.250	N/A
2013	3.250	2.000	5.250	N/A
2014	3.250	2.000	5.250	N/A
2015	3.250	2.000	5.250	N/A
2016	3.500	2.000	5.500	N/A
2017	3.750	2.000	5.750	N/A
2018	4.500	2.000	6.500	N/A
2019	5.500	2.000	7.500	N/A

* These are margins we have used recently; your margin may be different.

(L) This ANNUAL PERCENTAGE RATE reflects a discount that we have provided recently; your Plan may be discounted by a different amount.

This is not a commitment to make a loan.

You hereby acknowledge receipt of this Home Equity Plan Disclosure
and a copy of the Home Equity Brochure on today's date.