

20 YEAR HOME EQUITY LINE OF CREDIT APPLICATION DISCLOSURE

Macatawa Bank, N.A.
10753 Macatawa Drive
Holland, MI 49424

IMPORTANT TERMS OF OUR

20 YEAR HOME EQUITY LINE OF CREDIT APPLICATION DISCLOSURE

This disclosure contains important information about our Macatawa 20 Year Home Equity (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 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 50 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:	\$75.00	Anniversary Date (due each year beginning on the first anniversary date until the end of the Draw Period)
Returned Payment Fee:	\$25	Due for each for each payment check, draft, or similar instrument which is returned unpaid
Stop Payment Fee:	\$30	Due for each request to stop payment on a Draw or Draft Check

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Late Charge. Your payment will be late if 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 5.00% of the scheduled payment of principal and interest.

Third Party Fees. You may 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. We estimate the breakdown of these as follows:

Description	Amount	When Charged
Appraisal	\$0 – \$800	Closing, when applicable
Title Policy	\$0 – \$2,500	Closing, when applicable
Property held in a Land Trust:	Additional Fees May Apply	Closing-Please ask for an itemization of these fees which may be higher than \$2,500.00
Purchase Money Fees:	Additional Fees Will Apply	Closing-Please ask for an itemization of these fees which may be higher than \$2,500.00
Property located in any state that is not MI	Additional Fees May Apply	Closing- Please ask for an itemization of these fees which may be higher than \$2,500.00

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

MINIMUM PAYMENT REQUIREMENTS. You can obtain advances of credit for **60 months** (the "Draw Period"). Payments will be due monthly during the Draw Period, and will be determined as described below:

Monthly Payments At Least Equal to Interest and Fees: The greater of **\$25.00** or the amount of finance charge accrued on outstanding advances each month, plus any fees and any amounts past due. This minimum payment may not reduce the principal that is outstanding on your credit line (unless the monthly accrued finance charge is less than **\$25.00** in which case the difference between the minimum payment due and accrued finance charge will be applied to principal but may not fully repay the principal that is outstanding on your credit line).

The monthly payment described above will not be less than **\$25.00** during the Draw Period unless the total outstanding balance on your credit line is less than **\$25.00**, in which case the minimum monthly payment will equal **\$25.00** or the outstanding balance on your credit line, whichever is less.

After the Draw Period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance over **180 months** (the "Repayment Period"). Payments will be due monthly during the repayment period and will be determined as described below:

The greater of **\$0.00 or 0.556%** of your unpaid advances as of the end of the Draw Period, plus the amount of accrued finance charges, plus any fees and amounts past due.

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 \$250,000.00 at an ANNUAL PERCENTAGE RATE of **8.400%**. During that period, you would make **60** monthly payments of **\$1,726.00**. Then you would make **180** monthly payments of ranging from **\$3,116.00 to \$1,400.00**.

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, Request By Mail, In Person Request and Lender Online Banking Platform Limitations. The minimum draw amount is \$100.00. There are no other transaction limitations for the writing of Home Equity Line of Credit Checks, requesting an advance by telephone, requesting an advance by mail, requesting an advance in person or accessing by other methods.

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 as published by the Wall Street Journal. When a range of rates has been published, the higher of the rates will be used. Information about the Index is available or published at least weekly in the Wall Street Journal's Money Rates table. We will use the most recent Index value available to us as of the Wall Street Journal Prime Rate in effect as of the first day of each statement cycle any annual percentage rate adjustment.

ANNUAL PERCENTAGE RATE. To determine the Periodic Rate that will apply to your First Payment Stream, we add a margin to the value of the Index, then divide the rounded 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 First Payment Stream. To determine the Periodic Rate that will apply to your Second Payment Stream, we add a margin to the value of the Index, then divide the rounded 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 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.

Please ask us for the current Index value, margin, discount and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

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FREQUENCY OF ANNUAL PERCENTAGE RATE ADJUSTMENTS. Your ANNUAL PERCENTAGE RATE can change Monthly the first day of the new cycle. 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 **25.000%** per annum or, go below **3.250%** 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 \$250,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of **25.000%** (this maximum rate is 16.600 percentage points above the most recent index plus margin shown in the Historical Example below) would be **\$5,136.99**. This ANNUAL PERCENTAGE RATE could be reached immediately or prior to the 1st payment.

Repayment Period. If you had an outstanding balance of \$250,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of **25.000%** (this maximum rate is 16.600 percentage points above the most recent index plus margin shown in the Historical Example below) would be **\$6,526.99**. This ANNUAL PERCENTAGE RATE could be reached at the time of the 1st payment during the repayment period.

PREPAYMENT. You must pay us an early termination fee up to **\$250.00** (1% of the principal balance for a first lien or 2% of the principal balance for a second lien) if you close your account within **36 months** after it is opened.

HISTORICAL EXAMPLE. The example below shows how the ANNUAL PERCENTAGE RATE and the minimum payments for a single \$250,000.00 credit advance would have changed based on changes in the Index from 2010 to 2024. The Index values are from the following reference period: as of July 1. 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.

Year (as of July 1)	Index (%)	Margin* (%)	APR (%)	Monthly Payments (\$)
Advance Period – Interest Only				
2010	3.25	0.00	3.25	667.81
2011	3.25	0.00	3.25	667.81
2012	3.25	0.00	3.25	667.81
2013	3.25	0.00	3.25	667.81
2014	3.25	0.00	3.25	667.81
Repayment Period – Principal and Interest				
2015	3.25	0.00	3.25	2,057.81
2016	3.50	0.00	3.50	2,061.19
2017	4.25	-0.10	4.15	2,128.95
2018	5.00	-0.10	4.90	2,195.32
2019	5.50	-0.10	5.40	2,203.46
2021	3.25	-0.10	3.15	1,821.33
2020	3.25	-0.10	3.15	1,778.15
2022	4.75	-0.10	4.65	1,899.23
2023	8.25	-0.10	8.15	2,170.79
2024	8.50	-0.10	8.40	2,079.58

*This is a margin we have used recently; your margin may be different.