

MEMBER'S CHOICE™ BORROWER SECURITY CONTRACT (continued)

Disability (Included with Full Loan Protection, Standard Loan Protection and Basic Disability)

- Disability means that you are:
- Unable to engage in the significant duties of your occupation for at least 14 consecutive days due to an accidental injury or a sickness; and
- Under the regular care and treatment of a physician; and
- Not working at any job, or combination of jobs, paying you an income equal to or exceeding 80% of the wages you were earning from your full-time employment immediately preceding the date you became disabled.

If you are employed full-time and become disabled, we will cancel the daily payment for each day that you are disabled:

- Beginning with the 1st day of disability;
- For the next 12 months or until the entire protected balance is cancelled, but not more than \$12,000 per period of disability.

Unemployment (Included with Full Loan Protection)

Involuntary unemployment means that for at least 14 consecutive days you are not working at any job, or any combination of jobs for 25 hours or more per week and that you are actively seeking full-time employment. This includes honorable discharge from active military service by the United States Armed Forces. Involuntary unemployment does not include any annual, regularly scheduled, or seasonal layoff or any period of unemployment that occurs while you are a temporary employee, independent contractor, self employed, or employed by point borrower. It also does not include any retirement, vacation, strike, unionized labor dispute, lockout, sabbatical, family leave, disability, termination due to your willful or criminal misconduct, resignation by agreement or voluntary loss of wages.

If you are employed full-time and become involuntarily unemployed, we will cancel the daily payment for each day that you are involuntarily unemployed:

- beginning with the first day of involuntary unemployment or the first day after any severance pay has ceased, whichever comes later;
- for the next 6 months or until the entire protected balance has been cancelled but not more than \$3,000 per period of involuntary unemployment.

We will initially require proof that you have received federal, state, or railroad unemployment benefits for the period of unemployment to determine if you meet the definition of involuntarily unemployed. You must provide evidence of your continued registration with a state unemployment office or a recognized employment agency.

NON-PROTECTED EVENTS

An advance is not protected by the program if the event:

- is due to the commission of a felony.
- is caused by or results from an atomic explosion or any other release of nuclear energy (except when used solely for medical treatment.)

Additional non-protected events are specified below.

An advance is not protected by **Life Protection** if the event:

- occurs within the 6 months immediately following the effective date of protection for the advance, and is related to a pre-existing condition for which you received advice, diagnosis, or treatment (including medication) within the 12 months immediately preceding the effective date of protection for the advance.
- is the result of a suicide or an intentionally self-inflicted injury that occurs within the 12 months immediately following the effective date of protection for the advance.

An advance is not protected by **Disability Protection** if the event:

- occurs within the 6 months immediately following the effective date of protection for the advance, and is related to a pre-existing condition for which you received advice, diagnosis, or treatment (including medication) within the 12 months immediately preceding the effective date of protection for the advance.
- is related to normal pregnancy.
- is due to an intentionally self-inflicted injury.

An advance is not protected by **Unemployment Protection** if the event:

- occurs within the 6 months immediately following the effective date of protection for the advance.
- is due to an intentionally self-inflicted injury

CONCURRENT PROTECTED EVENTS

If we are canceling the daily payment for one protected event and another protected event occurs:

- the amount cancelled will be applied to the dollar limitation for the first protected event.
- we will not cancel more than the daily payment for any one day.

RECURRENT EVENTS

If you incur a claim for the same type of protected event again within one year after you have recovered or returned to work, we will consider this a continuation of the prior event. For disability, however, this only applies if you are disabled due to the same condition. Any remaining time period available from the earlier protected event will continue beginning with the date of the recurrence. If you incur a claim for the same type of protected event more than one year after recovering or returning to work, we will consider it a new protected event. This provision applies to whether you return to work with the same or a different employer.

STATUS OF THE LOAN AFTER A PROTECTED EVENT

During the time it takes to process your claim, you remain responsible for making at least the minimum payment due on the loan by the payment due date. You are responsible for any difference between the minimum payment due on the loan and the amount cancelled or postponed. If you have a valid claim, we will refund the portion of your payment(s) that should have been cancelled or postponed according to the terms of this contract.

13. Changing or Terminating Your Account. The Credit Union may change the terms of this Agreement from time to time after giving you any advance notice required by law. Your use of the card after receiving notice of a change will indicate your agreement to the change. To the extent the law permits, and indicated in the notice to you, the change will apply to your existing balance as well as to future transactions.

Either the Credit Union or you may terminate this Agreement at any time, but termination by you or the Credit Union will not affect your obligation to pay the account balance plus any finance and other charges you owe under this Agreement. The cards you receive remain the property of the Credit Union, and you must recover and surrender to the Credit Union all cards upon request or upon termination of this Agreement whether by you or the Credit Union.

14. Credit Information. You authorize the Credit Union to investigate your credit standing when opening or reviewing your account. You authorize the Credit Union to disclose information regarding your account to credit bureaus and creditors who inquire about your credit standing.

15. Returns and Adjustments. Merchants and others who honor the Card may give credit for returns or adjustments, and they will do so by sending the Credit Union a Credit slip which will be posted to your account. If your credit and payments exceed what you owe the Credit Union, the amount will be applied against future purchases and cash advances. If the amount is \$1 or more, it will be refunded upon your written request or automatically after six months.

16. Foreign Transactions. Purchases and cash advances made in foreign countries and foreign currencies will be billed to you in U.S. dollars. The con-

version rate to dollars will be made in accordance with the operating regulations for international transactions established by Visa International, Inc.

17. Merchant Disputes. The Credit Union is not responsible for the refusal of any merchant or financial institution to honor the card. The Credit Union is subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the card if you have made a good faith attempt but have been unable to obtain satisfaction from the merchant or service provider, and (a) your purchase was made in response to an advertisement the Credit Union sent or participated in sending to you; or (b) your purchase cost more than \$50 and was made in your state or within 100 miles of your home.

18. Effect of Agreement. This Agreement is the contract which applies to all transactions on your account even though the sales, cash advances, credit or other slips you sign or receive may contain different terms.

19. No Waiver. The Credit Union can delay enforcing any of its rights any number of times without losing them.

20. Statements and Notices. Statements and notices will be mailed to you at the most recent address you have given the Credit Union. Notice sent to any one of you will be considered notice to all.

21. Copy Received. You acknowledge that you have received a copy of this Agreement when you signed the application.

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 on a separate sheet 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.

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.

Special Rule for Credit Card Purchases

If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. There are two limitations on this right:

(a) You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address; and

(b) The purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

Heritage Family Federal	Annual Percentage Rate for purchases, balance transfers and cash advances	Grace period for repayment of the balance for purchases	Method of computing the balance for purchases	Annual Fee
Credit Union Thirty Allen Street Rutland, VT 05701 802-775-4930	Prime+4.00% Platinum Rate	25 days	average daily balance (including new purchases)	\$0.00
	9.99% Gold Rate			\$0.00
	11.9% Classic Rate			\$15.00
	13.9% Classic Rate			\$0.00

Cash advance fee of 3% (no fee for balance transfers); Card replacement fee of \$6.00; Rush order fee of \$35; Late payment fee: 5% of payment, \$10.00 minimum; Draft copy fee of \$8.00.

The information about the cost of the card described in this application is accurate as of 3/10. This information may have changed after that date. To find out what may have changed, call or write to us at the number or location listed above.

MEMBER'S CHOICE™ BORROWER SECURITY AGREEMENT

BORROWER 1 NAME	BORROWER 2 NAME	LOAN NUMBER/ACCOUNT NUMBER
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You elect: (check only one box)	Full Loan Protection · Life Protection · Disability · Unemployment	Standard Loan Protection · Life Protection · Disability	Basic Disability · Disability	Basic Life · Life Protection	No Protection
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost per \$100 of the Monthly Outstanding Loan Balance*	\$0.467	\$0.267	\$0.206	\$0.089	

*If the outstanding loan balance is greater than \$50,000, the rate will not be applied to the amount that exceeds \$50,000. The program contains certain terms and exclusions. You are eligible for the program if you are a borrower on the loan on the effective date of protection. The program protects the first two borrowers listed on the lending agreement. The protected borrower(s) may not qualify for all benefits.

Your signature below means:

- Your election will remain in effect, according to the terms of the contract unless subsequently modified.
- You agree that you have received and thoroughly read the MEMBER'S CHOICE Borrower's Security Contract.

- You authorize the program fee to be added to your outstanding balance each month. If the election above represents a change in the program for an existing loan, and the cost of the newly elected protection results in increased program fees, you agree to increase your payment or to make more payments of the same amount until what you owe has been repaid.

X

BORROWER 1 SIGNATURE

DATE

X

BORROWER 2 SIGNATURE

DATE
DO NOT SIGN HERE IF YOU ARE A GUARANTOR



Heritage Family
FEDERAL CREDIT UNION

Annual Percentage Rate for purchases, balance transfers and cash advances	Grace period for repayment of the balance for purchases	Method of computing the balance for purchases	Annual Fee
Prime+4.00% Platinum Rate	25 days	Average daily balance (including new purchases)	\$0.00
9.99% Gold Rate			\$ 0.00
11.9% Classic Rate			\$15.00
13.9% Classic Rate			\$ 0.00

Platinum Card Rate

Prime+4.00% (\$5,000 minimum)

Gold Card Rate

9.99% NO ANNUAL FEE (\$5,000 minimum)

Classic Card Rates

11.9% ANNUAL FEE

13.9% NO ANNUAL FEE

Annual Card Fee of \$15.00 - Classic; Late Payment Fee of 5% of payment, \$10.00 minimum; Draft Copy Fee of \$8.00; Card Replacement Fee of \$6.00; Rush Order Fee of \$35.00; Cash advance fee of 3% (no fee for balance transfers).

Credit limit requested \$ _____

Number of Cards desired? 1 2

If you do not qualify for an HFFCU Platinum Rate or Gold Card Rate, we will consider you for an HFFCU Classic Card.

APPLICANT			
APPLICANT NAME (LAST-FIRST-MIDDLE)		ACCOUNT #	
HOME ADDRESS (STREET & NO.)		HOW LONG	
CITY-STATE-ZIP			
PREVIOUS HOME ADDRESS			
HOME PHONE ()	BIRTH DATE	MOTHER'S MAIDEN NAME	CELL PHONE
SOCIAL SECURITY NO.		DRIVER'S LICENSE NO.	STATE

■ CO-APPLICANT ■ GUARANTOR			
APPLICANT NAME (LAST-FIRST-MIDDLE)		ACCOUNT #	
HOME ADDRESS (STREET & NO.)		HOW LONG	
CITY-STATE-ZIP			
PREVIOUS HOME ADDRESS			
HOME PHONE ()	BIRTH DATE	MOTHER'S MAIDEN NAME	CELL PHONE
SOCIAL SECURITY NO.		DRIVER'S LICENSE NO.	STATE

NOTICE: ALIMONY, CHILD SUPPORT, OR SEPARATE MAINTENANCE INCOME NEED NOT BE REVEALED IF YOU DO NOT CHOOSE TO HAVE IT CONSIDERED.

BUSINESS PHONE ()	GROSS ANNUAL INCOME \$	NET MONTHLY PAY \$
OTHER INCOME \$ PER	SUPERVISOR'S PHONE ()	TYPE OF BUSINESS
CURRENT EMPLOYER	TITLE/GRADE/RANK	SELF EMPLOYED <input type="checkbox"/> YES <input type="checkbox"/> NO
BUSINESS ADDRESS		
PREVIOUS EMPLOYER	TITLE/GRADE/RANK	START DATE
PREVIOUS BUSINESS ADDRESS		END DATE

BUSINESS PHONE ()	GROSS ANNUAL INCOME \$	NET MONTHLY PAY \$
OTHER INCOME \$ PER	SUPERVISOR'S PHONE ()	TYPE OF BUSINESS
CURRENT EMPLOYER	TITLE/GRADE/RANK	SELF EMPLOYED <input type="checkbox"/> YES <input type="checkbox"/> NO
BUSINESS ADDRESS		
PREVIOUS EMPLOYER	TITLE/GRADE/RANK	START DATE
PREVIOUS BUSINESS ADDRESS		END DATE

LIST ALL ASSETS AND DEBTS - ATTACH OTHER SHEETS IF NECESSARY.

DEBTS	OWED TO	ADDRESS	ACCOUNT NO.	PRESENT BALANCE	MONTHLY PAYMENTS	MONTHLY AMT. PAST DUE
MORTGAGE OR RENT			#	\$	\$	\$
SECOND MORTGAGE			#	\$	\$	\$
AUTO LOAN			#	\$	\$	\$
CREDIT UNION			#	\$	\$	\$
CREDIT CARD			#	\$	\$	\$
CREDIT CARD			#	\$	\$	\$
CHILD SUPPORT, ALIMONY OR MAINTENANCE				\$	\$	\$
OTHER			#	\$	\$	\$

ASSETS							
LIST ALL OTHER ITEMS YOU OWN FREE AND CLEAR ON ANOTHER SHEET IF NECESSARY.							
HOME <input type="checkbox"/> OWN <input type="checkbox"/> RENT	YEARS THERE	ESTIMATED MARKET VALUE \$	AUTO LICENSE(S)	MAKE OF AUTO 1	YEAR	MAKE OF AUTO 2	YEAR
OTHER/DESCRIBE	MARKET VALUE \$	OTHER/DESCRIBE	MARKET VALUE \$	OTHER/DESCRIBE	MARKET VALUE \$		

ARE YOU A COMAKER OF ANY OTHER LOANS? YES NO

HOW MUCH? FOR WHOM?

HAVE YOU EVER FILED BANKRUPTCY? YES NO

ARE YOU A U.S. CITIZEN? YES NO

HAVE YOU ANY LEGAL PROCEEDINGS AGAINST YOU? YES NO

PERSONAL REFERENCES

NAME OF NEAREST RELATIVE (NOT LIVING WITH YOU)	RELATIONSHIP
STREET	
CITY/STATE/ZIP	
PHONE NUMBER	

Consumer Reports (Credit Reports) may be obtained in connection with this application. If you request, 1) you will be informed whether or not consumer reports were obtained; and 2) if reports were obtained you will be informed of the names and addresses of the consumer reporting agencies (credit bureaus) that furnished the reports. The credit union is relying on what you stated in this application and you acknowledge that everything you have stated is true and correct and that you have provided a COMPLETE listing of all your debts and obligations. By signing below you acknowledge receipt of and agree to the terms of the Visa Credit Card Agreement that was attached to this application when you received it. Detach the Visa Credit Card Agreement and retain it for your records.

APPLICANT'S SIGNATURE X	DATE	CO-APPLICANT'S SIGNATURE X	DATE
<input type="checkbox"/> APPROVED CREDIT COMMITTEE LOAN OFFICER _____	<input type="checkbox"/> REJECTED	FOR CREDIT UNION USE ONLY VISA ACCOUNT NO. _____	CREDIT LIMIT \$ _____
DATE _____		MEMBER CREDIT UNION ACCOUNT NO. _____	
		CREDIT SCORE(S) _____	

DETACH AND RETURN THIS APPLICATION TO YOUR CREDIT UNION · MEMBER'S CHOICE BORROWER'S SECURITY AGREEMENT ON REVERSE

CREDIT CARD AGREEMENT

NOTICE: See reverse side for important information regarding your rights to dispute billing errors.

In this Agreement the words you and your mean each and all of those who sign the application. Card means a Visa credit card and any duplicates and renewals the Credit Union issues. Account means your Visa credit card line of credit account with the Credit Union. Credit Union means the Credit Union whose name appears in this Agreement.

1. Using the Account. If you are approved for a Visa account, the Credit Union will establish a line of credit for you and notify you of its amount when the card is sent to you. You agree not to let your account balance exceed your approved credit limit. Each payment you make on the account will restore your credit limit by the amount of the payment which is applied to the principal amount of purchases and cash advances. You may request an increase in your credit limit only by written application which must be approved by the Credit Union. The Credit Union has the right to reduce or terminate your credit limit at any time.

2. Using the Card. You may use the card issued to you to make purchases in person, and by mail or telephone from merchants and others who accept Visa cards. In addition, you may obtain cash advances from the Credit Union, from other financial institutions participating in the Visa Program and from automated teller machines (ATMs), such as Visa ATM Network, that provide access to the Visa system. (Not all ATMs provide such access.) You will need to use your Personal Identification Number (PIN) to obtain a cash advance from an ATM.

3. Responsibility. You agree to pay all charges (purchases and cash advances) to your account made by you or anyone whom you authorized to use your account. Your obligation to pay the amount owed on your account continues until paid in full even though an agreement, divorce decree, or other court judgment to which the Credit Union is not a party may direct someone else to pay the account balance.

If more than one person signs the application, each is individually responsible for all amounts owed on the account and all are jointly responsible for all amounts owed. This means the Credit Union can enforce this Agreement against any of you individually or all of you together. You agree that you will not use or allow anyone else to use your card for any transaction that is illegal under applicable federal, state or local laws.

4. Illegal Transactions. Any financial service provided by the Credit Union may be used for any transaction permitted by law. I agree that illegal use of any financial service will be deemed an action of default and/or breach of contract and such service and/or other related services may be terminated at the Credit Union's discretion. I further agree, should illegal use occur, to waive any right to sue the Credit Union for such illegal use or any activity directly or indirectly related to it. Additionally I agree to indemnify and hold the Credit Union harmless for any suits or other legal action or liability, directly or indirectly, resulting from such illegal use.

5. Grace Period. In order to avoid a finance charge on purchases made since your last statement date, you must pay the Total New Balance shown on your statement within 25 days of the statement closing date. Otherwise a finance charge on purchases is calculated from the beginning of the next statement period on previously billed but unpaid purchases and on new purchases from the date they are posted to your account. Cash advances are always subject to a finance charge from the date they are posted to your account.

6. Finance Charges. PLATINUM: The ANNUAL PERCENTAGE RATE is a variable rate and is subject to change. It is equal to Four Percent (4%) over the PRIME RATE published in the money rate column of *The Wall Street Journal*, rounded up to the nearest one-quarter percent. The effective date of any changes will be on the cycle date. The annual percentage rate will be no higher than allowed by law. CLASSIC AND GOLD: The finance charge (interest) on purchases and cash advances is calculated at the periodic rate of 1.15833% per month which is an ANNUAL PERCENTAGE RATE of 13.9%, or .99166% per month which is an ANNUAL PERCENTAGE RATE of 11.9%, or .8325% per month which is an ANNUAL PERCENTAGE RATE of 9.99%. Separate finance charges for purchases and cash advances are determined by multiplying the periodic rate by the separate average daily balances for purchases and cash advances. Each average daily balance is determined by taking the beginning balance (of cash advances or purchases) in your account each day, adding any new purchases or cash advances (whichever is applicable) and subtracting any payments or credits. The results are the daily balances. All the daily balances for the statement cycle are added and the total is divided by the number of days in the statement cycle to arrive at the average daily balance for the cycle.

7. Other Charges. The following other charges will be added to your account, as applicable:

- a) Cash Advance Fee of 3% for each cash advance, No Fee for balance transfers.
- b) Late Payment Fee of 5% of payment, \$10.00 minimum.

- c) Draft Copy Fee of \$8.00.
- d) Card Replacement Fee of \$6.00.
- e) Rush Order Fee of \$35.00.
- f) Annual Card Fee of \$15.00 - Classic

8. Monthly Payment. Each month you must pay at least the minimum payment shown on your statement within 25 days of the statement closing date. You may, of course, pay more frequently, pay more than the minimum payment, or pay the Total New Balance in full. If you make extra payments or larger payments, you are still required to make at least the minimum payment each month your account has a balance. The minimum payment is 3% of your Total New Balance but not less than \$10 on Classic or \$50 on Gold or Platinum, plus the amount of any prior minimum payments that you have not paid. In addition, at any time your Total New Balance exceeds your credit limit, you must immediately pay the excess upon demand. The Credit Union has the right to allocate your payment in the order it sees fit.

9. Grant of Security Interest Specific Grant or "Pledge" of Shares and Deposits: As a condition for the issuance of a Card to you, you are hereby giving us a security interest – called a "Pledge" -in all present or future shares or deposits in the Credit Union which you have the right to withdraw for your personal use (excluding those in your retirement account and any other account that would lose special tax treatment under federal law if given as security). This means that you are pledging your accounts as collateral for any debt you incur by the use of your Card. By giving us this security interest in your share or deposit accounts, you specifically grant us the right to deduct any money you owe us for any Minimum Monthly Payment more than fifteen days past due, or the entire Outstanding Balance (if it has become due for any reason) from any share or deposit accounts you have at any of our offices or branches, or from any money you have coming from us for any reason, for example, if we are indebted to you because of a Term Share Certificate or any other like instrument you have obtained from us (excluding those accounts specified above). If you are not in "default", you can make withdrawals from your share and deposit accounts even though they are "pledged" to us. But if you withdraw all your shares and/or deposits, you will lose your membership in the Credit Union, and we may, as set forth herein, refuse to make any additional advances to you.

If you give the Credit Union a specific pledge of shares by signing a separate pledge of shares for this account, your account will be secured by your pledged shares.

10. Default. You will be in default if you fail to make any minimum payment or other required payment by the date that it is due. You will be in default if you break any promise you make under this Agreement. You will be in default if you die, file for bankruptcy or become insolvent, that is, unable to pay your obligations when they become due. You will be in default if you make any false or misleading statements in any credit application or credit update. You will also be in default if something happens which the Credit Union believes may substantially reduce your ability to repay what you owe. When you are in default, the Credit Union has the right to demand immediate payment of your full account balance without notice. If immediate payment is demanded, you will continue to pay a finance charge, at the periodic rate charged before default, until what you owe has been paid, and any shares that were given as security will be applied towards what you owe. To the extent permitted by law, you will also be required to pay the Credit Union's collection expenses, including court costs and reasonable attorney's fees.

11. Liability for Unauthorized Use. Cardholders who report loss, theft or unauthorized use of cards within two business days from the time it was discovered, and complete any required Affidavit of Fraud and Forgery, will have \$0 liability. For Cardholders who report loss, theft or unauthorized use after the two day period, the maximum liability will be \$50. If cardholder does not complete any required Affidavit of Fraud and Forgery they will be responsible for the total amount of the loss.

12. Lost Card Notification. You will not be liable to the Credit Union for the unauthorized use of your card if the unauthorized use was not caused by your gross negligence or fraud. In any case, your liability to the Credit Union will not exceed \$50.00 for other unauthorized use of your card that occurs prior to the time when you give notice of possible unauthorized use to the Credit Union at 1-800-234-5354 and you will not be liable for unauthorized use that occurs after you notify the credit union of possible unauthorized use.

MEMBER'S CHOICE™ BORROWER SECURITY CONTRACT

This contract contains the conditions upon which we will cancel all or a portion of the protected balance and/or cancel or postpone interest and/or the daily payment. You, meaning a borrower enrolled in the program, should read this contract carefully and keep it in your files. This contract explains the terms that both you and we agree to follow for the program. It replaces any and all program contracts previously issued with respect to the loan.

DEFINITIONS

Accidental injury means an occurrence that is unforeseen, unexpected, involuntary, and due to an external cause.

Administrator means CUMIS Insurance Society, Inc., 5910 Mineral Point Road, Madison, Wisconsin 53705, or one of its affiliates or a contracted third party.

Advance means each extension of credit we provide to you under a loan.

Borrower means a person who is obligated to repay the advance to us, either principally or jointly and severally. It does not include guarantors.

Daily Payment means the protected periodic payment converted to an equivalent amount per day.

Effective date of protection means the later of the date you enrolled in the program option, the date your protection under the program is reinstated, or the date of the advance.

Full-time employment or **Employed full time** means actively working for income 25 hours or more per week.

Lending agreement means an open-end line of credit.

Loan means an open-end line of credit.

Non-protected advance means any advance not protected according to the Non-Protected Events section of this contract.

Protected balance means the pay-off amount owed under the loan on the first day of a protected event less any non-protected advances.

Protected periodic payment means the minimum payment amount, including principal, interest, and the program fee, due on the protected balance. It does not include any scheduled balloon payment, escrow amounts, other fee or insurance amounts, the amount of any minimum payment that represents past due payments, or amounts that exceed any credit limit for the loan. For balloon loans, the protected periodic payment will be determined using the minimum payment amount due for the period immediately preceding the scheduled balloon payment. For variable rate and/or variable payment loans, the protected periodic payment will remain equal to the protected periodic payment as of the first day of the protected event.

We, Us, Our means the credit union named on the loan and this contract.

GENERAL PROVISIONS

Proof of a protected event. You must notify us or our administrator when a protected event occurs. Claim forms and written evidence may be required periodically to show that conditions of the program are satisfied. If you do not report a claim or provide initial or continued proof within one year of the date requested, we will not accept (or continue to accept) your claim.

Past events. The program does not protect you from events that occurred before your enrollment in the program.

If you enroll in the program as a single borrower and add a joint borrower at a later date, the joint borrower will be considered to have enrolled in the program on the date of becoming a joint borrower.

Tax implications. You may be subject to federal, state, and local taxes on the amount of a cancelled or postponed debt. You should consult your tax adviser. Neither we, nor our administrator, are able to provide you with tax guidance.

Program Fee. The program fee is the amount you pay for protection under the program. The rate used to determine the program fee is subject to change. You will receive notice before any increase goes into effect. The program fee will be added to the outstanding balance each month.

Changing the terms of this contract. We have the right to change (including the addition or deletion of) the terms of this contract and apply those changes to the outstanding balance. You will receive notice before any change goes into effect. Your continued payment of the program fee will constitute your acceptance of the change in terms. You have the right to cancel this contract at any time.

Changing between options. If you change from one program option (the "prior program option") to a different program option (the "current program option"), and an event occurs that does not qualify for protection under the current program options because of the new effective date of protection, we will recognize the continuous time protected for a specific event under both program options. However, the level of protection available will be the lesser of:

- the protection that would be provided under the current program option if the effective date of protection was adjusted to be the same as the effective date of protection under the prior program option; or
- the protection that would have been provided under the prior program options if it had remained in effect.

Termination of the program. You may terminate this program contract at any time by providing us with written notice at least 5 business days prior to the requested termination date. If you do so within 30 days of enrolling in the program, we will credit the outstanding balance for any fees charged for the program.

Your protection under the program will automatically terminate:

- when any portion of any payment of the loans is past due for 90 days or more. If you bring your loan current, your protection under the program will not be reinstated automatically. You must re-enroll to participate in the program.
- when you fail to pay the program fee.
- for any other reason by giving us written notice at least 30 days in advance of the termination (or as required by law.)

Termination will not affect benefits for a protected event that occurred prior to the termination date as long as an outstanding balance remains on the loan.

Errors and adjustments. If we cancel or postpone more or less than we should have according to the terms of this contract, we will adjust the balance when the error is discovered.

If we issued protection under the program due to our own error, and we recognize our effort before a protected event occurs, our obligation to you is limited to return of any program fee you paid. If we recognize our error after a protected event occurs, we will provide benefits for the protected event that occurred, and we will terminate the program for any future events as of the date we recognize our error.

However, if you misstated a material fact when enrolling for the program that caused us to issue protection under the program when we otherwise wouldn't have, we will return any program fee you paid when we discover this, and we will not provide any benefits even if an otherwise protected event has already occurred.

Waiver of provisions. We reserve the right to waive any of the requirements described in this contract, at our sole discretion. If we do so, we will not be obligated to waive the same requirements in any other situation and our waiver will not constitute a waiver of any other requirements.

Continued effectiveness. If any part of this contract is determined to be unenforceable, the rest will remain in effect.

PROTECTED EVENTS

A loan is protected according to the terms of this contract if you are enrolled for the specified program protection and you have paid the applicable program fee.

Life Protection (Included with Full Loan Protection, Standard Loan Protection and Basic Life)

If you die before you reach age 70, we will cancel the lesser 100% of the protected balance or \$50,000. If you die after you reach the age of 70, we will cancel the lesser 25% of the protected balance or \$12,500.

(continued on reverse side)