HOME EQUITY VARIABLE RATE PLAN

INDPENDENCE BANK
435 3RD ST, PO BOX 2090
HAVRE, MT 59501

IMPORTANT TERMS OF OUR HOME EQUITY VARIABLE RATE PLAN

This disclosure contains important information about our HELOC VARIABLE RATE LOAN (the "Plan" or the "Credit Line"). You should read it carefully and keep a copy for your records.

AVAILABLITY 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 the 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 rights:

(a) You commit fraud or make material a 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 person's 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 fifty 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 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 government authority that continued advances may constitute an unsafe or 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 change in writing at the 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**
Loan Origination Fee (%)	1.00 percent of the credit limit	At account opening
Document Preparation Fee:	$200	At account opening
In-House Evaluation Fee:	$300	At Account opening

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 15.000% of the unpaid amount of the payment.

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 $1.00 and $1,500.00. 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: 60 months (the "Draw Period"). Your Regular Payment will be based on a percentage of your outstanding balance plus all accrued **FINANCE CHARGES** as shown below or $25.00, whichever is greater. Your payments will be due monthly. This means that you have a monthly billing cycle.

Range of Balances	Number of Billing Cycles	Regular Payment Calculation
All Balances	60	.25% of your Outstanding balance plus all Accrued FINANCE CHARGES

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. 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 $25.00, 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 5 years to pay off a credit advance of $10,000.00 at an **ANNUAL PERCENTAGE RATE** of 8.00%. During the period, you would make 59 monthly payments ranging from $76.40 to $92.95 and one final payment of $8,685.65.

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

Telephone Request, Request by Mail and In Person request limitations. There are no transaction limitations for requesting an advance by telephone, requesting an advance by mail or requesting an advance in person.

TAX DEDUCTABLITY. You should consult a tax advisor regarding the deductibility of interest and charges of the Plan.

ADDITIONAL HOME EQUITY PROGRAMS. Please ask us about our other available Home Equity Line of Credits 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 BASE RATE ON CORPORATE LOANS POSTED BY AT LEAST 70% OF THE 10 LARGEST BANKS KNOWN AS THE WALL STREET JOURNAL PRIME RATE**.** 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 the 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, subtract any preferred rate reductions in effect as specified below, then divide the 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 periodic annual percentage rate change limitations and the lifetime annual percentage rate limits, as discussed below.

Please ask 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.

PREFERRED RATE REDUCTION. The **ANNUAL PERCENTAGE RATE** under the Plan includes a preferred rate reduction. If the preferred rate reduction is terminated, the Periodic Rate and the corresponding **ANNUAL PERCENTAGE RATE** may increase. The preferred rate reduction is subject to the following provisions:

Reduction Percentage: 1.000%
Description of Event That Would Cause the Preferred Rate Reduction to Terminate.
If you are no longer employed with Independence Bank.
How The New Rate Will Be Determined Upon Termination of the Preferred Rate Reduction.
The interest rate will increase by 1%.

FREQUENCY OF ANNUAL PERCENTAGE RATE ADJUSTMENTS. Your ANNUAL PERCENTAGE RATE can change annually. Your ANNUAL PERCENTAGE RATE cannot increase or decrease more than 10.000 percentage points at each adjustment. However, under no circumstances will your ANNUAL PERCENTAGE RATE exceed 19.750% 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 19.750% would be $189.58. This ANNUAL PERCENTAGE RATE could be reached at the time of the 11th 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 2026. The Index values are from the following reference period: THE FIRST BUSINESS DAY OF OCTOBER. 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 (First Business Day of October)	Index (Percentage)	Margin (1) (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2010	3.25	1.750	5.000	63.53
2011	3.25	1.750	5.000	61.66
2012	3.25	1.750	5.000	59.83
2013	3.25	1.750	5.000	
2014	3.25	1.750	5.000	
2015	3.25	1.750	5.000	
2016	3.50	1.750	5.250	
2017	4.25	1.750	6.000	
2018	5.25	1.750	7.000	
2019	5.00	1.750	6.750	
2020	3.25	1.750	5.000	
2021	3.25	1.750	5.000	
2022	6.25	1.750	8.000	
2023	8.50	1.750	10.250	
2024	8.00	1.750	9.750	
2025	7.25	0.750	8.00	91.67
2026	7.00	0.75	7.75	89.58

(1) This is a margin we have used recently; your margin may be different

BORROWER ACKNOWLEDGEMENT

The Borrower, after having read the contents of the above disclosure, acknowledges receipt of this Disclosure Statement and further acknowledges that is Disclosure was completed in full prior to the receipt. The Borrower also acknowledges receipt of the handbook entitled "What you should know about Home Equity Line of Credit."

X_____ DATE_____
BORROWER

X_____DATE_____
BORROWER