

RULES FOR USE OF YOUR R.E.A.P.® SHARE DRAFT ACCOUNT (REAL-ESTATE EQUITY ADVANCE PLAN)

Your R.E.A.P.® Share Draft Account ("R.E.A.P.® Draft Account") is an account established for you by _____ Credit Union ("Credit Union") and enables you to conveniently request advances under the Credit Union's Real-Estate Equity Advance Plan by use of R.E.A.P.® share drafts made payable to whomever you name. Your utilization of these drafts, which are provided by the Credit Union, permit you to readily request that advances be made under your R.E.A.P.® Loan Account by the Credit Union and paid to the named payee on the draft. Transactions under this Account are governed by your R.E.A.P.® Loan Agreement which you have signed, applicable provisions of the Uniform Commercial Code (Wis. Stats. Ch. 403 and 404), as well as the following rules:

1. Advances

You may request advances under the Credit Union's R.E.A.P.® Plan by use of the R.E.A.P.® share drafts provided for you. These drafts will act as a request for advance and a draft under the R.E.A.P.® Loan Program order to pay to the order of the named payee. Your draft will function as a request for a loan advance to the extent that the Credit Union, upon proper presentment, accepts your draft and advances funds in accordance with the R.E.A.P.® Loan Agreement and charges your Loan Account for the amount of the draft. Your draft will function as a negotiable draft to the extent that the Credit Union, upon proper presentment, accepts the draft for payment and makes payment of your R.E.A.P.® draft.

Your drafts can be made payable to whomever you name. Your R.E.A.P.® share draft Account will begin with a zero balance and will never have a credit balance. Upon presentment of a R.E.A.P.® draft, the Credit Union will treat the draft as a request for advance and the amount of the draft will be debited to your R.E.A.P.® Loan Account. This amount will be transferred to your draft account to pay the draft. As you utilize these drafts, the Credit Union will debit your Loan Account by the amount of each draft presented for payment, but under no circumstances may your Loan Account exceed the Maximum Principal Loan Balance Approved. Your monthly payments made pursuant to your R.E.A.P.® Loan Agreement will reduce the debit balance in your Loan Account.

In addition to obtaining loan advances through use of your R.E.A.P.® drafts, you may obtain advances by submitting a completed Request for Advance form made available to you by the Credit Union. You may also request an advance in any other manner provided for in your R.E.A.P.® Loan Agreement.

Any loans made by Credit Union to you will be debited to your Loan Account. Credit Union reserves the right to limit the methods by which you may request advances under your Loan Account to those authorized in your R.E.A.P.® Loan Agreement. Credit Union also reserves the right to deny any request for advance under the conditions described in your R.E.A.P.® Loan Agreement.

2. Charges to your Loan Account

Credit Union will debit your Loan Account for any R.E.A.P.® drafts or other advances properly made against your Loan Account. Such advances may be debited to your Loan Account in any order determined by Credit Union. Credit Union, acting in good faith, may make payment upon your R.E.A.P.® draft and debit your Loan Account for the original amount of an altered draft or for the amount of any completed draft unless you provide notice that completion was improper.

3. Wrongful Dishonor

In the event of wrongful dishonor, Credit Union's liability shall be limited to actual proof of damages. Any action by Credit Union in limiting the manner in which you may request advances under your Loan Account shall not constitute wrongful dishonor. Credit Union will dishonor your draft if you are in breach of any terms of the R.E.A.P.® Loan Agreement or the account rules as set forth herein. Such dishonor shall not be a wrongful dishonor.

4. Stop Payment

You may request that Credit Union stop payment of a R.E.A.P.® draft drawn on your Loan Account. For the request to be effective it must be received in time to give Credit Union a reasonable opportunity to act before it accepts the draft, pays the draft in cash, completes the process of posting for collection, or becomes accountable due to late return.

Oral stop payment requests will be binding on Credit Union for fourteen (14) calendar days unless confirmed in writing within that period. Written stop payment requests will be binding for six months and may be renewed in writing.

5. Improper Payment

If a R.E.A.P.® draft is paid over a proper stop payment order, Credit Union:

- (1) May assume your rights against the named payee or other holder of the draft with respect to the transaction involved.
- (2) May charge your R.E.A.P.® Loan Account for the amount of the draft if payment was made to a holder in due course, as defined in Section 403.302 of the Wisconsin Statutes.

6. Dating of Drafts

Credit Union is not responsible for payment or acceptance of a R.E.A.P.® draft at other than its stated date. Credit Union need not pay a R.E.A.P.® draft (unless it accepts that draft) if it is presented more than six months after its date; however, Credit Union may, in good faith, pay such a draft and charge your Loan Account.

7. Unauthorized Drafts

Credit Union will provide you with a periodic statement of your Loan Account. You must then promptly examine the statement and if you discover any unauthorized drafts or other errors, you must promptly report them to Credit Union. If Credit Union suffers loss by reason of your failure to promptly report an unauthorized draft or other error, Credit Union shall not be required to recredit your Loan Account in the amount of the unauthorized or otherwise errant draft.

8. Notice

Notice required under these rules shall not be deemed to have been received by Credit Union until it has been received by the Credit Union employee authorized to act in response to such notice.

9. Service Charges

You agree to the schedule provided of charges for services rendered in connection with your R.E.A.P.® share draft account activity. Such charges may be debited to your Loan Account and will be shown on your statement.

10. Amendment to Rules

These rules may be amended only in writing signed by both you and Credit Union, except that Credit Union may unilaterally (a) make a change that will unequivocally benefit you throughout the remainder of your R.E.A.P.® Loan Account, or (b) make an insignificant change.