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IMPORTANT TERMS of our HOME EQUITY LINES OF CREDIT

THIS DISCLOSURE CONTAINS INFORMATION ABOUT OUR HOME EQUITY LINES OF CREDIT. YOU SHOULD READ IT CAREFULLY AND KEEP THIS COPY FOR YOURSELF. ALL TERMS ARE THE SAME EXCEPT FOR WHERE OTHERWISE INDICATED.

Availability Of Terms

All 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 you paid to us or anyone else in connection with your application.

Security Interest

We will take a Deed of Trust/Mortgage on your home ("Security Property"). You could lose your home if you do not meet certain obligations in your agreement with us.

Possible Actions

Termination

If you fail to meet the terms of repayment, or if you act or fail to act in a way that adversely affects our security interest or other rights in the Security Property, or if you have committed fraud or made a material misrepresentation in connection with the account, we may, subject to the governing law, terminate the plan, require payment in full of the entire outstanding balance in a single payment or cause the Security Property to be sold and the proceeds of such sale to be applied to your obligation to us. You agree to pay any reasonable costs of protecting, retaking, repairing or selling the Security Property.

Suspension

Your right to request additional advances may be suspended, or your maximum credit limit reduced, at our option, in the following instances: (1) you fail to make the scheduled payments due to us; (2) you fail to make timely payments to the holders of Deeds of Trust/Mortgages senior to ours; (3) you fail to pay real property taxes prior to delinquency; (4) you fail to maintain the required property insurance; (5) the value of the Security Property declines significantly below the appraised value upon which we relied in approving your application; (6) we reasonably believe that your ability to meet your payment obligations is impaired because of a material change in your financial circumstances; (7) governmental action precludes our imposing the interest rate provided herein or adversely affects the priority of our security interest such that the value of our interest is less than 120% of your maximum credit limit; (8) the maximum interest rate under the plan is reached; or (9) government regulatory authorities find that further advances under this plan constitute an unsafe and unsound practice. When the condition which caused the suspension of advances or reduction of your maximum credit limit no longer exists, the original terms of your agreement will be reinstated. You understand that if your right to request additional advances is suspended or your maximum credit limit is reduced, you still owe us whatever sums you have already borrowed, all other charges under your agreement and applicable Finance Charges.

Any of you may request, orally or in writing, that we suspend all future credit advances on your account. If the request is made orally, we may require that such request be confirmed in writing. We may at our sole and exclusive option elect to honor such suspension request, and if we do, and you subsequently decide that you wish such credit advances reinstated, then you must submit a subsequent reinstatement request. You understand that we may at our sole and exclusive option elect to honor any such reinstatement request that we receive, and that said reinstatement request must be expressly approved by each and every one of you. We may condition reinstatement on receipt of a request that is executed by all of you.

Home Equity Plans

We offer two (2) Home Equity Lines of Credit that differ based on the manner in which minimum payments are calculated. Not all applicants may qualify for all Plans.

Minimum Payment Requirements

1.00% Plan

You can obtain credit advances for 60 months (the draw period). During the draw period, payments will be due on a monthly basis and will be established and fixed at the time of each advance at an amount equal to 1.00% of your then unpaid principal balance, subject to the lesser of \$10.00 or your account balance.

After the draw period ends, you will no longer be able to obtain credit advances and you must repay your outstanding account balance (the repayment period). The length of the repayment period will depend on the date and amount of your last advance, but in no event exceed 180 months. During the repayment period, your payment will be an amount equal to the minimum periodic payment that was calculated at the time of your last advance during the draw period.

Paying only the minimum payment may not be sufficient to fully amortize your unpaid account balance by the end of the repayment period in which case, you will be required to pay your entire remaining balance in a single balloon payment on the agreement maturity date.

This Plan gives you the option, during the draw period only, to convert all or a portion of your outstanding balance to: (1) a variable-rate amortized balance; or (2) a fixed-rate amortized balance. The minimum payment requirements for such "converted" balances are described in the sections "Fixed Rate Conversion Option" and "5-Year Variable Rate Conversion Option" below. The minimum periodic payment amount(s) for any converted balance(s) will be added to the minimum payment amount calculated as described above, and the total of all such minimum payments will be the minimum monthly payment you must pay each month. Converting a portion of your outstanding balance to an amortized balance does not change the amount of the minimum payment that is due for any unconverted balance; such minimum payments change only if a new credit advance is taken.

1.50% Plan

You can obtain credit advances for 60 months (the draw period). During the draw period, payments will be due on a monthly basis and will be established and fixed at the time of each advance at an amount equal to 1.50% of your then unpaid principal balance, subject to the lesser of \$15.00 or your account balance.

After the draw period ends, you will no longer be able to obtain credit advances and you must repay your outstanding account balance (the repayment period). The length of the repayment period will depend on the date and amount of your last advance, but in no event exceed 180 months. During the repayment period, your payment will be an amount equal to the minimum periodic payment that was calculated at the time of your last advance during the draw period.

Paying only the minimum payment may not be sufficient to fully amortize your unpaid account balance by the end of the repayment period in which case, you will be required to pay your entire remaining balance in a single balloon payment on the agreement maturity date.

This Plan gives you the option, during the draw period only, to convert all or a portion of your outstanding balance to: (1) a variable-rate amortized balance; or (2) a fixed-rate amortized balance. The minimum payment requirements for such "converted" balances are described in the sections "Fixed Rate Conversion Option" and "5-Year Variable Rate Conversion Option" below. The minimum periodic payment amount(s) for any converted balance(s) will be added to the minimum payment amount calculated as described above, and the total of all such minimum payments will be the minimum monthly payment you must pay each month. Converting a portion of your outstanding balance to an amortized balance does not change the amount of the minimum payment that is due for any unconverted balance; such minimum payments change only if a new credit advance is taken

Negative Amortization

Under some circumstances, your payment will not cover the Finance Charges that accrue and Negative Amortization will occur. Negative Amortization will increase the amount that you owe us and reduce your equity in your home.

Minimum Payment Example ("Unconverted Balance" Only)

1.00% Plan

If you made only the minimum payments and took no other credit advances, it would take 162 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 7.75%. During that period, you would make 60 monthly payments of \$100.00, followed by 101 monthly payments of \$100.00 and a final payment of \$25.31.

1.50% Plan

If you made only the minimum payments and took no other credit advances, it would take 88 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 7.75%. During that period, you would make 60 monthly payments of \$150.00, followed by 27 monthly payments of \$150.00 and a final payment of \$71.12.

Fees And Charges

To maintain a line of credit you may have to pay us an annual fee of \$45.00, beginning with either the first or fifth anniversary of your account, based on our underwriting criteria, as described in your agreement with us.

To open and maintain a line of credit, you must pay certain fees to third parties. These fees generally total up to \$1,400.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

Insurance

You must carry insurance on the property that secures this plan.

Tax Deductibility

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

Variable Rate Feature ("Unconverted Balance" Only)

This plan has a variable rate feature. The Annual Percentage Rate (corresponding to the periodic rate), the number of your minimum payments during the draw and the repayment periods and the amount of your final payment can change as a result. The Annual Percentage Rate includes only interest and no other costs. The Annual Percentage Rate is based on the value of an index. The index is the lowest Prime Rate as published in the Money Rates Section of The Wall Street Journal in effect on the 28th day of each calendar month. To determine the Annual Percentage Rate that will apply to your line of credit, we add a margin to the value of the index. Ask us for the current index value, margin and Annual Percentage Rate. After you open a line of credit, rate information will be provided in periodic statements that we send you.

Rate Changes ("Unconverted Balance" Only)

Your Annual Percentage Rate can change monthly. There is no limit on the amount by which the interest rate can change during any one year period other than the maximum Annual Percentage Rate that can apply at any time to this account.

The maximum **ANNUAL PERCENTAGE RATE** at any time is 18.00%. The minimum **ANNUAL PERCENTAGE RATE** at any time is a sum equal to your margin plus 4.00%.

Fixed-Rate Conversion Option

During the draw period only, you may elect to convert any portion of your outstanding principal balance that equals or exceeds \$5,000.00 and that is subject to the Variable Rate Feature described above, to a balance that is subject to this provision. There is no limit on the number of times during the draw period that you may request to convert a balance subject to the Variable Rate Feature provisions. This option is not available during the repayment period.

To exercise this option you must pay a \$25.00 conversion fee FINANCE CHARGE at the time of such conversion. Each portion of your balance that you convert will be subject to an amortized minimum periodic payment, based on: (i) the amount you elect to convert; (ii) the amortized term that you select; and (iii) the index value in effect at the time of conversion. We will calculate a minimum periodic payment amount for the converted balance that will be sufficient to repay the converted balance by the end of the amortized term you have selected in substantially equal monthly payments. The interest rate applicable to the converted balance will be determined at the time of conversion and will remain in effect for the duration of the amortized term you have selected for that balance. We offer amortized terms of 60 months, 84 months, 120 months, 180 months, and 240 months.

The index used to calculate the converted rate is the lowest Prime Rate as published in the Money Rates Section of The Wall Street Journal in effect on the day that immediately precedes the date of conversion. To determine the Annual Percentage Rate that will apply to the converted balance, we will add a margin to the value of the index:

- For converted balances with terms to maturity of 60 months, we have recently added a margin of 0.29% to the Index value.
- For converted balances with terms to maturity of 84 months, we have recently added a margin of 0.49% to the Index value.
- For converted balances with terms to maturity of 120 months, we have recently added a margin of 0.79% to the Index value.
- For converted balances with terms to maturity of 180 months, we have recently added a margin of 0.99% to the Index value.
- For converted balances with terms to maturity of 240 months, we have recently added a margin of 1.24% to the Index value.

Ask us for our current index values, margins and Annual Percentage Rates. The applicable minimum periodic payment, periodic rate, and corresponding Annual Percentage Rate applicable to any balance you elect to convert will be disclosed to you prior to the time of each conversion. Your interest rate on any converted balance will never be less than the sum of your applicable margin as described in your agreement with us plus 3.50%, nor greater than 18.00% and will apply to the remaining converted balance. Rate and payment information will be provided in any periodic statements that we send to you. The Annual Percentage Rate includes only interest and no other costs.

5-Year Variable-Rate Conversion Option

During the draw period only, you may elect to convert any portion of your outstanding principal balance that equals or exceeds \$5,000.00 and that is subject to the Variable Rate Feature described above, to a balance that is subject to this provision. There is no limit on the number of times during the draw period that you may request to convert a balance subject to the Variable Rate Feature provisions. This option is not available during the repayment period.

To exercise this option you must pay a \$25.00 conversion fee FINANCE CHARGE at the time of such conversion. Each portion of your balance that you convert will be subject to an amortized minimum periodic payment, based on: (i) the amount you elect to convert; (ii) the amortized term that you select; and (iii) the index value in effect at the time of conversion. We will calculate a minimum periodic payment amount for the converted balance that will be sufficient to repay the converted balance by the end of the amortized term you have selected in substantially equal monthly payments. The amount of this payment may change.

The interest rate applicable to the converted balance will be determined at the time of conversion and will remain in effect for 5 years thereafter. The interest rate applicable to the converted balance may change on the 5-year anniversary of the date of conversion, and every 5 years thereafter.

We offer amortized terms of 60 months, 84 months, 120 months, 180 months, and 240 months.

The index used to calculate the converted rate is the lowest Prime Rate as published in the Money Rates Section of The Wall Street Journal in effect on the 28th calendar day of the month that immediately precedes the date of conversion, and on the 28th day of the calendar month that immediately precedes the 5-year anniversary of the date of conversion, and on that same date every 5 years thereafter. To determine the Annual Percentage Rate that will apply to the converted balance, we will add a margin to the value of the index:

- For converted balances, we have recently added a margin of 0.00% to the Index value.

Ask us for our current index values, margins and Annual Percentage Rates.

Increases or decreases in the interest rate will result in like increases or decreases in the Finance Charge and may affect the amount of your scheduled payments. The applicable minimum periodic payment, periodic rate, and corresponding Annual Percentage Rate applicable to any balance you elect to convert will be disclosed to you prior to the time of each conversion. Your interest rate on any converted balance will never be less than the sum of your applicable margin as described in your agreement with us plus 3.50%, nor greater than 18.00% and will apply to the remaining converted balance. Rate and payment information will be provided in any periodic statements that we send to you. The Annual Percentage Rate includes only interest and no other costs.

Maximum Rate And Payment Examples ("Unconverted Balance" Only)

1.00% Plan

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$100.00. This Annual Percentage Rate could be reached during the 1st month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$100.00. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

1.50% Plan

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$150.00. This Annual Percentage Rate could be reached during the 1st month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$150.00. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

Historical Example ("Unconverted Balance" Only)

The following table shows how the Annual Percentage Rate and the monthly payments for a single \$10,000.00 credit advance would have changed based on changes in the index since 2009. The index is from The Wall Street Journal and is calculated on the first business day of May of each year. While only one payment amount per year is shown, payments may have varied during the year. 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 will change in the future.

Year	Index	Margin(1)	ANNUAL PERCENTAGE RATE	Payment Period	Minimum Payment	
					(2)	(3)
2009	3.25	-0.25	3.75%(4)	DRAW	\$100.00	\$150.00
2010	3.25	-0.25	3.75%(4)	DRAW	\$100.00	\$150.00
2011	3.25	-0.25	3.75%(4)	DRAW	\$100.00	\$150.00
2012	3.25	-0.25	3.75%(4)	DRAW	\$100.00	\$150.00
2013	3.25	-0.25	3.75%(4)	DRAW	\$100.00	\$150.00
2014	3.25	-0.25	3.75%(4)	REPAYMENT	\$100.00	\$150.00
2015	3.25	-0.25	3.75%(4)	REPAYMENT	\$100.00	\$150.00
2016	3.50	-0.25	3.75%(4)	REPAYMENT	\$100.00	\$0.00
2017	4.00	-0.25	3.75%	REPAYMENT	\$100.00	\$0.00
2018	4.75	-0.25	4.50%	REPAYMENT	\$100.00	\$0.00
2019	5.50	-0.25	5.25%	REPAYMENT	\$14.25(5)	\$0.00
2020	3.25	-0.25	3.75%(4)	REPAYMENT	\$0.00	\$0.00
2021	3.25	-0.25	3.75%(4)	REPAYMENT	\$0.00	\$0.00
2022	3.50	-0.25	3.75%(4)	REPAYMENT	\$0.00	\$0.00
2023	8.00	-0.25	7.75%	REPAYMENT	\$0.00	\$0.00

- (1) This represents a margin we have recently used.
- (2) This represents the minimum payment for our 1.00% payment calculation.
- (3) This represents the minimum payment for our 1.50% payment calculation.
- (4) This represents the minimum interest rate, which is equal to the margin plus 4.00%.
- (5) This represents the final payment.