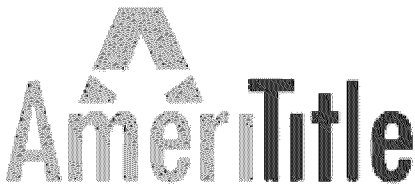


When recorded, return to:
Red Canoe Credit Union
Attn: Home Loans
1418 15th Avenue
PO Box 3020
Longview, WA 98632
800-562-5611



MTC 642472AM

Title Order No.: 642472AM
Escrow No.: 642472AM
LOAN #: 244371L0300

LINE OF CREDIT
TRUST DEED
(Securing Future Advances)

THIS DEED OF TRUST is made on August 20, 2024. The grantor is David G Lilly and Lahna S. Lilly, as tenants by the entirety.

The trustee is Trustee Services.

("Trustee"). The beneficiary is Red Canoe Credit Union, a State Chartered Credit Union,

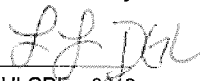
whose address is 1418 15th Avenue, PO Box 3020
Longview, WA 98632

In this Deed of Trust, the terms "you," "your" and "yours" refer to the grantor(s). The terms "we," "us" and "our" refer to the beneficiary.

Pursuant to a Home Equity Line of Credit Agreement dated the same date as this Deed of Trust ("Agreement"), you may incur maximum unpaid loan indebtedness (exclusive of interest thereon) in amounts fluctuating from time to time up to the maximum principal sum outstanding at any time of THIRTY THOUSAND FIVE HUNDRED AND NO/100* * * * * Dollars (U.S. \$30,500.00). The Agreement provides for a final scheduled installment due and payable not later than September 5, 2049.

You agree that this Deed of Trust shall continue to secure all sums now or hereafter advanced under the terms of the Agreement including, without limitation, such sums that are advanced by us whether or not at the time the sums are advanced there is any principal sum outstanding under the Agreement. The parties hereto intend that this Deed of Trust shall secure unpaid balances, and all other amounts due to us hereunder and under the Agreement.

This Deed of Trust secures to us: (a) the repayment of the debt evidenced by the Agreement, with interest, and all refinancings, renewals, extensions and modifications of the Agreement; (b) the payment of all other sums, with interest, advanced under this Deed of Trust to protect the security of this Deed of Trust; and (c) the performance of your covenants and agreements under this Deed of Trust and the Agreement. For this purpose and in consideration of the debt, you irrevocably

Initials: 
ORUHLCD 0819
GHLC19DE (CLS)
08/19/2024 04:26 PM PST



grant and convey to the Trustee and Trustee's successors and assigns, in trust, with power of sale, the following described property located in the **County** of **Klamath**
[Type of Recording Jurisdiction] [Name of Recording Jurisdiction]:

See attached exhibit A
See attached exhibit A
APN #: 229568
APN #: 895398

which property is more commonly known as **Tax Acct# 229568 Ranch Rd, Chiloquin, OR 97624 ("Property Address")**.

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Deed of Trust. All of the foregoing is referred to in this Deed of Trust as the "Property."

YOU COVENANT that you are lawfully seised of the estate hereby conveyed and have the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. You warrant and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

YOU AND WE covenant and agree as follows:

1. Payment of Principal, Interest and Other Charges. You shall pay when due the principal and interest owing under the Agreement and all other charges due hereunder and due under the Agreement, including any amounts you are required to pay into an escrow or impound account with us pursuant to Section 3.

2. Application of Payments. Unless applicable law provides otherwise, all payments received by us under the Agreement and Section 1 shall be applied by us as provided in the Agreement.

3. Prior Deed of Trusts; Charges; Liens. You have disclosed to us and obtained our approval of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust. You shall perform all of your obligations under any mortgage, deed of trust or other security instruments with a lien which has priority over this Deed of Trust, including your covenants to make payments when due. You shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Deed of Trust or any advance under this Deed of Trust, and leasehold payments or ground rents, if any. Upon our request, you shall promptly furnish to us all notices of amounts to be paid under this paragraph and receipts evidencing any such payments you make directly. You shall promptly discharge any lien (other than a lien disclosed to us in your application or in any title report we obtained) which has priority over this Deed of Trust or any advance under this Deed of Trust.

Subject to applicable law, we may, upon notice either before or after the execution of this Deed of Trust, require you to pay amounts into an escrow or impound account with us, on the day monthly payments are due under the Agreement, up to the maximum amount permitted by law for the payment of all (a) taxes, assessments (including condominium and planned unit development assessments, if any) and other items which may attain priority over this Deed of Trust; (b) premiums for hazard insurance and any mortgage insurance required by us under this Deed of Trust; and (c) leasehold payments or ground rents on the Property, if any.

4. Hazard Insurance. You shall keep the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which we require insurance. This insurance shall be maintained in the amounts and for the periods that we require. You may choose any insurer reasonably acceptable to us. Insurance policies and renewals shall be acceptable to us and shall include a standard mortgagee clause. If we require, you shall promptly give us all receipts of paid premiums and renewal notices. If you fail to maintain coverage as required in this section, you authorize us to obtain such coverage as we in our sole discretion determine appropriate to protect our interest in the Property in accordance with the provisions in Section 6. You understand and agree that any coverage we purchase may cover only our interest in the Property and may not cover your interest in the Property or any personal property therein. You also understand and agree that the premium for any such insurance may be higher than the premium you would pay for such insurance. You shall promptly notify the insurer and us of any loss. We may make proof of loss if you do not promptly do so.

We may also, at our option and on your behalf, adjust and compromise any claims under the insurance, give releases or acquittances to the insurance company in connection with the settlement of any claim and collect and receive insurance proceeds. You appoint us as your attorney-in-fact to do all of the foregoing, which appointment you understand and agree is irrevocable, coupled with an interest with full power of substitution and shall not be affected by your subsequent disability or incompetence.

Insurance proceeds shall be applied to restore or repair the Property damaged, if restoration or repair is economically feasible and our security would not be lessened. Otherwise, insurance proceeds shall be applied to sums secured by this Deed of Trust, whether or not then due, with any excess paid to you. If you abandon the Property, or do not answer within 30 days after we give notice to you that the insurer has offered to settle a claim, then we may collect and use the proceeds to repair or restore the Property or to pay sums secured by this Deed of Trust, whether or not then due. Any application of proceeds to principal shall not require us to extend or postpone the due date of monthly payments or change the amount of monthly payments. If we acquire the Property at a forced sale following your default, your right to



any insurance proceeds resulting from damage to the Property prior to the acquisition shall pass to us to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

You shall not permit any condition to exist on the Property which would, in any way, invalidate the insurance coverage on the Property.

5. Preservation, Maintenance and Protection of the Property; Loan Application; Leaseholds. You shall not destroy, damage or substantially change the Property, allow the Property to deteriorate, or commit waste. You shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in our good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or our security interest. You may cure such a default, as provided in Section 17, by causing the action or proceeding to be dismissed with a ruling that, in our good faith determination, precludes forfeiture of your interest in the Property or other material impairment of the lien created by this Deed of Trust or our security interest. You shall also be in default if you, during the loan application process, gave materially false or inaccurate information or statements to us (or failed to provide us with any material information) in connection with the loan evidenced by the Agreement, including, but not limited to, representations concerning your occupancy of the Property as a principal residence. If this Deed of Trust is on a leasehold, you shall comply with the lease. You shall not surrender the leasehold estate and interests herein conveyed or terminate or cancel the ground lease. You shall not, without our express written consent, alter or amend the ground lease. If you acquire fee title to the Property, the leasehold and fee title shall not merge unless we agree to the merger in writing.

6. Protection of Our Rights in the Property; Mortgage Insurance. If you fail to perform the covenants and agreements contained in this Deed of Trust, or there is a legal proceeding that may significantly affect our rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then we may do, and pay for, anything necessary to protect the Property's value and our rights in the Property. Our actions may include paying any sums secured by a lien which has priority over this Deed of Trust or over any advance under the Agreement or this Deed of Trust, appearing in court, paying reasonable attorney's fees, paying any sums which you are required to pay under this Deed of Trust and entering on the Property to make repairs. We do not have to take any action we are permitted to take under this Section; and amounts we pay under this Section shall become additional debts you owe us and shall be secured by this Deed of Trust. These amounts shall bear interest from the disbursement date at the rate established under the Agreement and shall be payable, with interest, upon our request. If we required mortgage insurance as a condition of making the loan secured by this Deed of Trust, you shall pay the premiums for such insurance until such time as the requirement for the insurance terminates.

7. Inspection. We may enter and inspect the Property at any reasonable time and upon reasonable notice.

8. Condemnation. The proceeds of any award for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to us. If the Property is abandoned, or if, after notice by us to you that the condemnor offers to make an award or settle a claim for damages, you fail to respond to us within 30 days after the date the notice is given, we are authorized to collect and apply the proceeds, at our option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due. Unless we and you otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments payable under the Agreement and Section 1 or change the amount of such payments.

9. No Release Upon Extension or Modification. Our granting of any extension of time for payment or our agreement to modify the terms of repayment of the obligations under the Agreement or the requirements in this Deed of Trust shall not operate to release you from your obligations or liability under the Agreement or this Deed of Trust.

10. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Deed of Trust shall bind and benefit your successors and permitted assigns. Your covenants and agreements shall be joint and several. Anyone who co-signs this Deed of Trust but does not execute the Agreement: (a) is co-signing this Deed of Trust only to mortgage, grant and convey such person's interest in the Property; (b) is not personally obligated to pay the Agreement, but is obligated to pay all other sums secured by this Deed of Trust; and (c) agrees that we and anyone else who signs this Deed of Trust may agree to extend, modify, forbear or make any accommodations regarding the terms of this Deed of Trust or the Agreement without such person's consent.

11. Loan Charges. If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from you which exceed permitted limits will be refunded to you. We may choose to make this refund by reducing the principal owed under the Agreement or by making a direct payment to you. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Agreement.

12. Notices. Unless otherwise required by law, any notice to you provided for in this Deed of Trust shall be delivered or mailed by first class mail to the Property Address or any other address you designate by notice to us, and any notice to us shall be delivered or mailed by first class mail to our address stated above or any other address we designate by notice to you.

13. Governing Law; Severability. The extension of credit secured by this Deed of Trust is governed by federal law, which for the purposes of 12 USC § 85 incorporates Delaware law. However, the interpretation and enforcement of this Deed of Trust shall be governed by the law of the jurisdiction in which the Property is located, except as preempted by federal law. In the event that any provision or clause of this Deed of Trust or the Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Agreement which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust and the Agreement are declared to be severable.

14. Transfer of the Property. If all or any part of the Property or any interest in it is sold or transferred without our prior written consent, we may, at our option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by us if exercise is prohibited by federal law as of the date of this Deed of Trust.

15. Sale of Agreement; Change of Loan Servicer. The Agreement or a partial interest in the Agreement (together with this Deed of Trust) may be sold one or more times without prior notice to you. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Agreement and this Deed of Trust. There also may be one or more changes of the Loan Servicer unrelated to the sale of the Agreement. If there is a change of the Loan Servicer, you will be given written notice of the change as required by applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any information required by applicable law.



16. Hazardous Substances. You shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. You shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of Hazardous Substances in quantities that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property. You shall promptly give us written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which you have actual knowledge. If you learn or are notified by any government or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, you shall promptly take all necessary remedial actions in accordance with Environmental Law. As used in this Deed of Trust, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Deed of Trust, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

17. Acceleration; Remedies. You will be in default if (1) any payment required by the Agreement or this Deed of Trust is not made when it is due; (2) we discover that you have committed fraud or made a material misrepresentation in connection with the Agreement; or (3) your action, or your failure to act, adversely affects our security for the Agreement or any right we have in the Property. If a default occurs, we will give you notice specifying: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to you, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform you of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense you may have to acceleration and sale. If the default is not cured on or before the date specified in the notice, we, at our option, may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and other remedies permitted by applicable law. We shall be entitled to collect all expenses incurred in pursuing remedies provided in this Section 17, including, but not limited to, reasonable attorneys' fees as permitted by applicable law.

If we invoke the power of sale, we shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of our election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. We or the Trustee shall mail copies of the notice as prescribed by applicable law to you and to the other persons prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the time required by applicable law, Trustee, without demand on you, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. We or our designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be conclusive evidence of the truth of the statements made therein, unless otherwise provided by applicable law. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees, as set forth above; (b) to all sums secured by this Deed of Trust; and (c) any excess to the person or persons legally entitled to it.

18. Reconveyance. Upon your request that we terminate the Agreement secured by this Deed of Trust and payment of all sums secured by this Deed of Trust, we shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes or agreements evidencing debt secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

19. Substitute Trustee. We may, at our option, from time to time appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

20. Attorney's Fees. As used in this Deed of Trust and in the Note, "attorneys' fees" shall include any attorneys' fees awarded by an appellate court.

21. Discontinuance of Enforcement. Notwithstanding our acceleration of the sums secured by this Deed of Trust under the provisions of Section 17, we may, in our sole discretion and upon such conditions as we in our sole discretion determine, discontinue any proceedings begun to enforce the terms of this Deed of Trust.

22. Waiver. No waiver by us at any time of any term, provision or covenant contained in this Deed of Trust or in the Agreement secured hereby shall be deemed to be or construed as a waiver of any other term, provision or covenant or of the same term, provision or covenant at any other time.

23. Additional Charges. You agree to pay reasonable charges as allowed by law in connection with the servicing of this loan including, without limitation, the costs of obtaining tax searches and subordinations, provided, however, that nothing contained in this section is intended to create and shall not be construed to create any duty or obligation by us to perform any such act, or to execute or consent to any such transaction or matter, except a release of the Deed of Trust upon full repayment of all sums secured thereby.

24. WARNING. Unless you provide us with evidence of the insurance coverage as required by our contract or loan agreement, we may purchase insurance at your expense to protect our interest. This insurance may, but need not, also protect your interest. If the collateral becomes damaged, the coverage we purchase may not pay any claim you make or any claim made against you. You may later cancel this coverage by providing evidence that you have obtained property coverage elsewhere.

You are responsible for the cost of any insurance purchased by us. The cost of this insurance may be added to your contract or loan balance. If the cost is added to your contract or loan balance, the interest rate on the underlying contract or loan will apply to this added amount. The effective date of coverage may be the date your prior coverage lapsed or the date you failed to provide proof of coverage.

The coverage we purchase may be considerably more expensive than insurance you can obtain on your own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.



LOAN #: 244371L0300

25. **Protective Advances.** This Deed of Trust secures any advances we, at our discretion, may make under Section 6 of this Deed of Trust to protect our interest in the Property and rights under this Deed of Trust.

26. **Riders to this Deed of Trust.** If one or more riders are executed by you and recorded together with this Deed of Trust, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider(s) were a part of this Deed of Trust. [Check applicable box(es)]

- ☐ Condominium Rider
- ☐ 1-4 Family Rider
- ☐ Planned Unit Development Rider
- ☐ Other(s) (specify)

BY SIGNING BELOW, You accept and agree to the terms and covenants contained in this Deed of Trust and in any rider(s) executed by you and recorded with it.

LAHNA LILLY

8-20-24

(Seal)

DATE

DAVID LILLY

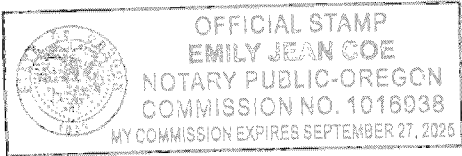
8/20/24

(Seal)

DATE

State of Oregon
County of KLAMATH

This record was acknowledged before me on AUGUST 20, 2024 (date) by LAHNA LILLY and DAVID LILLY.



Emily Coe

Notary Public,

State of Oregon

Lender: Red Canoe Credit Union
NMLS ID: 440534
Loan Originator: Molly Pietz
NMLS ID: 1370845



ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this Monday, August 19, 2024 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower," "I," "me," "my") to secure Borrower's Adjustable Rate Credit Agreement (the "Credit Agreement") to Red Canoe Credit Union (the "Lender," the "Credit Agreement holder") of the same date and covering the property described in the Security Instrument and located at:

Tax Acct# 229568 Ranch Rd Chiloquin OR 97624

THE CREDIT AGREEMENT CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE CREDIT AGREEMENT LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Credit Agreement provides for an initial interest rate of 9.000%. The Credit Agreement provides for changes in the interest rate and the monthly payments as follows:

9. DAILY PERIODIC RATE AND ANNUAL PERCENTAGE RATE.

(a) The Daily Periodic Rate applicable to your Account is a variable rate of interest. The Daily Periodic Rate is equal to the Annual Percentage Rate divided by 365. The Annual Percentage Rate is determined by adding a margin ("Margin") of 0.500% to the Index in effect from time to time.

The Index is the highest "Prime Rate" published in the "Money Rates" table of the online edition of The Wall Street Journal on the anniversary date of the plan opening. If the Index is not published on the anniversary date of the plan opening, we will use the highest Prime Rate most recently published in The Wall Street Journal before that date.

If the Index becomes unavailable, we will select a New Index that (1) has had an historical movement substantially similar to that of the original Index or (2) is a newly established Index. In either case, we will select a Margin that, when added to the New Index, will produce an Annual Percentage Rate substantially similar to the rate that was in effect at the time the Index became unavailable. We will inform you in writing of any such new Index.

(b) The Daily Periodic Rate and Annual Percentage Rate applicable to your Account may increase or decrease as often as annually with the anniversary of the plan opening with changes in the Index. Any new Index value shall be effective as of the first day of the billing cycle following the change in the Index. There is no limit on the amount by which the annual percentage rate can change during any one year period.

Upon a change in the Index, any resulting change in the Daily Periodic Rate and Annual Percentage Rate applicable to your Account will take effect without prior notice to you and will apply to any New Loan Advances and to the then-outstanding balance in your Account until the Daily Periodic Rate and Annual Percentage Rate applicable to your Account change again. Rate information will be provided in billing statements that we send to you.

An increase or decrease in the Daily Periodic Rate will result in an increase or decrease, respectively, in the periodic interest finance charge applicable to your Account and your minimum monthly payment required under Section 12 of this Agreement.

(c) The initial Daily Periodic Rate in effect at the opening of your Account is 0.0219% (Corresponding ANNUAL PERCENTAGE RATE 9.000%). These rates are not discounted.

(d) Notwithstanding the foregoing, the Daily Periodic Rate shall in no event be less than 0.0110% (Corresponding ANNUAL PERCENTAGE RATE 4.000%) nor more than 0.0397% (Corresponding ANNUAL PERCENTAGE RATE 14.500%).

(e) The Annual Percentage Rate includes only periodic interest and not other costs.



10. MINIMUM PAYMENT REQUIREMENTS: You can obtain advances for **10** years. This period is called the "draw period". Payments will be due monthly during the draw period, and will be determined as described below(unless you choose to repay advances over a fixed term at a fixed interest rate):

Monthly Payments of Interest and Fees: The amount of the finance charge accrued on outstanding advances each month, (and do not exercise the option of repaying advances over a fixed term at a fixed interest rate), plus any fees and any amounts past due. The minimum payment will not reduce the principal that is outstanding on your credit line.

After the draw period ends you will no longer be able to obtain credit advances and you must repay your outstanding balance over 15 years ("the repayment period"). During the repayment period we will calculate your payment by amortizing the outstanding balance over 15 years at the current annual percentage rate. We will check your plan every year to determine the effect any annual percentage rate has had on your payment. If the annual percentage rate has increased so much that your payment is not sufficient to repay the balance within the payoff period, we will adjust your payment to repay the balance within the original payoff period. Your payment will be rounded up to the nearest dollar. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges.

11. FIXED RATE INSTALLMENT REPAYMENT OPTION: During the draw period, you may, subject to conditions, choose to repay some or all of your then-outstanding credit advances over a fixed term at a fixed interest rate. The term and rate of the Fixed Rate Installment Repayment Option will depend on the terms that you request and the circumstances of your account at the time of your request and will be disclosed to you at the time of each advance. To exercise this fixed rate installment repayment option, you must convert at least **\$5,000** of then-outstanding credit advances over a fixed repayment term that is **15** years. You may not have more than **2** separate fixed rate installment repayment plans outstanding at any one time.

The maximum **ANNUAL PERCENTAGE RATE** that can apply to a fixed rate installment repayment plan is **14.5%**. The minimum **ANNUAL PERCENTAGE RATE** that can apply to a fixed rate installment repayment plan is **4%**. The annual percentage rate includes only interest and not other costs. You must also pay a **FINANCE CHARGE** of **\$50** if and when we agree to establish any fixed rate installment repayment plan for you. The fixed interest rate that applies to an installment repayment plan may be higher than the variable interest rate in effect on the advance you convert to the fixed interest rate at the time of conversion.

The monthly payment for a fixed rate installment repayment plan will be the amount sufficient to repay the principal balance of the advances you convert to the fixed rate installment repayment plan, together with the interest at the applicable fixed interest rate for the installment repayment plan, in full in substantially equal monthly installments during the scheduled fixed repayment term. (The monthly payment for the variable rate advances will be figured as described in the "Minimum Payment Requirements" section above.)

12. Payments. During the Draw Period your minimum monthly payment will equal the minimum payment requirement listed above, along with the Fixed Rate Installment Payments, rounded up to the nearest dollar, plus any amount that is past due, plus any amount by which your outstanding balance exceeds your Credit Limit, plus any other charges imposed on your Account during the billing cycle. If you pay only the minimum payment during the Draw Period, your minimum payment may not reduce the principal that you owe under this Agreement.

During the Repayment Period your minimum monthly payment will equal the balance outstanding at the end of the draw period fully amortized over **180** months, plus other charges imposed on or advanced from your Account during the billing cycle together with any amount that is shown on the billing statement as Amount Past Due

Your minimum monthly payment may change every month based on the interest rate and balance. You may prepay all or any part of the outstanding balance on your Account at any time without penalty. Unless Applicable Law as defined in Section 29 below provides otherwise, we may apply your payments first to accrued finance charges, next to late charges and other fees and charges, and next to



principal.


You agree to make the minimum payment on your Account each month on or before the due date set forth in your billing statement, unless we terminate your Account and require immediate payment of the entire outstanding balance as provided in Section 20 below. You may make payments in person or by mail at the address shown on your billing statement. Any payment received prior to 5:00 p.m. local time will be credited to your Account that day. Payments received after that time will be credited to your Account the next business day. Payments received at any other address may be subject to up to a 5 day delay in crediting to your Account.

If any check or other instrument received by us as payment under this Agreement or the Security Instrument is returned to us unpaid, we may require that any or all subsequent payments due under this Agreement and the Security Instrument be made in one or more of the following forms, as selected by us: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

You agree that we may accept late payments or any payment instrument which is marked "payment in full" without losing any of our rights under this Agreement. All written communications concerning any disputed amounts, including any check or correspondence that indicates it is "payment in full" or the like, must be mailed or delivered to: **Red Canoe Credit Union, 1418 15th Ave, Longview, WA 98632.**

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.


Borrower - Lahna Lilly


Borrower - David Lilly

Origination Company: **Red Canoe Credit Union**
NMLSR ID: 440534 **Molly Pietz**
Originator: Molly Pietz
NMLSR ID: **1370845**



EXHIBIT "A"

Vacated Parcels 2 and 3 Land Partition 41-07 situated in the E1/2 of Government Lot 14, NW1/4 of the SE1/4 of Section 7, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, recorded November 12, 2008 in Instrument 2008-015299, Records of Klamath County, Oregon.