

**CLOSED END NOTE, SECURITY AGREEMENT AND
TRUTH-IN-LENDING DISCLOSURE**

Name(s) of Borrower(s)	Address - Street	City	State	Zip
Account No.	Date of Loan		Note Number	

Please read all parts of this form **before** signing, **including** the "Truth-in-Lending Disclosure" below **and** on page 2. **The terms on page 2 and 3 are part of this Agreement and are binding upon you just as much as the terms on page 1.** In this form, "you" and "your" mean **all** persons who sign below. Except as mentioned below, each person who signs this form is responsible for repaying this loan in full, both individually and jointly with each other person who signs.

TRUTH-IN-LENDING DISCLOSURE				
ANNUAL PERCENTAGE RATE <small>The cost of your credit as a yearly rate.</small>	FINANCE CHARGE <small>The dollar amount the credit will cost you.</small>	Amount Financed <small>The amount of credit provided to you or on your behalf.</small>	Total of Payments <small>The amount you will have paid after you have made all payments, as scheduled based on the current annual percentage rate.</small>	
Your Payment Schedule Will Be:	No. of Payments	Amount of Payments	When Payments Are Due	Frequency
<input type="checkbox"/> Variable Rate: (Applicable only if variable rate loan.) The ANNUAL PERCENTAGE RATE (APR) may increase or decrease during the term of this transaction if the Index increases. The Index is the dividend rate being paid on the regular share account (Index). The Annual Percentage Rate is determined by adding the Index rate plus a margin of 3.00%. The "rate period" is quarterly, and may change the first day of February, May, August, and November. When the APR increases, your payment will also increase. Example: If your loan was for \$7,000.00 at 9% for three years and the rate increased to 10% after one year, your regular payment would increase by \$2.24.				
Security:	You are giving a security interest in your credit union account(s) and, if box is checked, in:		<input type="checkbox"/> The property purchased in this transaction	<input type="checkbox"/> Other (describe)
COLLATERAL	Titled Property	Make	Year	Model
		Identification Number		
	Other Property (describe)			
Single Interest Insurance:	You may obtain insurance from anyone that is acceptable to us.		Filing Fees	Non-Filing Insurance
Late Charge: If a payment is not received within 20 calendar days from the due date, we will charge you a late fee in the amount of 20% of the interest due, up to a maximum of \$99.99				
Prepayment: If you pay off early, you will not have to pay a penalty.		See your contract document(s) for any additional information about nonpayment default, any required repayment in full before the scheduled date, and security interests.		
Applicable Only If Checked:	<input type="checkbox"/> Required Deposit: <small>The annual percentage rate does not take into account your required deposit.</small>		<input type="checkbox"/> Assumption: <small>Someone buying your mobile home cannot assume the remainder of the loan on the original terms.</small>	
	<small>E - Means an estimate</small>		<small>N/A - Means "not applicable"</small>	

ITEMIZATION OF AMOUNT FINANCED				
Amount given to you directly:		Amount paid on your account:		Amount paid to others on your behalf (a-h)
a	to	e	to	
b	to	f	to	
c	to	g	to	
d	to	h	to	

NOTE AND PLEDGE OF SAVINGS

Fixed Rate Loan:

You promise to pay the Credit Union _____ plus interest at the rate of _____ % per year on the unpaid balance, according to the schedule in the Truth-In-Lending Disclosure on Page 1.

Variable Rate Loan:

You promise to pay the Credit Union _____ plus interest on the unpaid principal balance at a variable rate. The initial rate is equal to the annual percentage rate shown on page 1. You agree to make payments in the amount shown as "amount of payments" on page 1 according to the schedule set forth under "when payments are due" on page 1 until the note is paid in full.

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

The rest of the terms and conditions of the Note continue below. You also pledge your accounts in the Credit Union in accordance with the "Pledge of Savings" above. However, if payments on this loan are up-to-date, Borrower(s) can withdraw shares and/or deposits in excess of

Cross-Collateral: Collateral pledged as security for other loans you have now or in the future with the Credit Union will also be security for this agreement. The security interest language contained in those loans, and specific description of property pledged as collateral are incorporated herein as if set out in full. In addition, all other loans that you have with the Credit Union are also secured with any collateral pledged to secure this loan. These cross-collateral provisions do not apply to your principal dwelling or household goods pledged as security for other loans.

NOTE (Continued)

- A. Prepayment:** You can prepay all or any part of this loan at any time without penalty. If you prepay any part of what you owe, you are still required to make the regularly scheduled payments, unless we have agreed to a change in the payment schedule.
- B. Changes in Interest Rate:** All changes in the interest rate on the Note will be made on the first day of the "rate period". Until the first day of the "rate period" following the date of the loan, the interest rate is the "Annual Percentage Rate" shown on page 1. Changes in the interest rate may alter the amount of payments required to pay the loan in full, but no change in the number of the payments will be made, except when a smaller final payment is sufficient to pay this Note in full. The interest rate shall never exceed the maximum rate permitted by law nor will it ever be less than the minimum rate, if any, indicated on page 1. We may substitute a new index for the variable rate if the index described on page 1 becomes unavailable.
- C. Late Charges:** If a payment is not received within 20 calendar days from the due date, we will charge you a late fee in the amount of 20% of the interest due, up to a maximum of \$99.99.
- D. Default:** You are in default if you fail to make a payment on this loan on time. You are also in default under this Note if any of the conditions occur as specified in Section 8 in the "Security Agreement" below, which are incorporated by reference as if repeated verbatim in this Section, or you are in default under any other security agreement or real estate mortgage securing this loan with this Credit Union. In the event a legal action is filed to collect money owing to the credit union under this note, or any other instruments executed in connection herewith, the undersigned irrevocably agrees that venue for such suit shall lie in the district where the Credit Union's main office is located. You also agree to pay all usual and customary costs of collection including reasonable attorney fees, both pre-judgment and post-judgment and all taxable court costs permitted by law.
- D. Acceleration:** If you are in default, any part of this loan then unpaid and any other amounts you own under the "Security Agreement" below (if applicable) or under any other security agreement or real estate mortgage securing this loan are due and payable in full without notice to you (unless such a mortgage provides otherwise), at Credit Union's option.
- E. No Waiver:** The Credit Union can delay enforcing any of its rights any number of times without losing its rights.
- F. Complete Note:** You authorize Credit Union to complete this Note in any necessary respect if it is executed while incomplete.
- G. Pledge of Savings:** As security for all amounts owing under this Note and under any security agreement, excluding any dwellings, securing this loan, you pledge all shares and/or deposits (including earnings and additions) you now or in the future have in this Credit Union, but only up to the total of such amounts unpaid from time to time. If you fail to make your payments when due, the Credit Union may accelerate the entire balance due and apply any or all of your shares or deposits at the Credit Union to either make any payments that are past due or pay the entire accelerated balance owing, plus interest and any late charges. This pledge does not apply to shares and/or deposits in an Individual Retirement Plan (IRA), Keogh Plan. Regardless of this pledge, if payments on this loan are up-to-date, Borrower(s) can withdraw shares and/or deposits to the extent indicated on the front of this form.
- H. Credit Union Rights:** The Credit Union can delay enforcing any of its rights under this agreement without losing them.
- I. Promise to Pay:** You promise to pay to the credit union, the amount you owe under this agreement at an interest rate as provided on page 1. You promise to pay interest, as provided on page 1, until what you owe has been repaid. The amount you owe under this agreement is the Amount Financed shown in the Truth-In-Lending Disclosure on page 1, plus any other amounts advanced by the credit union to you on your behalf under this agreement. If this loan refinances another loan we have with you, the other loan will be canceled and refinanced as of the date of this loan. If the proceeds of this loan are mailed to you, interest on this loan begins on the date the loan proceeds are mailed to you.

ADDITIONAL TERMS & SECURITY AGREEMENT

- 1. Security Interest:** You are giving the Credit Union a security interest in The "Collateral" (or property pledged) described herein, including as set forth in the "Cross-collateral" section. This security interest also covers accessions to that property (like a CD player for a car) and the proceeds of any insurance on the property. **In addition, all property, other than dwellings, that you have given to secure other loans with the Credit Union will also secure this loan.**
- 2. Obligations Secured:** The security interest secures the loan described on page 1, any renewals or extensions thereof, and any sums which become due under any security agreement securing this loan. It also secures any other loans you have with the Credit Union now or in the future and any other amounts you owe the Credit Union for any reason now or in the future.
- 3. Perfecting Security Interest:** You promise to sign any financing statement necessary to perfect the security interest or any amendment necessary to correct any error in such financing statement. You authorize Credit Union to complete any such document in any necessary respect if it was signed while incomplete. You promise to get the security interest noted or endorsed on a certificate of title, or application therefore, when that is necessary to perfect the security interest.
- 4. Ownership of Collateral:** You promise that you own the Collateral or will acquire it with the proceeds of the loan, and that no one else has an interest in or claim against it. You promise not to sell or otherwise dispose of the Collateral, or any part of it without Credit Union's written permission, and you also promise to keep it free from any other liens or security interests without the prior written approval of the Credit Union.
- 5. Use of Collateral:** You promise (a) to keep the Collateral in good order and repair; (b) obtain written permission from the Credit Union before making changes to the Collateral (c) not to use it in violation of any law or ordinance; (d) to let Credit Union inspect and examine it at reasonable times; (e) to notify Credit Union if the Collateral is damaged, stolen or abused; and (f) inform the Credit Union in writing if the Collateral is moved from the address where it is now located.
- 6. Insurance, Fees and Taxes on Collateral:** You promise to keep the Collateral insured against theft, fire, loss, damage and extended coverage perils. The coverage and amount must be satisfactory to Credit Union. You promise to deliver the policy or proof of coverage to the Credit Union. The insurance must be payable to the Credit Union and must provide for 10 days prior written notice of cancellation to Credit Union. It must also provide that any premium refund upon cancellation shall be paid to Credit Union. You also promise to pay all taxes, assessments and fees (like registration fees) on the Collateral when due.
- 7. Payment by Credit Union:** If you do not keep your promises in herein, Credit Union can, but does not have to, pay amounts necessary to remove adverse liens or security interests, and can, but does not have

SECURITY AGREEMENT (CONTINUED)

to, pay the repairs, taxes or assessments, or insurance premiums. Amounts so paid are due and payable forthwith, unless Credit Union chooses to add them to the balance of this loan, in which case you agree to pay larger monthly payments thereafter so the loan will be paid off when originally scheduled. In either case, such amounts are secured by the Collateral and bear interest at the rate in the Note. Such payment(s) by Credit Union is not a waiver of your default(s) in failing to make those payments as required by this Security Agreement.

- 8. Default:** You are in default under this Security Agreement if: (a) you fail to make any payment when it is due; (b) you break any promise you make in this Security Agreement; (c) you become insolvent or a receiver is appointed for your property or if court proceedings are started for liquidation of your debts; (d) a levy seizure, or attachment is made on the Collateral; (e) the Collateral is lost, stolen, destroyed, or substantially damaged; (f) you fail to acquire the Collateral with the loan proceeds; (g) any oral or written statement by you or any third party to induce Credit Union to make this loan proves to have been false in any material regard when it was made; or (h) you die.
- 9. Remedies:** When you are in default, Credit Union has the right to take possession of the Collateral (including other property that you have pledged as security for this or any other loan with the Credit Union) wherever found, without advance notice to you, or court process if the taking can be made in accordance with applicable law. In the event of such a taking of possession, you and Credit Union have the rights and duties concerning the Collateral, and otherwise, as provided by law or this Security Agreement. You promise to assemble the Collateral and deliver it to Credit Union at a reasonable and convenient time and place. After taking possession of the Collateral, the Credit Union can sell it and apply the net proceeds to any amount you owe it. The Credit Union will give you "reasonable notice" of the time and place of any public sale or of the time after which any private sale or other intended disposition of the Collateral will be made. Expenses of retaking, holding, preparing for sale, selling and the like, are secured by the Collateral according to the terms of this Security Agreement and include, to the extent permitted by law, reasonable attorney fees and expenses. You also agree that you will be responsible for all costs incurred by the Credit Union in enforcing this agreement – or any resulting judgment or Court Order – including reasonable attorney's fees. Such costs are also secured by the Collateral. You agree that Credit Union may, in taking the Collateral, take possession of any personal property in the Collateral. Credit Union will hold such personal property for 5 days after the taking. If you do not claim it within that time, you authorize Credit Union to treat it as abandoned.

- 10. Other Rights:** (a) No waiver of a default will be a waiver of any other default, or of the same kind of default on a future occasion. (b) This Security Agreement may not be assigned or assumed without the prior written consent of the Credit Union. (c) This Security Agreement is binding on your heirs, personal representatives, successors and assigns, as well as on you. When 2 or more people who have interests in the Collateral sign below, their obligation under this Security Agreement is joint and several.
- 11. Attorney-in-Fact:** Borrower(s) also hereby grant to Lender a Limited Power of Attorney to correct any clerical errors on the loan documentation, if deemed necessary by Lender, and to perform any acts required to secure and protect Lender's collateral.
- 12. Governing Law:** When you are in "default", we can sue you in a court of law. We can also sue anyone who signs this contract as a "co-maker" or "guarantor". Or we can do both. This Note is being executed and delivered, and is intended to be performed in the State of _____. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of _____ shall govern the validity, construction, enforcement and interpretation of this Note. **In the event a legal action is filed to collect money owing to the credit union under this Note, or any other instruments executed in connection herewith, the undersigned irrevocably agrees that venue for such suit shall lie in the judicial district for the City of _____, State of _____.**
- 13. Share Account Lien Notice & Right To Set-Off:** If you are in default on a financial obligation to _____ Credit Union, you grant us the right to apply your member shares, dividends and deposits in your account(s) at the time of default to satisfy the obligation. When you default we may exercise the right without further notification to you. Further, we may impress shares of any member who is a responsible party on a financial obligation in default at the Credit Union. Without qualifying any other statutory right to set-off or lien and subject to any contractual provision, when a party to a multiple-party account is indebted to the Credit Union, the Credit Union has a right to set-off against the entire amount of the account.
- 14. Cross Collateralization:** You hereby grant a security interest to the Credit Union in all assets and collateral separately pledged to the Credit Union as collateral for this, or any loan transaction. You further agree that any security interest granted to secure this loan shall also collateralize any other indebtedness that you may now have or may have in the future with the Credit Union. It is the intention of this grant to provide for cross-collateralization to further secure the payment of this loan and all other indebtedness to the Credit Union now owed or hereafter owed by you. Whether or not said indebtedness was intended to be secured or personal, you grant a security interest to the Credit Union in all assets or whatever nature and kind that are pledged hereby as collateral for the indebtedness owed to _____ Credit Union.

NOTICE TO CONSUMER: 1. Do not sign this paper before you read it. 2. You are entitled to a copy of this paper. 3. You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned charges in accordance with law.

S I G N A T U R E S	Your signature below is your signature on the Note, Pledge of Savings and, if applicable, the Security Agreement above. If you are "Only Providing Collateral", check the box for "Only Providing Collateral" when signing; then you are only bound by the Security Agreement. You acknowledge receipt of a copy of this Note and Security Agreement and Federal Disclosure Statement and accept and agree to the terms thereof.		Date
	Borrower	<input type="checkbox"/> only providing collateral	Borrower X
	Borrower	<input type="checkbox"/> only providing collateral	Borrower X
X	Witness		Witness X