

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

Please read all parts of this form **before** signing. 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. Boxes are only applicable if checked. This is a fixed rate, simple interest consumer loan based on a 365 day year.

NOTE SECURED BY REAL ESTATE

A. The Borrower's Promise To Pay: In return for a loan that I have received, I promise to pay U.S. _____ (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is Virginia Beach Schools Federal Credit Union. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

You have made a promise to pay us on or before the date(s) indicated in the following Section B, unless an extension request is received and approved by this Credit Union. If a different payment schedule. Any extension of payment request, if approved, will be charged additional fees as specified on our Credit Union Schedule of Fees chart. You hereby confirm that you are not in bankruptcy proceedings, nor do you contemplate or plan on filing bankruptcy in the future.

B. Payments: I will pay principal and interest by making payments every month. I will make my monthly payments on the _____ day each month beginning on _____. I will make these payments every month until I have paid the entire principal and interest and any other charges described below that I owe under this Note. My monthly payments will be applied to interest before principal. If, on _____, I still owe an amount under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date." I will make my monthly payments to Virginia Beach Schools Federal, 3701 Bonney Road, Virginia Beach, VA 23452, or at a different place if required by the Note Holder.

BALLOON PAYMENT: If the Box is checked, your final payment will be one **BALLOON** Payment in the amount of _____ and due on _____.

C. Amount of Monthly Payments: My payments for principal and interest will be in the amount of U.S. _____.

D. Interest: Interest will be charged at a yearly fixed rate of _____% beginning on the date of this loan (above). Interest will continue thereafter until the Maturity Date (defined above).

E. Late Charge: If a payment is not received by the 10th day after its due date, you will be charged 5% of the payment or the amount of the required minimum payment, whichever is less.

F. Security Interest: This Note is secured by a Deed of Trust/Mortgage on borrower(s) property located at the following address:

 Borrower(s) has signed a separate Deed of Trust/Mortgage which describes fully the pledged property. Borrower(s) agrees that all the terms in the Deed of Trust/Mortgage are made a part of this Note as though they were fully stated in this Note. See your Deed of Trust/Mortgage document for any additional information regarding non-payment and default.

G. Property Insurance: Borrower agrees to keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and such other hazards as Lender may require and in such amounts and for such periods as Lender may require.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard Deed of Trust/Mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any Deed of Trust, Mortgage or other security agreement with a lien which has priority over this Deed of Trust/Mortgage. In the event of loss, Borrower shall give prompt notice to the insurance carrier

and Lender. Lender may make proof of loss if not made promptly by Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by the Deed of Trust/Mortgage.

Borrower(s) acknowledge that if required insurance of any nature is not maintained, the Credit Union may obtain collateral insurance on the property and assess the costs for that insurance against your loan balance. Any assessment of costs for insurance or other fees assessed shall accrue interest at the Note rate. Any collateral insurance obtained by the Credit Union may be significantly greater than if you obtain insurance on your own. Failure of Borrower(s) to provide Credit Union with Proof of Insurance coverage during the term of this loan may be considered a default of the insurance requirement terms of this Note. If **Flood Insurance** is required or becomes required during the term of this Note, and Borrower(s) fail to obtain or maintain flood insurance, the Credit Union may similarly obtain such required flood insurance and charge the premiums for coverage to this balance on this loan. Failure to provide proof of required flood insurance may also be considered a default of the terms of this Note.

H. Default: Borrower(s) will be in default under this Note if any of the following occur: (a) Borrower(s) fail to make a payment when due; (b) Borrower(s) does not comply with any obligation imposed by this Note or the Deed of Trust/Mortgage given to this creditor in connection with this Note; (c) any borrower dies; (d) Borrower(s) gave the creditor false or misleading information on their loan application or supporting documentation; (e) Borrower(s) is not generally paying debts as they become due, or borrower(s) voluntarily or involuntarily file a bankruptcy proceeding; (f) a levy, writ of garnishment or similar process is issued against borrower(s); (g) Borrower(s) fail to maintain required insurance coverage on the premises of the property assessed on the property on or before the due date(s).

I. Effects Of Default: If borrower(s) is in default, the Credit Union may, without notice to the borrower, declare the entire balance due and payable at once. Interest continues to accrue while the loan is in default and until paid in full. After declaring the entire balance due, said creditor may enforce any or all of its rights under this Note and the Deed of Trust/Mortgage given to said creditor. These rights include the right to initiate foreclosure proceedings on the Deed of Trust/Mortgage and exercise a power of sale. If borrower(s) is in default, the Credit Union also has the right to apply any amount the borrower(s) may have on deposit now or in the future with the Credit Union against any amounts due and payable under this Note. The Credit Union may exercise this right without notice to borrower(s) any time borrower(s) is in default.

J. Collection Costs: Borrower(s) promise to pay, subject to applicable law, all costs of collecting what you owe under this Note and all costs of realizing on any security for the Plan, including court costs, collection agency fees and reasonable attorney fees. Lender may enter into a contingent or hourly fee arrangement with an attorney or collection agency and you agree that such an agreement is reasonable. This provision also applies to bankruptcy, appeals or postjudgment proceedings.

K. Governing Law; Severability: The state and local laws applicable to the Deed of Trust/Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to the Deed of Trust/Mortgage. In the event that any provision or clause of the Deed of Trust/

NOTE (Continued)

Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of the Deed of Trust/Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust/Mortgage and the Note are declared to be severable. As used in this Note, "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

- L. **Complete Note:** You authorize Credit Union to complete this Note in any necessary respect if it is executed while incomplete.
- M. **Pledge of Savings:** As security for all amounts owing under this Note and under any security agreement and/or real estate mortgage

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.

ADDITIONAL TERMS & SECURITY AGREEMENT

- 1. **Prepayment:** You can prepay all or any part of this loan at any time without penalty.
- 2. **Method of Payment:** You may pay this loan in cash, check, money order, cashier's check, certified check or, you may elect to have this loan paid by automatic electronic authorization in the amount due as stated in Section B or by any other manner acceptable to the Credit Union. You agree that if you are in default, we may, without further notice to you, debit your deposit account(s) for each payment due or for the total balance amount owing on this loan. Payments are first applied to late fees and costs, interest and then principal.
- 3. **Transfer of the Property or a Beneficial Interest in Borrower:** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by the Deed of Trust or Mortgage.
- 4. **Joint and Several Liability:** If more than one borrower signs this Note, each borrower is fully and personally obligated to pay the full amount and to keep all of the promises made in this Note. If there is more than one borrower, we can excuse one person for failing to meet his or her responsibilities without losing our rights against any one else who has signed this Note. We may disburse any of the proceeds of this loan to or upon the instructions of any one Borrower without recourse from any other borrower, regardless of whether any other borrower received the benefit of the disbursement. Notice upon this Note by the Credit Union to borrower(s) shall be complete upon notice sent to any one borrower at the address provided by Borrower(s) on the top of page 1 of this Note. Notice to one Borrower shall be deemed notice to all Borrowers.
- 5. **No Waiver By Note Holder:** Even if lender does not enforce its rights

at a time when this loan is in default, the Credit Union does not waive its rights to enforce Borrower(s) obligations in the future. If the Credit Union delays enforcement of its rights under this Note, the Credit Union may nonetheless fully enforce its rights if this Note is in default at a later date and require Borrower(s) to pay immediately in full as described above. We can accept late payments, partial payments or other payments, including payments marked "paid in full", without losing any of lender's rights under this Note.

- 6. **Documentation:** I agree that electronic mail, electronic forms, records, photocopies, and/or facsimile copies of the documents I submit are valid and enforceable as the original. I agree that by typing my name as my electronic signature, it is acknowledged and understood that it constitutes an acceptance of all terms and conditions of this Loan Note and is valid and enforceable.
- 7. **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.
- 8. **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 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 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.

Balloon Payment: THIS LOAN WILL HAVE A BALLOON PAYMENT DUE ON THE FINAL DUE DATE SPECIFIED IN YOUR NOTE, AND IN YOUR MORTGAGE. THIS LOAN MUST EITHER BE PAID IN FULL AT MATURITY OR REFINANCED AT THAT TIME; THE CREDIT UNION WILL CONSIDER REFINANCING YOUR LOAN AT THAT TIME, HOWEVER, THE CREDIT UNION IS NOT OBLIGATED TO REFINANCE THE LOAN. YOU MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND UNPAID INTEREST WHEN DUE IF YOU DO NOT REFINANCE THE LOAN WITH EITHER THE CREDIT UNION OR ANOTHER LENDER.

FEDERAL DISCLOSURE REQUIREMENTS

Regulation B in Federal Law prohibits the consideration of Age, Sex, Race, Ethnicity, Gender, National Origin, or Handicap as a basis for making anyone a loan. Virginia Beach Schools Federal does not discriminate based on any of these factors. In addition, we will not enter into or maintain vendor/reciprocal information service type relationships with anyone who does not conform to these anti-discriminatory practices.

Regulation Z in Federal Law requires the full disclosure of all costs and terms associated with any loan such as this real estate secured loan and further requires that the costs associated with the transaction be expressed as an annual percentage rate of interest or APR. All costs, terms and rates associated with this real estate secured loan are provided in your Loan Closing Disclosure.

I agree that upon signing this real estate loan agreement and submission of my application for this loan, I am not presently involved in, or contemplating bankruptcy now or in the future. I understand verification of the information I have provided in applying for and receiving this loan is necessary, including, but not limited to, proof of residence, employment and bank account verification.

S I G N A T U R E S	Your signature below is your signature on the Note and Security Agreement. 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 accept and agree to the terms thereof.		Date
	Borrower	Other	<input type="checkbox"/> only providing collateral
	X	X	
	Borrower	Witness	
X	X		

Loan Originator Organization and NMLS # _____

Loan Originator Name and NMLS # _____