

- Estimated Credit Terms.** I have promised to repay this loan according to the **Payment Schedule** stated in the **Special Regulation Z Disclosures**. If I make payments prior to their due date, the **FINANCE CHARGE** will be less than what you have estimated, since interest is being applied on a daily basis. If I make any payment after it is due, I understand that my delay in making the payments will increase the total amount of my **FINANCE CHARGE**. I understand that the "**Total of Payments**" disclosed is estimated since both the **FINANCE CHARGE** and **Group Credit Insurance Charge** are applied on a daily basis, and my payment habits will determine the amount I actually pay. If my loan is a variable rate loan, my interest rate is tied to the movements (up and down) of the Index Rate identified on the reverse side. Thus, the number or amount of my regular periodic payments or the amount of my final payment are subject to change. If more than one Index Rate is published, you will use the higher rate as the Index Rate. If this is a variable rate loan which places a cap on the rate increase at each adjustment, changes in the index not passed on as changes in the interest rate at that time will be carried over and applied to subsequent interest rate adjustments.
- Application of Payments and Right to Prepay.** I understand that you will normally apply all full and timely scheduled payments first to **FINANCE CHARGES** (interest); then to Group Credit Insurance charges, if any; then to any Late Charges due, if any; and then to the unpaid principal balance ("**Amount Financed**"). I may prepay this loan (unpaid balance of "**Amount Financed**") at any time, either in full or in part, provided I also pay the Group Credit Insurance Charges, **FINANCE CHARGES** (interest) and any Late Charges or other amounts I owe through the date of my early payment, if any.
- Filing, Termination and Other Fees.** I will be charged a filing fee at the time this loan is consummated if the Credit Union takes a security interest in my Collateral or upon renewal of any security interest in the Collateral. The amount of the filing fee will be based upon applicable state law and may be invoiced for immediate payment or added to my loan balance as provided herein. If a termination filing fee is required with regard to any collateral pledged, I agree to reimburse the Credit Union for its actual costs up to \$100.00 upon receipt of an invoice from you. In addition, I agree to pay an accounting fee of \$25.00 per request or such higher amount that may be authorized by applicable law for each request for an accounting that exceeds the requests to which a consumer is specifically entitled pursuant to applicable law.
- Insufficient Funds Payment Fee.** I agree to pay a returned item fee of up to \$35.00, or such other amount charged by you at the time I tender an insufficient funds item, if any check or other instrument given to the Credit Union to repay, fully or partially, any payment I owe under is not honored by the institution or company upon which it is drawn.
- Events of Default and Acceleration.** I will be in default if I fail to make any payment within 10 days of its due date. If I fail to cure the default, the Credit Union may demand that this and all other loans I have with the Credit Union be paid in full immediately. I will also be in default, and all amounts I owe on this or any other loans shall be paid in full immediately, if I fail to perform any of my obligations under this Agreement or any other agreement I have with you now or in the future; if I have made a false or misleading statement in my credit application; if I should die, terminate or dissolve my business or be involved in any Bankruptcy or insolvency proceeding brought by or against me; if a judgment or a tax lien should be filed against me or an attachment or garnishment should be issued against any of my property or rights, to specifically include anyone's starting an action or proceeding to seize any of my funds on deposit with you; and/or if you, in your sole discretion, consider yourself or my obligations unsafe or not completely secure or if you should believe, in good faith, that the chances of my payment or other performance under this Agreement have been impaired. I agree to pay all costs and legal expenses incurred by the Credit Union in collecting any amount I owe or in enforcing or protecting the Credit Union's rights under this Agreement, including but not limited to costs of repossession, repair, appraisal, and all other costs or expenses authorized herein or pursuant to applicable law, together with attorneys' fees of 20% of the unpaid balance or such greater sum as may be reasonable. Further, I agree to pay the Credit Union an additional sum for any costs, legal expenses or attorneys' fees incurred in any appellate, bankruptcy or post-judgment proceedings, except as limited or prohibited by applicable law. **Entire Balance Due:** If I do default, all of my obligations to you under this Agreement will immediately be due without your giving me any advance notice.
- Security Agreement.** In addition to provisions on the reverse side of this Promissory Note and Security Agreement, I agree that any collateral described will protect you if I default on this or any other obligation I owe you now or in the future. Further, upon my default, you may immediately apply all shares (includes: share savings, draft, certificate, club accounts, etc... as may be further defined in my Membership Agreement) in any account(s) I have, jointly or individually, without prior notice. In addition, I acknowledge that the Credit Union's statutory lien rights under the Indiana Credit Union Act or Federal Credit Union Act, as applicable, which give the Credit Union the right to apply the sums in any borrower's joint or individual account(s) at the time of default to satisfy any obligation I owe you, without further notice to any owner of the account(s). If the value of the property pledged to secure payment of my obligations declines or is otherwise deemed insufficient by you, I promise to give you more property as security if asked to do so. I also promise to do whatever you think is necessary to protect your security interest in any such accounts or other property. If this loan is secured by a certificate that matures before the loan is paid, I agree that the certificate will be renewed from time to time as necessary until my obligations are fully paid. If such a certificate is not renewed, the proceeds thereof shall secure payment of my obligations and will be frozen until my obligations are fully paid.
- No Waiver of Rights.** You may accept late or partial payments as well as delay enforcing any of your rights on any occasion, without losing your rights under this Agreement. If so, failure at anytime to exercise any of the rights set forth in this Agreement or any other rights of the Credit Union shall neither constitute a waiver thereof, nor shall it be a bar to the exercise of any such rights. All rights and remedies shall be cumulative any may be pursued singularly, successively, or together, at the option of the Credit Union.
- Debt Protection.** If I request debt protection, such protection may be canceled by you, if any payment under this Agreement becomes due because of default or otherwise. If any fees financed in this Agreement is canceled, I will receive a refund or credit for any unearned portion of the fees pursuant to my agreements with you, or as required by applicable law. I also have the right to rescind any debt protection furnished under this Agreement by giving written notice to you within 15 days after the date I receive the Debt Protection Agreement. If I rescind such debt protection, premium(s) charged or financed will be promptly credited and any portion not actually paid will be refunded to the person entitled to this credit or refund. I authorize the Credit Union to add the charges for debt protection to my loan payments. I further acknowledge that I am eligible for disability debt protection if I am working for wages or profit 25 hours or more each week on the date this loan is made. If I am not, then I will not be insured until I return to work and meet this requirement. If I am off work because of a temporary layoff, strike or vacation, but soon to resume, I will be considered working. If I am totally disabled for more than 30 days, the disability protection provided shall begin on the 31st day of my disability. **Note: Debt Protection contains certain exclusions including a pre-existing condition and suicide. Please refer to your Debt Protection Agreement for details.** The proceeds of this debt protection shall be paid to the Credit Union.
- Ownership of Collateral and Borrower's Obligations.** Except for the security interest granted hereby, Borrower(s) and/or the Third-Party Owner of Collateral indicated on the reverse side are all the owners of the Collateral, free and clear of any other lien, security interest, or encumbrance whatsoever. **Borrower's Obligations.** I agree to keep all Collateral in good condition and repair; to permit you to inspect the Collateral at any reasonable time; to notify you promptly of any change in my address and / or of any damage to the Collateral; to notify you promptly of any change in my address; not to use or permit anyone else to use the Collateral (i) unlawfully or for any unlawful purpose, (ii) for any use that might cause it to depreciate faster than normal, or (iii) in any way not permitted under any insurance policies you require; not to allow someone else to levy or create a lien on the Collateral; obtain your written consent before making any changes to the Collateral that will decrease its value or utility; to maintain any registration or license for the Collateral required by applicable law; not to remove the Collateral from the address at which it is stated to be kept without your prior written consent; to give you immediate written notice of any loss or damage to the Collateral; to pay any amount and execute and deliver to you any documents needed to accomplish any of the foregoing and to give you a valid and perfected lien in the Collateral; and to defend at my expense any action affecting your security interest. I will not: give possession to anyone else, abandon, lease, charter, sell, or transfer the Collateral (referred to collectively as a "transfer"); or allow anyone else to transfer the property without first obtaining your written consent. Further, I shall not move or seek to move the Collateral from the Continental United States. If, in violation of any of my obligations, the Collateral is transferred, your security interest shall continue and shall attach to any proceeds resulting from any transfer. **IF THE COLLATERAL INCLUDES A MOBILE HOME:** I shall deliver to you, upon request, a copy of the lease or rental agreement between me and the owner of the land where the Collateral is located and I will obtain your written consent before moving the Collateral. I will not have the Collateral installed on a permanent foundation system or otherwise affixed to land in any way that could alter its legal character as personal property, without the express written permission of the Credit Union, which permission may be conditioned upon my providing you with a first mortgage lien.
- Collateral Insurance Requirements:** The Collateral shall be entirely at my risk. Therefore, I agree to keep all collateral insured at my own expense against fire, theft and physical damage, including flood damage when applicable, with a deductible of not more than \$500.00 until my obligations to you are fully paid. Any insurance proceeds shall be payable directly to you as loss-payee, mortgagee or co-insured, as designated by you. It is understood and agreed that my obligations include any insurance required by the Credit Union or applicable laws at the time of consummation and thereafter through the date that my secured obligations are fully paid. In the event I fail to obtain or maintain insurance, you may purchase single interest coverage or other applicable insurance (together "SIC") protecting your interest only; and/or you may declare my loan to be in default. You have no duty to purchase SIC, or to continue to purchase SIC; and if you are required to purchase and administer SIC, you may add your administrative expenses of up to \$150.00 to the amounts I owe. Further, it is understood that your purchase of SIC shall not cure my default. If you add SIC, you, in your sole discretion, may adjust my payments or demand immediate payment of the full cost. You, in your sole discretion, may use the proceeds of any insurance to repair or replace the Collateral, or to repay what I owe, which payment shall not constitute a satisfaction of any remaining deficiency, which I agree to pay to you on demand. I hereby assign to you any monies not in excess of the unpaid balance under my loan which may become payable under any policy of insurance insuring any Collateral, including returned or unearned premiums, and direct any insurance company to make payments directly to you to be applied to the unpaid balance due under my Note. I appoint you as my attorney-in-fact to endorse any insurance drafts or checks in my name and on my behalf. In the event of my default under this loan, you are authorized to cancel any insurance and credit any premium refund received by you against the unpaid balance on my account.
- Credit Union's Remedies Upon Default.** Upon default, at the Credit Union's option and without any demand or notice to any borrower(s), owner(s), co-maker(s) or guarantor(s), the Credit Union may declare this loan to be in default and do any one or more of the following: (a) Declare all amounts I owe to you under this Agreement immediately due and payable; (b) Take any reasonable measures intended to remedy the default or to prevent or reduce any loss to the Credit Union; (c) Repossess (take) or foreclose upon the Collateral pursuant to applicable law; (d) cancel any credit life or credit disability insurance under this or any other Agreement(s) if I fail to make any payment when it is due; or (e) collect any amount I owe from any other borrower(s), co-maker(s) or guarantor(s). If you decide to repossess the Collateral, I agree to deliver the Collateral to you upon request at the time and place that you designate, or you can enter the premises where it is kept and take it yourself without first providing me with any notice. You can sell the Collateral and apply the proceeds first to the Credit Union's reasonable expenses for transporting, storing, repairing, and selling or otherwise repossessing or foreclosing on or disposing of the Collateral and then to repayment of my loan obligation(s) (including any amounts the Credit Union expends or costs it incurs). You will provide notice of any disposition ten (10) calendar days before the first date that the collateral may be offered for sale or other disposition, which we agree shall be reasonable notice. If the net proceeds of a sale or other disposition are less than what I owe you under the Agreement, I promise to pay you the difference upon demand, together with interest at the rate provided herein until this difference is fully paid. If there is any surplus money, it will be refunded to me. To recover any articles Borrower claims are not part of the Collateral but were contained in the Collateral, Borrower must notify Credit Union in writing within 10 days after repossession. Failure to claim and take possession of these items promptly will be an abandonment of them, and Credit Union may dispose of such items in any manner in which it sees fit, including disposal of any items that appear to the Credit Union to have little or no value. It is further agreed that the Credit Union shall have no obligation or liability to any borrower, owner of collateral, secondary obligor or third party absent a judicial finding (or arbitrator's finding if this agreement is subject to arbitration by agreement or applicable law) of gross negligence by the Credit Union with regard to any actions relating to or arising from the collection of the obligations owed by said parties or the repossession, disposition or sale of collateral securing any such obligations.
- DMV Waiver.** Borrower(s) and Owner(s) understand that state law may require the Department of Motor Vehicles to hold information concerning my residential or mailing address in confidence, to be released only to the courts, to governmental or law enforcement agencies, and under some circumstances, to insurance companies. Generally, anyone else seeking that information must obtain my written waiver of my rights to confidentially before it is released. I hereby waive any right of confidentially as to this information with respect to the Credit Union and authorize the Department of Motor Vehicles to release such information to the Credit Union or its representatives or agents when such information is sought in connection with any business I have conducted or am conducting with the Credit Union.
- Change in Terms of Loan and Notice.** Unless I notify the Credit Union in writing of a change in address, the Credit Union will use the address listed herein if it must contact me. Any changes in the terms of this Agreement, other than changes specifically provided for such as a variable interest rate, must be made in writing and be signed by all Borrowers only and the Credit Union.
- Severability and Applicable Law.** If any law or judicial ruling limits or renders any term(s) of this Agreement unenforceable, the other terms shall remain in full force and effect. In this Agreement, except as specifically indicated, the singular includes the plural and the masculine includes the feminine and neuter. Further, this Agreement or any dispute or claim arising hereunder shall be construed in accordance with and be governed by the Laws of the State of Indiana. Any terms and conditions stated herein may be changed by the Credit Union from time to time as provided by law. Section headings are for convenience only and shall not govern the interpretation of this Agreement.
- Responsibility of Persons Under This Agreement.** If more than one person signs this Agreement, each of us is fully and personally obligated to pay the full amount owed and to keep all of the promises made in the Agreement. Any guarantor, surety, or endorser of this Agreement is also obligated to do these things. You may enforce your rights under this Agreement against each of us individually or against all of us together.
- Actions Taken on My Behalf.** If I fail to do anything I am required to do under this Agreement or any other agreement with you, including but not limited to my obligation to: (1) discharge of taxes, liens, security interests or other encumbrances at any time levied or placed on the Collateral; (2) place, maintain and pay for any insurance, order and pay for the repair, maintenance and preservation of the Collateral; (3) sign, file or obtain any lien, evidence of lien, financing statement, certificate of title or other security instrument you deem necessary for the attachment or perfection of your lien rights in the Collateral, including any modification, amendment continuation or re-filing thereof; or (4) pay any necessary recording or filing fees, you may in your sole discretion and without further obligation, take these acts on my behalf as you see fit. The amounts so spent will be added to the unpaid balance of what I owe you under this Agreement and the rate of interest accruing on the unpaid principal balance of the Agreement will be applied until I fully repay you. You may, but are not obligated to, increase the amounts of my payments under this Agreement to cover the resulting total unpaid balance. I agree to make those new payment amounts if you so notify me. You also will be protected by your security interest(s) as to these amounts in that the Collateral securing this Agreement shall also secure these amounts. However, Credit Insurance will not cover these additional amounts or any resulting additional interest. I understand that any insurance purchased for me upon my failure to maintain such insurance, such as property insurance, will only protect your interest in the Collateral. You are under no obligation to purchase insurance to protect my interest, if any, in the Collateral, or to otherwise satisfy any legal requirement such as those for liability insurance covering personal injury and property damage to others. With regard to the actions you may take on my behalf hereunder, all borrowers, owners of collateral, guarantors, co-signers and other obligors hereby authorize you or your agent to execute, sign, authenticate and take all other actions you deem necessary or proper in said parties' name(s) and stead.
- Transfer and Assignment.** I cannot assign my or your rights and obligations under this Agreement without your express written consent. Subject to applicable law, the Credit Union reserves the right to sell or transfer this Agreement to another lender, entity or person, and to assign the Credit Union's rights under any mortgage, guaranty or other agreement.
- Entire Agreement.** This Agreement (including any Mortgage or other agreement signed in connection with this loan, which is incorporated herein by reference) is the entire agreement between me and you. All of my obligations under this Agreement shall bind my heirs, executors, administrators, custodians, and/or any other person to whom I may assign my rights. If you transfer this Agreement to any other person or organization, you may also transfer the Collateral, including any mortgage given, and, if you do, that other person or organization will have all the rights in this Agreement and you shall no longer have an responsibility under this Agreement.
- Power of attorney, authentication and signature.** All borrowers and owners of collateral hereby authorize you or your agent to file, execute, sign, authenticate and take all other actions you deem necessary or proper in said parties' name(s) and stead with regard to the said parties' obligations to sign, file or obtain any lien, evidence of lien, financing statement, certificate of title or other security instrument you deem necessary for: the attachment or perfection of your lien rights in any Collateral pledged to secure the borrower's obligations to you as well as any additional collateral you may require under the terms of this Agreement and any alternate collateral you agree to accept; or your sale of such collateral in the event of default, which authority includes any modification, amendment, continuation or re-filing.
- Guaranty of Third Persons.** By signing this Agreement and to induce you to make, renew, or extend a loan or loans to the Borrower(s), I/we unconditionally guarantee the prompt payment when due to you, Partners 1st Federal Credit Union, and any other holder of the above Agreement of the entire amount owing on the Agreement if the Borrower(s) default(s) in payment or performance of any obligations to you. This is a guaranty of payment and not of collection. I/we waive notice of acceptance of this guaranty and agree you don't have to notify me/us if any payments under the Agreement have not been paid or if the Borrower(s) has (have) otherwise defaulted. You can change the terms of the Agreement or the schedule of payments or release any security of any Borrower without notifying me or releasing me from responsibility under the guaranty. I agree to be bound by all terms of the Agreement and agree to pay all amounts owing under the Agreement on demand, without requiring you to bring suit or take any action against the Borrower(s) or any collateral for the Agreement. In addition, I/we expressly waive any right to require you to recover against the Borrower(s) or any Collateral pursuant to any applicable law, statute or regulation. If you sue to enforce this guaranty agreement, I/we agree to pay the reasonable attorneys' fees of the holder of this guaranty equal to fifteen (15%) percent of the outstanding balance owing on the Agreement.
- Third-Party Pledge of Collateral.** By signing this Agreement and to induce you to make, renew or extend a loan or loans to the Borrower(s), I/we do hereby grant to Partners 1st Federal Credit Union a security interest in the Collateral described herein to secure payment of such loan or loan(s), and all renewals, extensions or modifications thereof without limitation. I/we agree to all the terms of this Agreement. Specifically, but without limiting the foregoing, I/we agree to take all steps necessary to maintain and protect the Collateral, including the maintenance of insurance thereon, indicating you are the loss-payee. I agree you don't have to notify me/us if any payments under the Agreement have not been paid or if the Borrower(s) has(have) otherwise defaulted. You can change the terms of the Agreement or the schedule of payments or release any security of any Borrower without notifying me. In addition, I/we expressly waive any right to require you to recover against the Borrower(s) or any other or specific collateral pursuant to any applicable law, statute or regulation.