



1070 Edgefield Road
 P.O. Box 6730
 North Augusta, SC 29861
 (800) 237-9829

**CLOSED-END NOTE, DISCLOSURE,
 LOAN AND SECURITY AGREEMENT**

BORROWER	DATE OF LOAN	LOAN MATURITY DATE	LOAN OFFICER
	LOAN NUMBER		BORROWER'S ACCOUNT NUMBER
CO-BORROWER	BORROWER'S DATE OF BIRTH		CO-BORROWER'S DATE OF BIRTH

ANNUAL PERCENTAGE RATE: The cost of your credit as a yearly rate. % \$	FINANCE CHARGE: The dollar amount the credit will cost you. \$	Amount Financed: The amount of credit provided to you or on your behalf. \$	Total of Payments: The amount you will have paid after you have made all payments as scheduled. \$	Total Sale Price: Total cost of your purchase on credit, including your down payment of \$ \$
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Your payment schedule will be:

NUMBER OF PAYMENTS	AMOUNT OF PAYMENTS	WHEN PAYMENTS ARE DUE
	\$	
	\$	

Security: You are giving a security interest in your shares and deposits in the credit union, as well as the collateral described below. Collateral for other loans with us will also secure this loan, except for your home and household goods.

Late Charges: If your payment is more than 15 days late, you will be charged \$15.00.	Required Deposit Balance: The Annual Percentage Rate does not take into account your required deposit balance.	Filing Fees: \$
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Property Insurance: You may obtain property insurance from anyone you want that is acceptable to the credit union. If you do not obtain property insurance the credit union will provide it for you. If insurance is provided through the credit union: Total Cost \$ Term is

Prepayment: If you pay off early, you will not have to pay a penalty. "e" means estimate.	See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.
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ITEMIZATION OF AMOUNT FINANCED OF \$	Amount Paid to Others on Your Behalf (Describe)		
AMOUNT GIVEN TO YOU DIRECTLY \$			
AMOUNT PAID ON YOUR ACCOUNT \$			
PREPAID FINANCE CHARGE \$	\$	\$	\$

SECURITY INFORMATION

MOTOR VEHICLES:	YEAR	MAKE	MODEL	BODY TYPE	SERIAL NUMBER
SHARES PLEDGED:	ACCOUNT NUMBER		AMOUNT \$	ACCOUNT NUMBER	AMOUNT \$
OTHER COLLATERAL:					

BORROWER'S NAME	LOAN NUMBER	ACCOUNT NUMBER	DATE OF LOAN
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LOAN SIGNATURES

Credit Life Insurance on Single Payment Notes: If you purchase credit life insurance on a single payment note, the premium will be added to the loan each month and interest will accrue upon the premium. You will be required to pay a premium on the entire lump sum accrued for credit life insurance on the loan maturity date as indicated in the Total of Payments box.

Credit Disability Insurance on Balloon Loans: Credit disability insurance is not available on balloon loans.

You agree that the terms and conditions in the disclosure statement and the loan and security agreements attached hereto shall apply to this loan. If there is more than one borrower, you agree that all the conditions of the loan and security agreements governing this loan shall apply to both jointly and severally. You acknowledge that you have received a copy of the loan and security agreements and disclosure statement ("Note"). If you purchase optional loan products in connection with this loan, you understand that a portion of the premium or fee you pay will be retained by the credit union (or paid back to the credit union by the service provider) as compensation for making these services available to you. You also acknowledge receipt of the product application(s), disclosures, and contract(s) regarding the product(s).

Suspension of electronic services and access to share or deposit accounts. Subject to applicable law, we may suspend some or all electronic services and access to your checking or other account(s) if you become delinquent on any of your loan or deposit obligations to us or you cause a loss to us. We shall not be liable to you in any regard in connection with such suspension of services.

Negative Information Notice: 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.

NOTICE TO CONSUMER: THIS IS A CONSUMER CREDIT TRANSACTION. (A) DO NOT SIGN ANYTHING BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES. (B) YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN. (C) YOU HAVE THE RIGHT AT ANY TIME TO PAY IN ADVANCE THE UNPAID BALANCE DUE UNDER THIS AGREEMENT.

THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

CAUTION- IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.

BORROWER'S SIGNATURE	DATE
X	
<input type="checkbox"/> CO-BORROWER <input type="checkbox"/> *OTHER OWNER <input type="checkbox"/> **GUARANTOR	DATE
X	

<input type="checkbox"/> CO-BORROWER <input type="checkbox"/> *OTHER OWNER <input type="checkbox"/> **GUARANTOR	DATE
X	
<input type="checkbox"/> CO-BORROWER <input type="checkbox"/> *OTHER OWNER <input type="checkbox"/> **GUARANTOR	DATE
X	

*OTHER OWNER: Any person who has a property interest (other than as a renter or lessor) in the above described collateral signs here. The other owner, unless also a co-borrower, is not obligated to pay the debt, but understands that the credit union has a security interest in the collateral as explained in the Security Agreement. **GUARANTOR: Upon default, the credit union may seek immediate payment from the guarantor of any and all sums due on the loan, including all reasonable costs and fees provided under the loan and security agreements, as permitted by law. The guarantor waives all notice to which he or she would otherwise be entitled by law.

CONSUMER'S CLAIMS AND DEFENSES NOTICE – IF CHECKED, SEE NOTICE BELOW

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

IMPORTANT DISCLOSURES FOR ACTIVE MEMBERS OF THE MILITARY AND THEIR DEPENDENTS:

The following applies if at the time this loan is made you are an active member of the military or a dependent (as those terms are defined in the Military Lending Act (MLA), 10 U.S.C. 987 and its implementing regulations ("MLA")), and (a) your loan is unsecured or secured by personal property or a vehicle that you did not purchase with the proceeds of the loan; or (b) it is otherwise determined by law that the MLA applies to your loan. If this loan is a revolving line of credit or credit card, the MLA ceases to apply at any time during which you are not a member of the military or a dependent (as defined in the MLA).

- 1. NOTICE:** Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: the costs associated with credit insurance premiums or debt protection fees; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account). To receive this notice verbally, please call 1-800-237-9829 24 hours a day, 7 days a week.
- This loan will not be secured by a consensual lien on shares or deposits in any of your accounts unless you agree to establish an account in connection with this loan ("Secured Account"). Only funds deposited into the Secured Account after the loan is made will secure this loan. Any cross-collateralization provision contained in your loan or account documents will not apply to the Secured Account or your other share or deposit accounts for any loan subject to the Military Lending Act.
However, we reserve our statutory lien rights and rights to set-off or administrative freeze under federal or state law, which gives us the right to apply the sums in the Secured Account or any other account(s) you have with us to satisfy your obligations under this loan.
- Any reference in this consumer credit contract to the following are hereby inapplicable to your loan: (a) Mandatory arbitration; (b) Any requirement(s) to waive your rights to legal recourse under any applicable state or federal law; (c) Any demands or requirements construed as unreasonable notice from you in order to exercise your legal rights; or (d) Prepayment penalties.
- Any provisions in your consumer credit contract, loan, security, or account agreements that are determined to be inconsistent with or contradictory to these disclosures or the MLA (as they may be changed or amended from time to time) are inapplicable with regard to this loan. However, all other terms and conditions of the consumer credit contract shall remain in full force and effect.

BORROWER'S NAME	LOAN NUMBER	ACCOUNT NUMBER	DATE OF LOAN
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APPLICATION FOR GROUP CREDIT INSURANCE

Minnesota Life Insurance Company, 400 Robert Street North, St. Paul, MN 55101-2098

CREDIT LIFE INSURANCE		CREDIT DISABILITY INSURANCE		
GROUP POLICY NUMBER 429348-G	INSURANCE MAX. (PER INDEBTEDNESS) \$75,000	GROUP POLICY NUMBER 429349-G	MAX. MONTHLY DISABILITY BENEFIT \$1,100	WAITING PERIOD 14 Days
MAX. LOAN REPAYMENT PERIOD 120 Months		MAX. LOAN REPAYMENT PERIOD 120 Months	MAX. AGGREGATE DISABILITY BENEFIT (PER INDEBTEDNESS) \$75,000	RETROACTIVE BENEFIT Yes
TERM OF INSURANCE	TERMINATION DATE OF INSURANCE	TERM OF INSURANCE	TERMINATION DATE OF INSURANCE	

NOTICE TO APPLICANT(S)

I (we) are applying for the credit insurance coverage(s) selected below and agree to pay the required premium. I (we) understand that fees may be paid by the insurer in connection with this coverage to the sponsor of this plan and/or its affiliates or designates. I (we) understand that the purchase of this insurance is **voluntary and not required** in order to obtain credit, and that I (we) may terminate it at any time. I (we) also agree that:

1. I am eligible for life insurance if I am presently under age 70 and my loan is repayable within the maximum loan repayment period shown above. **In no event is life insurance coverage to remain in force beyond the date you reach age 71. Please read the "When does your insurance terminate?" provision.**
2. If joint life insurance is selected, we are eligible if the older applicant is presently under age 70 and our loan is repayable within the maximum loan repayment period shown above. We must be jointly and individually liable under the loan. Co-signers or guarantors are not eligible for insurance. **In no event is joint life insurance coverage to remain in force beyond the date the older of the two of you reaches age 71. Please read the "When does your insurance terminate?" provision.**
3. I am eligible for disability insurance if I am presently under age 66 and my loan is repayable within the maximum loan repayment period shown above. I also must be presently working outside the home for wages or profit for 25 hours or more per week and have been so working for 30 days or more immediately prior to this date. **In no event is disability insurance coverage to remain in force beyond the date you reach age 66. Please read the "When does your insurance terminate?" provision.**
4. A person signing this application as co-applicant is not eligible for single disability insurance.

The following question must be answered to determine my (our) eligibility for insurance:

PRIMARY APPLICANT	CO-APPLICANT (JOINT INSURANCE ONLY)	During the last two years: has a member of the medical profession diagnosed you as having or treated you for cancer, heart attack or coronary artery disease, stroke, cirrhosis, or Acquired Immune Deficiency Syndrome (AIDS)?
YES NO	YES NO	

My (our) answer to the above question is true to the best of my (our) knowledge and belief. If my co-applicant or I answer "Yes" to this question, we understand that the person answering "Yes" is not eligible for insurance and will not be insured.

The effective date of my (our) insurance will be the date of this application, the date the eligible loan is disbursed, or the date the note evidencing the loan is signed, whichever date is later.

THIS INSURANCE CONTAINS LIMITATIONS/EXCLUSIONS PERTAINING TO BENEFITS PAYABLE.

CREDIT INSURANCE APPLIED FOR:

**CLOSED-END: Estimated Total Premium
(over the term of the insurance)**

- SINGLE LIFE INSURANCE
- SINGLE DISABILITY INSURANCE (Primary Applicant Only)
- JOINT LIFE INSURANCE

You are covered only for the types of coverage for which a selection is indicated on this application.

APPLICANT'S SIGNATURE X	DATE
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CO-APPLICANT'S SIGNATURE (Joint Life Insurance Only) (Spouse or business partner only) X	DATE
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BORROWER'S NAME	LOAN NUMBER	ACCOUNT NUMBER	DATE OF LOAN
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IN THESE AGREEMENTS, THE WORDS "I," "ME," "MY" AND "MINE" MEAN ALL THOSE NAMED AS BORROWERS. THE WORDS "YOU," "YOUR" AND "YOURS" MEAN THE CREDIT UNION.

LOAN AGREEMENT

Payments/Finance Charges: For value received, I promise to pay, at your office, all amounts due. All payments shall be made pursuant to the disclosure statement on page 1 of this document. I understand that the finance charge and total of payments shown on page 1 of this document are based on the assumption that all installment payments will be made on the scheduled due dates. If I fail to pay any installment by the time it is due, I will pay additional interest on the overdue amount and my loan may not be paid in full at the end of the term. In such case, any remaining balance will be due in full immediately.

Allocation of Payments and Additional Payments: Payments and credits shall be applied in the following order: any amounts past due; any fees or charges owing, including any insurance premiums; accrued interest or finance charges; outstanding principal. Payments made in addition to regularly scheduled payments shall be applied in the same order.

Late Charges: If I make a late payment, I agree to pay a late charge if one is disclosed on page 1 of this document.

Insufficient Funds or Returned Item Fee: I agree to pay an insufficient funds or returned item fee of up to \$25.00, or such other amount charged by you at the time I tender any such item, if any check or other instrument given to the Credit Union to repay, fully or partially, any payment I owe is not honored by the institution or company upon which it is drawn. The Credit Union may debit any deposit account upon which I am an owner for such sum(s); or it may add such sum(s) to my loan account as additional debt.

Loan Proceeds by Mail: If the proceeds of this loan are mailed to me, interest on this loan begins on the date the loan proceeds are mailed to me.

Borrower Responsibility: I promise to notify you of any change in my name, address or employment. I promise not to apply for a loan if I know there is a reasonable probability that I will be unable to repay my obligation according to the terms of the credit extension. I promise to inform you of any new information which relates to my ability to repay my obligation. I promise not to submit false or inaccurate information or willfully conceal information regarding my creditworthiness, credit standing, or credit capacity.

Perfection of Security Interest; Increase in Rate; Fee; Default: Subject to applicable law, if I fail to perfect my lien, you may consider me to be in default and can take any or all of the following actions: (a) you may take the necessary steps to perfect the lien and charge me a filing fee. This fee will be in the amount charged by the state and will be added to my loan balance. If you are unable to perfect your lien on the collateral pledged for any loan, or the value of the collateral deteriorates significantly, the ANNUAL PERCENTAGE RATE FOR THAT LOAN SHALL INCREASE TO 17.00%. Borrower's minimum monthly payment shall also increase accordingly. (b) Credit Union may also call the loan immediately due and payable (subject to any notice of cure requirements under applicable law), in which case Borrower must pay the entire amount due in one lump sum. Once this occurs, if the loan is not paid in full, the loan will bear interest at the highest rate allowed by law.

Default: The following provision applies to borrowers in Idaho, Kansas, and Maine: I will be in default if (1) I do not make a payment of the required amount when due; or (2) you believe the prospect of payment, performance, or realization on any property given as security is significantly impaired.

The following provision applies to borrowers in Wisconsin: I shall be in default under this Agreement if any of the following occur: (a) If an amount exceeding one (1) full payment due under this Agreement is more than ten (10) days late or if the first or last payment due under this Agreement is more than forty (40) days late; OR (b) I breach any term or condition of this Agreement, which breach materially impairs my ability to pay amounts when due or materially impairs the condition, value, or protection of your rights to or in any collateral securing this transaction.

The following provision applies to all other borrowers: I shall be considered in default if any of the following occur: (1) If I break any promise made under this Loan Agreement or under the Security Agreement; or (2) if I do not use the money you loaned me for the purpose stated in my application; or (3) if you should, in good faith, believe that prospect of payment, performance or realization of the collateral, if any, is impaired; or (4) if I die; or (5) if I file a petition in bankruptcy, insolvency, or receivership or am put involuntarily into such proceedings; or (6) if the collateral, if any, given as security for this loan is lost, damaged or destroyed, or if it is levied against, attached, garnished, or seized for any reason under any authority or (7) if I do not pay on time any of my current or future debts to you; or (8) if anyone is in default of any security agreement given in connection with any loan under this Note; or (9) If I make any false or misleading statements in any credit application or update of credit information; or (10) I am in default of any other loan or security agreement I have with the Credit Union; or (11) I use the Note for any illegal purpose or transaction as determined by applicable law. If I default, you may, at your option, declare this loan immediately due and payable, and I must immediately pay to you at that time the total unpaid balance, as well as the Finance Charge to date, any late charges and costs of collection permitted under law, including reasonable attorney's fees.

Costs of Collection: I shall pay all costs incurred by you in collecting any amount I owe or in enforcing or protecting your rights. Costs of collection include, but are not limited to, collection agency fees, repossession fees, appraisals, environmental site assessments, and casualty insurance. The following applies to all borrowers except Wisconsin borrowers: Costs of collection also include reasonable attorney's fees for any action taken by an attorney who is

not your salaried employee in order to collect this loan or preserve or protect your rights and remedies, including, without limitation, pre-suit demands for payment, pre-suit mediation or settlement negotiations, investigation and assessment of your rights, participation in bankruptcy cases, matters, and proceedings (including, without limitation, filing proofs of claim, pursuing reaffirmation agreements, attending meetings of creditors, and pursuing complaints, motions, and objections that relate in any way to the credit union's collateral or right to payment), collateral disposition, non-bankruptcy suits and/or administrative actions, and appeals. For Alabama borrowers: attorney's fees after default shall not exceed 15% of the unpaid debt, or such higher amount as a court may allow. For Georgia borrowers: attorney's fees shall not exceed 15% of principal and accrued interest, or such higher amount as a court may allow.

Action Upon Default: The following provision applies to borrowers in Colorado, District of Columbia, Kansas, Maine, Massachusetts, Missouri, Nebraska, and West Virginia: Once I have defaulted, and after the expiration of any right I may have under applicable state law to cure my default, you can demand immediate payment of the entire unpaid balance of the loan without giving me advance notice. The principal balance in default shall bear interest at the contract rate, or a default rate if one has been disclosed to me, or another rate if required by applicable law.

The following provisions applies to borrowers in Wisconsin:

Right to Cure Default: If I am in default under this Agreement, you must give a notice of default to me pursuant to Wisconsin Statutes sec. 425.104 - 425.105. I shall have fifteen (15) calendar days from the date the notice is mailed to me to cure the default. In the event of an uncured default, you shall have all the rights and remedies for default provided under the Wisconsin Consumer Act, Uniform Commercial Code, or other applicable law, including, but not limited to, the right to repossess the collateral. You may waive any default without waiving any other subsequent or prior default by me.

No Right To Cure: Pursuant to Wis. Stat. Sec. 425.105(3), I shall not have the right to cure a default if the following occur twice during the preceding twelve (12) months: (a) I was in default on the closed-end note; (b) You gave me notice of the right to cure such previous default in accordance with Wis.Stat.Sec. 425.104; and (c) I cured the previous default.

Nothing in this Agreement shall be construed to restrict your ability to exercise your rights under the Wisconsin Consumer Act, Uniform Commercial Code, or other applicable law, including, but not limited to, the right to repossess the collateral.

The following provision applies to borrowers in all other states: Once I have defaulted, you may, at your option, declare all amounts under the Note immediately due and payable, and I must immediately pay to you at that time the total unpaid balance, as well as the Finance Charge to date, any late charges and costs of collection permitted under law, including reasonable attorney's fees. The principal balance in default shall bear interest at the contract rate.

Delay in Enforcing Rights: You can delay enforcing any of your rights under this agreement any number of times without losing the ability to exercise your rights later. You can enforce this agreement against our heirs or legal representatives.

Continued Effectiveness: If any part of this Agreement is determined by a court to be unenforceable, the rest will remain in effect.

Notices: Notices will be sent to me at the most recent address I have given you in writing. Notice to any one of us will be notice to all.

Use of Account: I promise to use my account for consumer (personal, family or household) purposes, unless the credit union gives me written permission to use the account also for agricultural or commercial purposes, or to purchase real estate.

Irregular Payments: You may accept late payments or partial payments, even though marked "payment in full," without losing any of your rights under this agreement.

Co-borrowers: If I am signing this agreement as a co-borrower, I agree to be equally responsible with the borrower, but you may sue either or both of us. You do not have to notify me that this agreement has not been paid. You may extend the terms of payment and release any security without notifying or releasing me from responsibility on this agreement.

Governing Law: These agreements shall be construed and enforced in accordance with the laws of the State of South Carolina. If I have entered into a mandatory arbitration agreement in connection with this loan: If any provisions within this Agreement pertaining to jurisdiction and venue are inconsistent with the arbitration agreement, the arbitration agreement will govern.

Change in Terms: The terms of this Closed-end Note, Disclosure, Loan & Security Agreement, including any fees disclosed, are subject to change without prior notice, subject to applicable law.

Contractual Pledge of Shares: I pledge all my shares and deposits in the credit union, including future additions, as security for this loan. In case I default, you may apply these shares and deposits to the payment of all sums due at the time of default, including costs of collection and reasonable attorney's fees. No lien or right to impress a lien on shares and deposits shall apply to any of my shares which may be held in an "Individual Retirement Account" or "Keogh Plan."

BORROWER'S NAME	LOAN NUMBER	ACCOUNT NUMBER	DATE OF LOAN
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IN THESE AGREEMENTS, THE WORDS "I," "ME," "MY" AND "MINE" MEAN ALL THOSE NAMED AS BORROWERS. THE WORDS "YOU," "YOUR" AND "YOURS" MEAN THE CREDIT UNION.

State Notices:

NOTICES TO WISCONSIN BORROWERS: No provision of a marital property agreement, a unilateral agreement under Wis. Stat. Section 766.59, or a court decree under Wis.Stat. 766.70 adversely affects the interest of the Credit Union unless prior to the time the credit is extended, the Credit Union is furnished with a copy of the agreement or statement, or has actual knowledge of the adverse provision when the obligation to the Credit Union is incurred.

NORTH DAKOTA NOTICE TO BORROWERS PURCHASING A MOTOR VEHICLE - THE MOTOR VEHICLE IN THIS TRANSACTION MAY BE SUBJECT TO REPOSSESSION. IF IT IS REPOSSESSED AND SOLD TO SOMEONE ELSE, AND ALL AMOUNTS DUE TO THE SECURED PARTY ARE NOT RECEIVED IN THAT SALE, THE BORROWER MAY HAVE TO PAY THE DIFFERENCE.

NOTICE TO UTAH BORROWERS: This written agreement is a final expression of the agreement between me and the Credit Union. This written agreement may not be contradicted by evidence of any oral agreement.

NOTICE FOR ARIZONA OWNERS OF PROPERTY: It is unlawful for a borrower to fail to return a motor vehicle that is subject to a security interest within thirty days after I have received notice of default. The notice will be mailed to the address I provided on this document unless I have given the Credit Union a new address. It is my responsibility to notify the Credit Union if my address changes. The maximum penalty for unlawful failure to return a motor vehicle is one year in prison and/or a fine of \$150,000.

NOTICE TO CALIFORNIA RESIDENTS: By signing this Note, I specifically agree that the Credit Union may access the records of the California Department of Motor Vehicles from time to time to obtain my current mailing address, and by so agreeing, I am specifically waiving my rights under sections 1808.21 and 1808.22 of the California Vehicle Code.

For Missouri Residents: Oral agreements or commitments to loan money, extend credit or to forbear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable. To protect me (borrower) and you (creditor) from misunderstanding or disappointment, any agreements we reach covering such matters are contained in this writing, which is the complete and exclusive statement of the agreement between us, except as we may later agree in writing to modify it.

For Vermont Residents: **NOTICE TO CO-BORROWER: YOUR SIGNATURE ON THIS LOAN MEANS THAT YOU ARE EQUALLY LIABLE FOR REPAYMENT OF THE LOAN. IF THE BORROWER DOES NOT PAY, THE LENDER HAS A LEGAL RIGHT TO COLLECT FROM YOU.**

NOTICE TO TEXAS BORROWERS- INSURANCE REQUIRED: I am required to: (i) keep the collateral insured against damage in the amount of the loan or another amount if you so specify; (ii) purchase this insurance from an insurer that is authorized to do business in the state of Texas or an eligible surplus lines insurer; and (iii) name you as the person to be paid under the policy in the event of a loss. I must also provide you a copy of the policy and proof of the payment of premiums if you so request. If I fail to meet any of these requirements, you may obtain collateral protection insurance on my behalf at my expense.

OHIO RESIDENTS ONLY: The Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

WASHINGTON AND OREGON RESIDENTS ONLY:

WARNING

UNLESS I PROVIDE YOU WITH EVIDENCE OF THE INSURANCE COVERAGE AS REQUIRED BY YOUR LOAN AGREEMENT, YOU MAY PURCHASE INSURANCE AT MY EXPENSE TO PROTECT YOUR INTEREST. THIS INSURANCE MAY, BUT NEED NOT, ALSO PROTECT MY INTEREST. IF THE COLLATERAL BECOMES DAMAGED, THE COVERAGE YOU PURCHASE MAY NOT PAY ANY CLAIM I MAKE OR ANY CLAIM MADE AGAINST ME. I MAY LATER CANCEL THIS COVERAGE BY PROVIDING EVIDENCE THAT I HAVE OBTAINED PROPER COVERAGE ELSEWHERE. I AM RESPONSIBLE FOR THE COST OF ANY INSURANCE PURCHASED BY YOU. THE COST OF THIS INSURANCE MAY BE ADDED TO MY LOAN BALANCE. IF THE COST IS ADDED TO THE LOAN BALANCE, THE INTEREST RATE ON THE UNDERLYING LOAN WILL APPLY TO THIS ADDED AMOUNT. THE EFFECTIVE DATE OF COVERAGE MAY BE THE DATE MY PRIOR

COVERAGE LAPSED OR THE DATE I FAILED TO PROVIDE PROOF OF COVERAGE. THE COVERAGE YOU PURCHASE MAY BE CONSIDERABLY MORE EXPENSIVE THAN INSURANCE I CAN OBTAIN ON MY OWN AND MAY NOT SATISFY WASHINGTON'S OR OREGON'S MANDATORY LIABILITY INSURANCE LAWS.

SECURITY AGREEMENT

Security Interest; PLEDGE OF SHARES; Statutory Lien; Set-off; Administrative Freeze: To secure the payment of this loan and all expenditures incurred by the credit union in connection with this loan: (a) I grant the Credit Union a security interest in the property described on Page 1 of this document ("Collateral"). The security interest includes all increases, substitutions and additions to the secured property, proceeds from any insurance on the secured property and all earnings received from the secured property. The security interest also includes all accessions. Accessions are things which are attached to or installed in the property now or in the future. The security interest also includes any replacements for the property which I buy within 10 days of the loan or any extensions, renewals or refinancing of the loan. If the value of the property declines, I promise to give you more security if asked to do so. I also agree to abide by the terms of the Security Agreement. (b) I GRANT AND PLEDGE TO YOU A CONSENSUAL LIEN ON ALL SUMS ON DEPOSIT to secure my obligations to the credit union pursuant to applicable state law. "All sums on deposit" and "shares" for purposes of this pledge means all deposits in any share savings, share draft, club, certificate, P.O.D., revocable trust or custodial account(s), whether jointly or individually held, that you have on deposit now or in the future, all of which are deemed "general deposits" for the purpose of this pledge. This means that I am pledging as security for this loan all shares and dividends and, if any, all deposits and interest in all joint and individual accounts I have with the credit union now and in the future. My pledge does not include any IRA, Keogh, tax escrow, irrevocable trust or fiduciary account in which I do not have vested ownership interest. (c) I acknowledge and agree to impressment of the Credit Union's statutory lien rights under the Federal Credit Union Act and/or applicable state law as of the date of my loan, which gives you the right to apply the sums in my account(s), to satisfy any obligations I owe to the credit union, regardless of contributions at the time of default, and without further notice to me or any owner of the account(s). (d) I acknowledge and agree to your "common law" right to set off under applicable state law which authorizes you to apply the funds in any joint or individual account to any obligations owed to you if I default or fail to pay or satisfy any obligation to you without any legal process, court proceeding or any notice to any owner of the account(s) affected hereunder or otherwise under this Agreement. (e) I specifically agree that you have a right to place an administrative freeze on any of my joint or individual account(s) and that such action shall not violate 11 USC 362 or other applicable law. IF I HAVE A CREDIT CARD WITH YOU, YOUR RIGHTS ALSO APPLY TO THAT CREDIT CARD ACCOUNT.

Multiple Rights; Cumulative Remedies: I understand and agree that the Credit Union has multiple rights as enumerated above and that the remedies are cumulative. Nothing herein shall limit or restrict the remedies available to you following any event of default under the terms of my loan documents.

Cross-collateralization: Property given as security for this loan or for any other loan Borrower has with the credit union will secure all amounts Borrower owes the credit union now and in the future. However, property securing another debt will not secure this loan if such property is Borrower's principal residence (unless the proper rescission notices are given and any other legal requirements are satisfied), or are non-purchase money household goods. IF I HAVE A CREDIT CARD WITH YOU, THIS CROSS-COLLATERALIZATION CLAUSE ALSO APPLIES TO THAT CREDIT CARD.

Transfer of Collateral: I will not change the location of, sell or transfer the collateral unless I have your prior written consent.

Release of Lien: You will not release any lien on any collateral under this Note if I am delinquent on, or in default on, any other loan I have with you. For example, if I am in default on a line of credit, you will not release your lien on a vehicle loan, even if the vehicle loan is current or paid in full.

Good Title: I warrant that I have good title to the collateral, free of all security interests except that given to the credit union and except for any interest of a non-co-maker owner of the collateral who has signed the agreement in the indicated place.

Maintenance of Collateral: I will pay all taxes, assessments, and liens against or attached to the property described and further agree to keep the property in good condition, housed in a suitable shelter. I agree to execute financing statements and security agreement amendments at your request and will defend the property against adverse third party claims. I will not remove or replace any equipment or accession, including tires and/or wheels, with any leased property without your express written consent, and I shall not move or seek to move the Collateral from the Continental United States. I agree that Credit Union may withhold its written consent herein for any reason; or may make such consent conditional.

Additional Security: Should you feel at any time that the security presented has diminished in value, or for any reason feel that additional security is required, I agree to assign to you within ten (10) days whatever additional security you feel is necessary to protect yourself against possible loss.

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IN THESE AGREEMENTS, THE WORDS "I," "ME," "MY" AND "MINE" MEAN ALL THOSE NAMED AS BORROWERS. THE WORDS "YOU," "YOUR" AND "YOURS" MEAN THE CREDIT UNION.

Actions Upon Default: If a default as defined in the Loan Agreement should occur, you, or a third party designated by you, have the authority, upon such default, to repossess and sell the collateral in a lawful manner. This includes authority to take possession of any personal property contained in the collateral. In such cases, you or your authorized representatives may, at your option, enter the premises where the collateral is kept and take possession, subject to applicable laws. You have the right to render the property pledged as collateral unusable and may dispose of the collateral on the premises where the collateral is kept. If you decide to sell the collateral at a public sale, private sale or otherwise dispose of the collateral, you will provide reasonable notice if required by law and will otherwise comply with applicable state law. If you sell or otherwise dispose of the collateral you may collect from me reasonable expenses incurred in the retaking, holding and preparing the collateral for and arranging the sale of the collateral. You may also collect reasonable attorney's fees and legal expenses, permitted by applicable law, incurred in connection with disposition of the property. Unless I default, I may keep possession of the property (collateral) described and use it in any lawful manner consistent with this agreement or with the insurance policy on the collateral. I understand that you have certain rights and legal remedies available to you under the Uniform Commercial Code and other applicable laws, and that you may use these rights to enforce payment if I default. In the event of default, I will at your request assemble the property (collateral) and make it available to you at a place of your choosing. If you decide to waive this default, it will not constitute waiver of any other subsequent defaults.

If there is any surplus money, it will be refunded to me unless I owe you other amounts, in which case Credit Union will apply surplus funds to my other obligations. 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.

Attorney-in-Fact: You are hereby appointed as my Attorney-in-Fact to perform any acts which you feel are necessary to protect the collateral and the security interest which this agreement creates.

Joint Borrowers: If there is more than one borrower, our obligations under this agreement are joint and several, each being equally responsible to fulfill the terms of this agreement.

Others Bound: This security agreement not only binds me, but my executors, administrators, heirs, and assigns.

Further Assurances: I agree to execute any further documents, and to take any further actions, reasonably requested by Credit Union in order to evidence or perfect the security interests granted herein or to effectuate the rights granted to Credit Union.

Governing Law: This Security Agreement is being executed and delivered in, and is intended to be performed in, the State of South Carolina and shall be construed and enforced in accordance with the laws of the State of South Carolina, except to the extent that the Uniform Commercial Code provides for the application of the law of another state.

Additional Advances: Any additional advances made by you for the payment of taxes or assessments or liens of any kind, or premiums on insurance and the interest owing thereon or any other advance necessary to perfect or protect your security interest shall also be secured by this agreement. Such amounts shall be added to my loan balance and my minimum payment due shall be increased or my loan term extended accordingly.

Applies to Louisiana residents only:

Louisiana law permits repossession of motor vehicles upon default without further notice or judicial process.

If the secured collateral is a motor vehicle and I am in default, you may seize and sell the motor vehicle without demand for payment or advance notice to me. Collateral other than motor vehicles may be repossessed without judicial process only as allowed by applicable Louisiana law.

For purposes of foreclosure under Louisiana executory process, I hereby confess judgment in your favor for all amounts secured by the Note, including, but not limited to, principal, interest, late charges, costs of collection, costs of preservation of the collateral, reasonable attorney's fees, and all other amounts under the Note. You may appoint a keeper of the property in the event of foreclosure. To the extent allowed under Louisiana law, I hereby waive the following rights and procedures under Louisiana law: (a) all rights and benefit of appraisal; (b) notice of seizure; (c) the 3-day delay afforded under Articles 2331 and 2722; and (d) all other provisions under Articles 2331, 2722 and 2723 and all other Articles not specifically mentioned herein. I further agree that any declaration of fact made by authentic act by a person declaring that such facts are within his or her knowledge shall constitute authentic evidence of facts for the purposes of foreclosure under applicable Louisiana law and for the purposes of LSA-R.S. 9:3504(D)(6) and LSA-R.S. 10:9- 508, to the extent applicable.

PROPERTY INSURANCE; LENDER-PLACED INSURANCE - PLEASE READ CAREFULLY

(a) My requirement to maintain property insurance. I am required to carry insurance to protect my interest and your interest in the collateral securing this loan. The insurance:

- Must protect against any loss by fire or theft, and collision and comprehensive coverage on motor vehicles and other property pledged as security on this loan.
- Must (i) be in an amount and type sufficient to repair the collateral to its existing condition prior to the loss, and/or to replace the collateral with comparable or like property, minus depreciation, if it is damaged or lost; or (ii) be in an amount and type as you might otherwise inform me that you require.
- Must maintain a deductible of not more than \$500.00.
- Must be maintained in force for as long as the loan is outstanding.
- Must name you as loss payee. You must receive the loss payee endorsement within 30 days of my loan date.

These requirements are solely in your discretion and you may change any of these requirements at any time for any reason. The insurance may be obtained by any insurer of my choice that is acceptable to you.

(b) Lender-placed property insurance. Please read carefully:

- If I fail to maintain insurance satisfying the requirements set forth above, or if I fail to provide you proof of such coverage, you may, but do not have to, obtain insurance to protect your interest (not mine) in the property.
- The total cost of lender-placed insurance will be added to the loan balance. The total cost of this insurance includes, but is not limited to, the premium, any administrative costs you incur, any commissions that may be earned, and other reasonable expenses related to my failure to maintain insurance. This cost will be paid by me either on demand, or by increasing my periodic payment, or by extending the loan term.
- Whether you obtain insurance, and the amount and types of coverage that you may obtain, is solely in your discretion. You may obtain this insurance from anyone you want, including an affiliate of yours, and such affiliate may earn a commission on the coverage.
- The insurance placed by you is without benefit to me personally, and is primarily for your protection. It may not adequately protect my interest in the collateral or any personal property contained in the collateral, and will not satisfy any mandatory liability or financial responsibility requirements under state law.
- Coverage obtained by you may be considerably more expensive than coverage I could obtain on my own and may be different than previous policies I may have had or policies that I may prefer.
- Any insurance placed by you will be effective as of the date my policy lapsed or, if I never obtained insurance, the date of the loan.
- Nothing in this agreement is intended to confer third-party beneficiary rights or status to me with respect to any agreements between you and your insurer or its agent.

(c) How to remove lender-placed property insurance. I may have the lender-placed coverage cancelled at any time by providing evidence to you that I have purchased insurance coverage satisfying the requirements set forth above. If I do so, I will receive a refund of the premium, less the premium amount for any lapsed period, if applicable.

(d) Other. I assign you the right to receive and endorse any insurance proceeds check, to apply those proceeds to the sums I owe, and I direct any insurer to pay those proceeds directly to you. I further authorize you or your representative to obtain the necessary information for verification of adequate coverage. You, or your affiliates, may receive compensation or reimbursement of expenses related to any insurance premiums added by you.

(e) Default. If I fail to maintain insurance as set forth above, I will be in default of my loan. You may either place your own insurance on the collateral as explained above, or you can declare me in default and take all remedies set forth in my loan or security agreement or available to you under applicable law, including calling the loan immediately due.

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CREDITOR BENEFICIARY (POLICYHOLDER)

SRP FEDERAL CREDIT UNION

**CERTIFICATE GROUP CREDIT INSURANCE
OUTSTANDING BALANCE**

MINNESOTA LIFE

Minnesota Life Insurance Company

400 Robert Street North - St. Paul, Minnesota 55101-2098

CERTIFICATE OF GROUP CREDIT LIFE AND DISABILITY INSURANCE

This certificate is issued in consideration of your application and the payment of the required premium. It summarizes the main provisions of the group policy(ies) that affect you. You may examine the group policy(ies) at the principal office of the policyholder during regular business hours.

Notice of your right to examine this certificate for 30 days. It is important to us that you are satisfied with this insurance. If you are not satisfied, you may return this certificate to us or to your insurance representative within 30 days of its receipt, and you will receive a full refund of any premiums you have paid within 30 days after we receive your notice of cancellation.

LIFE INSURANCE

What is the amount of the death benefit? The death benefit will be the lesser of: (1) the unpaid balance of your loan on the date of your death; or (2) the maximum amount of insurance specified on your application.

If you are jointly insured and you co-debtor dies, the death benefit will be determined on the same basis. Only one death benefit is payable, even if both jointly insured debtors should die on the same date.

Is there a suicide exclusion? We will not pay any life claim if you, whether sane or insane, die by suicide within one year from the effective date of your insurance, but we will refund your premium.

If you applied for joint life insurance, this exclusion also applies to your co-debtor, and a refund will be made which is equal to the difference between the premium actually charged for the joint coverage and the premium that would have been charged if only single coverage had been issued and insurance will continue on the other insured under a single coverage basis.

DISABILITY INSURANCE

What is the amount of your monthly disability benefit? Your monthly disability benefit will be an amount equal to the lesser of: (1) your minimum scheduled installment payment as specified in your loan agreement, excluding any delinquencies and/or late fees, due in the month in which total disability commences; or (2) the maximum monthly disability benefit specified in your application.

Will the monthly disability benefit be prorated? Yes. Benefits will accrue on a daily basis; that is, we will pay the monthly disability benefit for a full month of total disability and we will prorate the monthly disability benefit on the basis of a 30 day month for a period of continuous total disability that is less than one month in duration.

What is the definition of total disability? During the first twelve months of disability, your complete and continuous inability, due to either sickness or injury, to perform the duties of your regular occupation. Thereafter, your complete and continuous inability, due to either sickness or injury, to engage in any occupation for which you are reasonably suited by education, training or experience.

For how long will monthly disability benefits be paid? We will pay the monthly disability benefit for any continuous period of total disability until any one of the following conditions are met: (1) the payments total an amount equal to the unpaid balance of your loan on the date total disability commences, including principal and interest, under the terms of the loan note or agreement; or (2) the maximum aggregate disability benefit specified in your application has been paid; or (3) your loan reaches its initial scheduled maturity date or; if the maturity date has been adjusted according to a procedure specified in the loan agreement to recognize periodic changes in the loan interest rate (variable interest loan), your loan reaches its adjusted maturity date; or (4) the termination date of insurance as shown in your application is reached.

What if you suffer recurrent periods of total disability? If, following a period of total disability, you engage on a full-time basis in any occupation for a continuous period of three months or more, any subsequent period of total disability resulting from the same or related cause or causes will be considered a new period of total disability. However, if the period during which you engage in any occupation is less than three months, any subsequent period of total disability resulting from the same or related cause or causes will be considered a continuation of the preceding period of total disability.

If you are totally disabled and sustain an additional sickness or injury which would be in and of itself totally disabling, the additional sickness or injury will not be considered a new period of total disability.

What disabilities are not covered? We will not insure any loss resulting directly or indirectly from any total disability caused by: (1) intentionally self-inflicted injuries; or (2) normal pregnancies, normal childbirths or elective abortions. Complications due to pregnancy or childbirth will be covered only if the complications themselves are totally disabling; or (3) War or Invasion, whether such war is declared or undeclared; or (4) a condition for which you received or had medical treatment, advice or diagnostic tests either for that same condition or a related condition within the six month period immediately prior to the effective date of your insurance and which results in total disability commencing within six months after the effective date of your insurance (disability commencing more than 6 months after the effective date of coverage is covered).

IN THE EVENT OF THE EARLY PAYOFF OF THE INDEBTEDNESS COVERED BY THE INSURANCE, IT IS THE OBLIGATION OF THE INSURED DEBTOR TO NOTIFY THE INSURER OF THE EARLY PAYOFF.

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GENERAL PROVISIONS

To whom will benefits be payable? Claim payments will be made to the policyholder to reduce or extinguish your loan. If claim payments are more than the balance of your loan, remaining payments will be made by check or draft of the insurer to you or to your estate or, if required by law and you have named one, to a secondary beneficiary.

When will benefits be payable? The death benefit will be payable when we receive a certified copy of the death certificate and a statement from the policyholder. Disability benefits will be payable when we receive proof you have become totally disabled while you are insured. Also, you must be under the regular care of a physician, when medically necessary, for the sickness or injury. We will pay the monthly disability benefit at the end of each month of continuous total disability following the expiration of the waiting period. If the retroactive benefit is effective, we will pay the monthly disability benefit at the end of each month of continuous total disability from the date total disability commences but benefits will not begin until the waiting period expires. Your unemployment or retirement commencing after the effective date of your insurance will not affect payment of a claim.

When must notice of a disability claim be given? You must give us notice within 30 days or as soon as possible after the occurrence or commencement of any loss covered by the group policy. The notice of claim must be in writing and given to our authorized agent or sent to our home office in St. Paul, Minnesota. We shall have the right to have you examined at our own expense as often as may reasonably be required while a disability claim is being considered or paid.

As deemed necessary to determine continued disability we may also request written proof of loss during the course of a claim.

How are premiums calculated? Premiums for your insurance are calculated each month on the remaining insured outstanding balance of your loan using the premium rate in effect under the group policy. The premium rate is subject to change not more than once each year upon 30 days prior written notice to you.

How are refunds calculated? If your insurance terminates before the termination date of insurance or the premium you were charged is greater than the premium required for your amount of insurance, the unearned premium will be refunded to you. The method of calculating refunds is the "Pro Rata" formula. However, refunds of less than \$1.00 will not be made.

What if your insurance coverage is issued in excess of the maximum(s)? If we issue your insurance coverage in excess of the maximum(s), any excess coverage will remain in force if we do not return the premium for the excess coverage prior to the occurrence of a valid claim.

When does your insurance terminate? Your insurance will terminate on the date any of the following events occurs: (1) your loan is discharged through payment, prepayment, renewal or refinancing; or (2) your loan reaches its scheduled maturity date or, if the maturity date has been adjusted according to a procedure specified in the loan agreement to recognize periodic changes in the loan interest rate (variable interest loan), the date your loan reaches the adjusted maturity date; or (3) the termination date of insurance as shown in your application is reached; or (4) the policyholder transfers the loan without recourse and no longer services the loan; or (5) any required loan repayment which includes your insurance premium is more than 90 days overdue; or (6) you request in writing that your insurance be terminated; or (7) the group policy terminates provided you receive 30 days written notice; or (8) you die. If joint life insurance is in force, your insurance terminates on both you and your co-debtor on the date either you or your co-debtor die and a life benefit is paid; or (9) the end of the month in which you reach age 66 and have disability insurance; or (10) the end of the month in which you reach age 71 and have life insurance. If joint life insurance is in force and insurance terminates on one of you due to attainment of age 71, insurance will continue on the other insured under single life coverage if that person is under age 71.

Termination of your insurance shall be without prejudice to any claim that occurred prior to such termination.

What if your age is misstated? If you stated you were under age 66 and you applied for disability coverage or you stated you were under age 70 and you applied for life coverage but you were not, we will refund your premium when we discover this and no benefits will be paid. If you applied for joint life insurance, this also applies to your co-debtor.

If you correctly stated your age as exceeding the maximum age for eligibility and coverage has been issued in error, coverage will remain in force.

Can we contest your insurance? After your insurance has been in force during your lifetime for two years from the effective date of your insurance, we cannot contest your insurance for any loss that is incurred more than two years after the effective date, except for the nonpayment of premium.

If the indebtedness insured by this certificate is a refinancing of a previously insured indebtedness of yours, the effective date of insurance with respect to the provisions of this certificate, to the extent of the amount of the indebtedness outstanding at the time of refinancing, will be deemed to be the date on which you previously became insured by us.

What if joint life insurance is terminated because of suicide, contestability, or misstated age? In the case of joint life insurance, if coverage is terminated with respect to one of the joint insureds in accordance with the provisions on suicide, contestability or misstated age contained in this certificate, a refund will be made which is equal to the difference between the premium actually charged for the joint coverage and the premium that would have been charged if only single coverage had been issued and insurance will continue on the other insured under a single coverage basis.