

## PERSONAL AND VEHICLE LENDING TERMS AND CONDITIONS

**PROMISE TO PAY** – You promise to pay the Credit Union the Amount Financed shown in the Truth-In-Lending Disclosure, together with interest on the unpaid balance until the Amount Financed is paid in full at the Annual Percentage Rate specified. You promise to make your payments at the offices of the Credit Union, in the amounts and on the dates disclosed. The exact amount of your final payment (and the total Finance Charge) will be somewhat more or less than that shown on this Agreement if the Credit Union does not receive each payment on its scheduled payment date. You also agree to pay the Credit Union's reasonable costs and expenses incurred, including attorneys' fees, as a result of your default in the performance of your obligation to the Credit Union.

**PRE-PAYMENT** – if you pay off early, you will not have to pay a penalty.

**LOANS BY MAIL** – If this loan is being made by mail, interest on this loan begins when the loan proceeds are mailed or otherwise disbursed.

**SECURITY AGREEMENT** – You hereby grant to the Credit Union a security interest and the right of setoff in any account at the Credit Union in which you have an interest or in which you may have an interest in the future. Any property shown in the "Collateral" section of your loan Agreement will be security for this loan, as well as any and all increases, accessories, equipment, attachments, accessions and replacements to the property and all proceeds, insurance proceeds or premium rebates or refunds relating to the property of this Agreement. The property securing this loan also secures your repayment of all other obligations you now owe or may owe to the Credit Union at any time in the future.

**ATTORNEY FEES** – If you default and this Note is given to an attorney, you agree to pay reasonable attorney fees plus court costs and disbursements.

**LATE CHARGE** – If a payment is late, you will be charged a late charge equal to 5% of the payment due for each payment that is past due 10 or more days.

**DEFAULT** – You will be in default if you do not make a payment of the amount required when it is due. You will be in default if you break any promise you made in connection with this loan. You will be in default if you die, file for bankruptcy or become insolvent (unable to pay your obligations when they become due). You will be in default if you make any false or misleading statements in any credit application or update of credit information. You will be in default if anyone who has signed a security agreement in connection with this loan is in default. You will also be in default if something happens which the Credit Union believes may impair the Credit Union's collateral or which may substantially reduce your ability to repay what you owe.

When you are in default, the Credit Union can demand immediate payment of the unpaid balance of this loan. You waive demand, presentment, notice of intent to

accelerate and notice of acceleration. You agree that the Credit Union has the right to take possession of the collateral without going to court. If the Credit Union demands immediate payment of the unpaid balance, you will continue to pay interest at the same interest rate until what you owe has been repaid. The Credit Union can apply the shares and deposits you have given as security under this Agreement toward what you owe. The Credit Union can also exercise any other rights the law gives the Credit Union when you are in default.

**REPAYMENT RESPONSIBILITY** – Each person who signs this Agreement will be individually and jointly responsible for paying the entire amount owed. That means the Credit Union can enforce its rights under this Agreement against any one of you individually or against all of you together.

**NOTICES** – Notices will be mailed to you at the address listed on the first page of this Agreement unless you provide the Credit Union with written notification of a new address. Notice to any one of you will be notice to all of you. Please mail new address notifications to P.O. Box 691510, San Antonio, Texas 78269 or by phone at 1-800-527-7328.

**PROTECTION OF COLLATERAL** – You agree to the following: (a) to maintain, protect and preserve the collateral; (b) not to use or permit anyone to use the collateral in violation of this Agreement or any statute, regulation, law or ordinance or any policy of insurance covering the collateral; (c) to pay promptly when due all taxes, charges, encumbrances or liens now or later imposed upon or affecting the collateral; (d) to notify the Credit Union promptly of any change of your name or address on file; (e) to help the Credit Union do all that is necessary to protect its security interest in the collateral, including giving the Credit Union all endorsements, assignments, financing statements, or other writings which it deems necessary to protect its security interest and its priority; (f) not to sell, encumber, lease, rent, otherwise dispose of or give the collateral to anyone else; (g) to promptly deliver to the Credit Union, in the form received, all proceeds of the collateral you receive; (h) after default, and upon the Credit Union's demand at any reasonable time, to keep the collateral at your residence as set forth in the Credit Union's records and not to remove it from any location without the Credit Union's written permission.

**PROPERTY INSURANCE** – You promise to keep the property insured against loss and damage with a maximum deductible of \$1,000. You may provide the property insurance through a policy you already have or through a policy you get and pay for. You promise to make the insurance policy payable to the Credit Union and to deliver the policy to the Credit Union at P.O. Box 691510, 16211 La Cantera Parkway, San Antonio, Texas 78256-2419. If you cancel your insurance and get a refund, the Credit Union has a right to the refund. If the property is lost or damaged, the Credit Union can use the insurance settlement to repair the property or apply it toward what you owe. You authorize the Credit Union to endorse any draft or check which may be payable to you in order for the Credit Union to collect any refund or benefits due under your insurance policy.

If you do not keep the property insured the Credit Union may take possession of the collateral and add such insurance to protect its interest only in the collateral. If the Credit Union elects to add such insurance it may either (a) demand immediate payment in full or (b) add the premium to the loan balance where it will accrue interest at the same rate you pay on the loan and appear as a balloon payment due at the end of the term for regular payments.

REPOSSESSION – If the Credit Union takes possession of the collateral it can sell it and apply the money received to any amounts you owe the Credit Union. The Credit Union will give you notice of any public sales or the date after which a private sale will be held. The expenses of the Credit Union for taking possession of and selling the collateral will be deducted from the money received from the sale. Those costs may include the cost of storing the property, preparing it for sale and attorney’s fees to the extent permitted under law or awarded under section 506(b) of the Bankruptcy Code. The rest of the sale money will be applied to what you owe on the loan. You will also have to pay any amount that remains unpaid after the sale proceeds have been applied to what you owe on the loan and under this Agreement. You agree to pay interest on that amount at the same rate as the loan until that amount has been paid.

DISPUTE RESOLUTION- Any controversy or claim arising out of or relating to this Agreement shall be settled by binding arbitration in accordance with the applicable rules of the American Arbitration Association (“AAA”). Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. All fees and expenses of the arbitration shall be borne by the parties according to the rules of the AAA and then as may be apportioned by the arbitrator(s). The arbitrators may award a party recovery of attorney’s fees and costs. In the event a court having jurisdiction finds any portion of this arbitration clause unenforceable, that portion shall not be effective and the remainder of the clause shall remain effective. This clause shall be governed by and interpreted under Federal Arbitration Act, 9 U.S.C Section 1, et seq.

DELAY – The Credit Union can delay enforcing any of its rights under this Agreement any number of times without losing the ability to exercise its rights later. The Credit Union can enforce this Agreement against your heirs or legal representatives. If the Credit Union changes the terms of the loan, you agree that this Agreement will continue to protect the Credit Union.

APPLICABLE LAW – If this loan is made in the State of Colorado, this contract and the obligations, rights and remedies of the parties shall be construed pursuant to and in accordance with the law of the State of Colorado. Otherwise the law of the State of Texas shall be applicable for all purposes.

CONTINUED EFFECTIVENESS – If the law makes any term(s) of this Agreement unenforceable, the other terms will remain in effect.

ADDITIONAL PROVISIONS – Each provision of this Agreement must be considered as part of the total agreement and cannot, in any way, be severed from it. There may be no oral modifications to this Agreement. Time is of the essence with respects to this Agreement. This Agreement supersedes any prior understandings, written or oral between the parties respecting the within subject matter. You and the Credit Union intend that the loan that may be evidenced by this Agreement shall be in strict compliance with all applicable usury laws. If at anytime interest contracted for, charged or received by the pursuant to the Agreement would be usurious under applicable law, then regardless of the provisions of this Agreement or the related documents or any action or event which may occur with respect to this Agreement, it is agreed that all sums that otherwise would be usurious shall be immediately credited by the Credit Union as a payment of principal hereunder, or, if all loans made pursuant to this Agreement have been paid, immediately refunded to you. All compensations that constitute interest shall be amortized, prorated, allocated and spread over the full period of time any indebtedness is owing by you under this loan to the greatest extent permissible without exceeding the maximum applicable interest rate allowed by law.

NOTICE TO CO-BORROWER(S): You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to and that you want to accept this responsibility. You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increases this amount.

The Credit Union can collect this debt from you without first trying to collect from the borrower. The Credit Union can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become part of your credit record. This notice is not the contract that makes you liable for the debt.