

LOAN AGREEMENT, PROMISSORY NOTE AND SECURITY AGREEMENT

6. Events of Default. The following constitute events of default under this Agreement: (a) BORROWER does not pay the full amount of any payment when due; (b) BORROWER fails to keep any of BORROWER's promises under this Agreement; or (c) any representation or information given to the LENDER by BORROWER is false or misleading.
7. LENDER's Rights in the Event of Default. Upon the occurrence of any event of default, the LENDER may at its option, and without notice or demand, do any one or more of the following: (a) declare the whole outstanding balance due under this Agreement due and payable at once and proceed to collect it; (b) foreclose upon its lien, including repossession and liquidation of any Collateral securing this Agreement according to law; (c) exercise all other rights, powers and remedies given by law; and (d) recover from BORROWER all charges, costs and expenses, including all collection costs and reasonable attorney's fees incurred or paid by the LENDER in exercising any right, power or remedy provided by this Agreement or by law, together with interest on such collection costs and fees at a rate equal to the Annual Percentage Rate. In the event of monetary or non-monetary default, the finance charge shall continue to accrue until the Amount Financed, together with all accrued and unpaid finance charges and costs, is fully repaid.
8. BORROWER's Rights in the Event of Repossession. If LENDER repossesses the motor vehicle pursuant to paragraph 7, BORROWER shall have the right, at any time prior to LENDER disposing of such motor vehicle, to redeem the motor vehicle by tendering to LENDER the remaining principal due hereunder together with any and all accrued and unpaid finance charge, plus any costs incurred by LENDER in foreclosing upon its lien. Borrower may be responsible for additional funds if proceeds do not at least equal amount of debt plus cost of repossession and sale. IF the BORROWER has paid at the time of repossession an amount equal to sixty percent (60%) or more of this loan, and has not signed after default a statement renouncing or modifying the BORROWER's rights, LENDER must dispose of the motor vehicle in a commercially reasonable manner within 180 days after the LENDER takes possession of the motor vehicle. If the LENDER fails to do so, the BORROWER may be able to recover damages against LENDER.
9. Notices. Any notice that LENDER is required to provide under this Agreement or applicable law will be declared reasonable if sent to BORROWER at the address set forth above via regular mail.
10. General. (a) BORROWER agrees to pay the maximum amount allowed by law plus any actual expenses incurred in connection with any check given to LENDER which is not honored for any reason; (b) BORROWER shall bear the entire risk of loss or damage to the Motor Vehicle while it is in BORROWER's possession and agrees to indemnify and hold LENDER harmless from any and all claims for property damages or personal injuries arising from the operation of the Motor Vehicle, including but not limited to, all judgments, attorney's fees, court costs and any incurred expenses; (c) if more than one BORROWER executes this Agreement, each BORROWER will be jointly and severally liable; (d) time is of the essence of this Agreement; and (e) this Agreement constitutes the entire Agreement between the parties and no other agreements, representations or warranties other than those stated herein shall be binding unless reduced in writing and signed by both parties.
11. Governing Law; Enforceability. This Agreement shall be construed, applied and governed by the internal laws of the State of Oregon. The unenforceability or invalidity of any portion of this Agreement shall not render unenforceable or invalid the remaining portions hereof.
12. Optional Arbitration Agreement. Borrower and Lender may agree that the transactions contemplated by and occurring under, this Agreement involve "commerce" under the Federal Arbitration Act ("FAA") (§U.S.C. §§1 et. seq.). Any and all disputes, controversies or claims (collectively, "claims" or "claim") whether preexisting, present or future between the Borrower and Lender, or between Borrower and any of Lender's officers, directors, employees, agents, affiliates or shareholders arising out of or relating to this Agreement (save and except the Lender's right to enforce the Borrower's payment obligations in the event of default, by judicial or other process, including self-help repossession) may be decided by binding arbitration under the FAA. Any and all claims subject to arbitration hereunder, as started by any party, will be resolved by an arbitration proceeding which shall be administered by the American Arbitration Association under its Commercial Arbitration rules (the "Arbitration Rules"), as presently published and existing. However, in the event that Borrower initiates arbitration, Borrower shall pay the first \$125.00 of the filing fee required by the Arbitration rules and Lender will pay the remaining amount of such fee, as well as any required deposit. In the event Lender initiates arbitration, Lender shall pay the entire amount of the filing fee and any required deposit. The parties agree to be bound by the decision of the arbitrator(s). Any issue as to whether this Agreement is subject to arbitration shall be determined by the arbitrator. This agreement to arbitrate shall survive the termination of this Agreement. By agreeing to arbitrate disputes you do not waive your right to litigate claims through a court or to have a jury trial.

DO NOT SIGN THIS AGREEMENT BEFORE YOU HAVE READ IT OR IF IT CONTAINS ANY BLANK SPACES. YOU WILL RECEIVE A COMPLETED COPY

Borrower

Co-Borrower

By: Its Authorized Representative