

IDENTIFICATION OF PARTIES: We use the words "you", "your" and "yours" to mean the Borrowers and anyone else who signs this Note and Security Agreement. The words "I", "we", "us" and "our" refer to the Creditor.

Your account is Payable to the creditor show below

Alpha Omega

Acct #

TL102

Borrower(s)
Calvin Brazier

Address
1111 11th Ave. South
Nashville TN 11111

Date of Loan	9/25/2014	PAYMENT SCHEDULE
First Payment Date	10/25/2014	
Number of Payments	1	

FEDERAL TRUTH IN LENDING DISCLOSURE

<u>ANNUAL PERCENTAGE</u>	<u>FINANCE CHARGE</u>	<u>Amount Financed</u>	<u>Total of Payments</u>
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments scheduled
<u>121.67%</u>	<u>\$50.00</u>	<u>\$500.00</u>	<u>\$550.00</u>

Year	Color	Make	Model	License No.	VIN	Title Certificate Number
2011	Black	Honda	Accord		1234567890123456	

ASSUMPTION:

This loan cannot be assumed under the original terms.

INTENDED VEHICLE USE:

____ Personal: personal, family or household use.

____ Commercial: agricultural or non-personal use.

ITEMIZATION OF AMOUNT FINANCED

\$500.00	AMOUNT FINANCED
\$0.00	Principal Title Lien Fee
\$0.00	
\$500.00	Total Loan Amount

YOU ACKNOWLEDGE THE EXISTENCE OF A SEPARATE, ADDITIONAL PAGE TO THIS CONTRACT AND MADE A PART HEREOF. THE ADDITIONAL TERMS PRINTED ON THAT PAGE ARE PART OF THIS NOTE AND SECURITY AGREEMENT, AND YOU ARE BOUND BY THEM IN THE SAME MANNER. YOUR INITIAL ON SUCH PAGE SIGNIFIES ACCEPTANCE OF ALL THE TERMS STATED THEREON.

DATED: 9/25/2014

Borrower(s) acknowledge receipt of a fully completed copy of this contract.

BY _____

Borrower

IT'S: _____

Borrower

**Notice to the buyer: 1. Do not sign this contract before you read it or if it contains any blank spaces.
2. You are entitled to an exact copy of the contract you sign.**

NOTICE: YOU ARE GIVING US A SECURITY INTEREST IN THE VEHICLE DESCRIBED ABOVE FOR THIS LOAN AND ALL OTHER LOANS WE EVER MAKE TO YOU. BY DOING SO, YOU WAIVE ALL RIGHTS PROVIDED BY LAW TO CLAIM THE VEHICLE AS EXEMPT FROM LEGAL PROCESS.

Late Charge: If a payment is not paid in full within 10 days it is due, you will pay a late charge of the lesser of \$250.00 or 5% of the unpaid balance of the installment.

Prepayment: If you pay off early, you will not have to pay a penalty.

Promise to Pay: By signing above, you promise to pay us the Amount Financed, together with finance charges calculated thereon at the Annual

Percentage Rate: You agree to make your payments to us as set forth in the Payment Schedule shown above plus any late charges. Your final payment may change, depending upon your payment habits. We will apply each payment first to accrued finance charges and late charges and then reduce your principal balance. This means your finance charge will be less when you pay early and more if you pay late. Any necessary adjustments in your total finance charge will be reflected in your last payment.

Security Interest: To protect us if you do not pay as promised, or if you break some other promise of this contract, you give us a security interest in the vehicle, all accessions thereto, and in any proceeds of the vehicle. This security interest also covers equipment, accessories, and parts (other than accessions) added to the vehicle within 10 days of the date of this contract. You also give us a security interest in the proceeds of any physical damage insurance policy on the vehicle and in any insurance premiums which are refunded. This security interest does not cover any other debts you owe us, and this debt is not covered by any other security interest held by us.

Liability insurance coverage for bodily injury and property damage caused to others is not included in this contract.

ADDITIONAL TERMS, AGREEMENTS AND CONDITIONS

1. **Borrower's Liability For Failure To Return Vehicle:** It is unlawful to fail to return a motor vehicle subject to a security interest within thirty days of receiving notice of default pursuant to A.R.S. §13-1813. In the event of default, a notice of default will be mailed to you at the address on this contract and it is your responsibility to keep the listed address current. A vehicle that is not returned is a stolen vehicle for purposes of Arizona Revised Statutes §28-4845. **UNLAWFUL FAILURE TO RETURN A MOTOR VEHICLE SUBJECT TO A SECURITY INTEREST IS A CLASS 6 FELONY. THE MAXIMUM PENALTIES FOR A FIRST OFFENSE OF UNLAWFUL FAILURE TO RETURN A MOTOR VEHICLE SUBJECT TO A SECURITY ARE: IMPRISONMENT FOR ONE AND ONE-HALF YEARS (ARS §13-701 AND -702) AND THE IMPOSITION OF A FINE OF UP TO \$150,000.00 (ARS §13-801).** The maximum length of imprisonment may be greater if the defendant has a prior criminal record. Nothing in this paragraph imposes any contractual obligation upon the creditor to give you notice of default. The creditor's failure to do so will not be a breach of this Agreement. In addition, you should be aware of A.R.S. §44-1219 which provides as follows:

- A. It is unlawful for a person who has mortgaged personal property to another, or who has possession of personal property under a contract of sale whereby the vendor retains title, to:
 1. During the existence of the mortgage or contract, and without first obtaining the written consent of the mortgagee or vendor of their assignees, sell, transfer or in any manner encumber such property without first fully advising the person to whom the sale, transfer or encumbrance is to be made, of the facts of the prior mortgage or contract of sale.
 2. Conceal, take, drive or otherwise dispose of or destroy any of the encumbered property contrary to the provisions of the mortgage or contract.
 3. Remove the property or any part thereof from the county where the property was located when the contract or mortgage was made, if the property is other than an automobile, and if an automobile, to remove the automobile from the state.
- B. A person who violates any provisions of this section is guilty of a class 5 felony.
- C. In addition to the punishment prescribed in subsection B, the court shall impose a penalty equal to the amount of any expense incurred by the sheriff in out-of-state travel, which has been reimbursed by the board of supervisors as provided by section 11-444. Upon payment of the penalty such sum shall be transmitted to the board of supervisors.

2. **Your Responsibilities, Representations and Warranties** You promise to notify us of any change in your name, address or employment. You promise to inform us of any new information which relates to your ability to repay your obligation. You represent that you are at least 18 years of age, that you have the right to enter into this agreement, and that you understand that no credit insurance is offered with this agreement. You also warrant that the vehicle is not stolen, has no liens or encumbrances against it and will not be moved outside of Arizona during the term of this agreement. You agree that you will not (a) attempt to sell or in any way transfer any interest in the vehicle or (b) seek the issuance of a duplicate title until all of your obligations under this agreement have been satisfied. At any time any amounts are due and owing under this agreement, and promptly upon our request, you agree to provide us with a duplicate set of keys to the vehicle.

3. **Default:** You will be in default (1) if you break any promise made under this or any other loan agreement or under this or any other security agreement you may have with us; (2) if you die; (3) if you file a petition in bankruptcy, insolvency or receivership or are put involuntarily into such proceedings; (4) if you take the collateral for any loan with us out of the state of Arizona without written consent; (5) if you do not pay this debt or any debt now owing or hereafter owing to us on time; (6) if you have made any false or misleading statement to us relating to this or any other of your loans with us; or (7) if you do not allow us to examine the vehicle upon reasonable request. Upon default, we may, at our option and without prior notice, declare this loan or any other loan you have with us immediately due and payable and require you to immediately pay the total unpaid principal balance on each of them as well as the finance charges to date, late charges and costs of collection permitted under law. You agree to pay all reasonable attorneys fees incurred by us in the event of default, whether or not a lawsuit is filed including, without limitation, all legal expenses for any bankruptcy proceedings. You will also pay any costs we incur including costs associated with locating or repossessing the vehicle, court costs, appraisal fees and any expert witness fees incurred as a result of a default. These fees shall be added to the principal balance of the loan or loans and shall bear interest at the contract rate. As required by law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

4. **Delay in Enforcement:** We may delay enforcing any of our rights any number of times under this agreement without lowering our rights.

5. **Irregular Payments:** We may accept late payments or partial payments, even though marked "payment in full", without losing any of our rights under this agreement or waiving our right for timely payments.

6. **Each Person Responsible:** Each person who signs this agreement will be individually and jointly responsible for paying the entire amount owed. If you are signing this agreement as a co-debtor or guarantor, you agree to be equally responsible with the borrower, and we may sue either or both of you.

We do not have to notify you that this agreement has not been paid. We may extend the terms of payment and release your security without notifying or releasing you from responsibility on this agreement.

7. **Negative Amortization:** If at any time your scheduled payments are not sufficient to pay the loan by the due date, your payments may be increased by the amount necessary for your loan to be paid off in the same number of months as originally scheduled.

8. **Use of Collateral:** You will not change the location of, sell or transfer the collateral unless you have our written consent. You agree not to change or alter the collateral in any way that will reduce its value and not to use it in a reckless manner or unlawful manner.

9. **Insurance, Taxes and Fees:** **You must obtain insurance which protects us from financial loss with regard to the collateral. Such insurance must provide at least fire, theft, casualty and combined additional coverage, and collision insurance. It must name us as a loss payee until such time as the loan is paid in full. The insurance carrier and policy must be acceptable to us. You agree to provide us a copy of the policy upon our request. You also agree to pay all taxes and fees on the collateral when due.** If the collateral is lost or damaged, we, in our sole discretion, can use the insurance settlement proceeds to repair the collateral or apply it towards whatever you owe us. You authorize us to endorse any such settlement draft or check which may be payable to you in order for us to collect any refund or benefits due under your insurance policy. If you do not purchase the insurance required on the collateral and we purchase the insurance, the insurance purchased by us will cover only our interest in the collateral. The insurance will not be liability insurance.

If you do not pay the taxes or fees on the collateral when due, or if you do not maintain insurance on the collateral as required herein, we may pay the taxes and fees and procure insurance, but will not be required to do so. Any money we advance for taxes, fees or insurance will be added to the principal balance of your loan. You will pay interest on the amount as described in the disclosures on the first page of this agreement. The amount of your loan payment may increase to enable you to pay off the loan in the same number of months as originally scheduled. You further authorize us to provide our insurance service center with the necessary information for verification of adequate coverage pursuant to this paragraph.

10. **Remedies:** If a default as described in this agreement should occur, we can without advance notice to you, require immediate payment of what you owe on the loan and/or take possession of the collateral. You agree we have the right to take possession of the collateral without going to court and without giving you advance notice. If you are asked to do so by us, you promise to deliver the collateral at a time and place we choose. We will not be responsible for any of your property, not covered by this agreement, that you leave inside the collateral. We will try to return that property to you or make it available for you to claim.

After we have possession of the collateral, we can sell it and apply the money received in any amounts you owe us. We will give you notice of any sale and date the sale will be held. The expenses we incur to take possession of and sell 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.

You agree to pay any amounts that remains unpaid after the sale money has 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.