

MOTOR VEHICLE EQUITY LINE OF CREDIT AGREEMENT- Version VA1003

LENDER:

BORROWER:

Johnson's Title & Payday Loan
 123 Anywhere Street
 Virginia Beach, Virginia 78272
 615-789-4568

Ronnie C Johnson
 1015 East Concord Avenue
 Goodlettsville, TN 37072
 (615) 855-1192

Disclosure Made in Compliance with Federal Truth in Lending Act.

ANNUAL PERCENTAGE RATE <small>The cost of your credit as a yearly rate:</small> 22.00%	FINANCE CHARGE <small>The dollar amount the credit will cost you.</small> A.2 \$20.40	Amount Financed <small>The amount of credit provided to you or on your behalf</small> A.3 \$1,125.00	Total Payments <small>The amount you will have paid after you have made all payments as scheduled.</small> A.4 \$1,145.40
Payment Schedule <small>1 Payment(s) of \$1,145.40 will be due beginning on 5/5/2006</small>	Description of Pledged Titled Personal Property.		<small>DATE MADE</small> 4/5/2006
Maturity Date 5/5/2006	<small>Year</small> 2000	<small>Color</small> Black	<small>Make</small> BMW
	<small>Model</small> 735i	<small>License No.</small>	<small>VIN</small> 12345678912345678
	<small>Title Certificate Number</small>	<small>Loan Number</small> TL181	<small>S. S. Number</small> 404-04-0404

In this Motor Vehicle Equity Line of Credit Agreement ("Agreement"), the words "you" and "your" mean each and every borrower who signs this Agreement. "Account" or "MVELOC" means your Motor Vehicle Equity Line of Credit account with Johnson's Title & Payday Loan. The words "we", "us" and "our" refer to Johnson's Title & Payday Loan.

- 1. USING THE ACCOUNT.** Once approved for your MVELOC, we will establish a line of credit for you secured by the motor vehicle described in the "Personal and Vehicle Information" section of this Agreement (the "Motor Vehicle"). Once established, you will be allowed to take cash advances from this Account from time to time, up to the credit limit established, at the Johnson's Title & Payday Loan branch where this Agreement is executed providing that no portion of any minimum monthly payments are past due at the time of the advance. By signing this Agreement you agree to all terms and conditions contained herein.
- 2. MONTHLY PAYMENT.** Each month you will receive via U.S. Mail a statement showing your Account information, including new cash advances, accrued Finance Charges, your New Balance, and your minimum monthly payment. Each month you must pay in cash, money order, or certified funds, at least the minimum monthly payment shown on your statement by the due date indicated. You may, of course, pay more frequently, pay more than the minimum payment, or pay the New Balance in full. If you make extra payments or larger payments in one month, you are still required to make at least the minimum payment each month your account has a balance. The minimum payment is comprised of all earned Finance Charges, plus 5% of the outstanding principal balance, plus the amount of any prior minimum payment that you have not paid. **AS THIS LINE OF CREDIT HAS A HIGH INTEREST RATE, YOU ARE ENCOURAGED TO PAY AS MUCH AS YOU CAN EACH MONTH TO REDUCE THE AMOUNT YOU OWE.**
- 3. APPLICATION OF PAYMENTS.** Your payments will be applied in the following manner: If your payment is large enough, we will apply it to paying your New Balance in full. If your payment is greater than your New Balance, we will apply the excess to any new cash advances occurring after the Closing Date shown on your billing statement. If there is any excess beyond these amounts, the excess will be shown as a credit balance on your next billing statement for which you may by written request get a refund. If your payment is less than the New Balance, we will apply the payment first to any unpaid Finance Charge with the balance, if any, to the remaining balance.
- 4. NO GRACE PERIOD.** There is no grace period on any transaction or outstanding balance on this Motor Vehicle Equity Line of Credit.
- 5. CALCULATION OF FINANCE CHARGES.** We figure the FINANCE CHARGE on your account by applying the periodic rate of 25% (this is an ANNUAL PERCENTAGE RATE of 300%) to the "average daily balance" of your Account (including current transactions). To get the average daily balance, we take the beginning balance of your Account each day, add any new cash advances, and subtract any payments or credits and unpaid Finance Charges. This gives us the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the average daily balance.
- 6. OTHER CHARGES.** You agree to pay us an Annual Membership Fee of \$50.00. The Annual Membership Fee is charged on a yearly basis for each full or partial year for which your Account remains open. This fee is not refundable and is not prorated. The first Annual Membership Fee will be charged to your Account on the first monthly billing statement sent to you. So long as your Account is open, the Annual Membership Fee will be charged to your Account yearly on the anniversary date of the same billing cycle in which it was first charged. Further, you agree to pay us the fee(s) paid by us to any governmental agency to record our lien on your certificate of title to perfect our interest. For motor vehicles titled in the Commonwealth of Virginia this fee is \$6.00. We will credit your Account for the Annual Membership Fee if you close your Account by calling the branch location where your Account was opened within 30 days after the mailing of the monthly statement on which the Annual Membership Fee appears. You may continue to use your Account during this period; however, if you use or maintain a balance on your Account thereafter, you will have to pay the Annual Membership Fee.
- 7. SECURITY INTEREST.** You hereby grant us a security interest pursuant to the Uniform Commercial Code in the Motor Vehicle, all accessories and accessions to the Motor Vehicle, and all proceeds related thereto, including all insurance proceeds or refunds of insurance premiums related to the Motor Vehicle (all such property is herein referred to as "Collateral").
- 8. RIGHT TO REAPPRAISE COLLATERAL, REQUEST INCOME INFORMATION; AND DUTY TO INFORM ABOUT CHANGE IN CIRCUMSTANCES.** The credit limit established for your Account is based upon your income and upon the value of the Collateral. You agree we have the right to reappraise the Collateral and/or demand proof of your current income from time to time upon reasonable notice. You further agree we have the right to increase or lower your credit limit based upon the condition of the Collateral and/or your current income. You agree to provide access to the collateral at the location where this Agreement was executed during normal business hours and within a reasonable amount of time after demand. You further agree to immediately inform us of any significant change in circumstances regarding your income or the value or condition of the Collateral, including but not limited to, any damage occurring to the Collateral or any significant change in its mechanical condition.
- 9. ADDITIONAL REPRESENTATIONS AND WARRANTIES.** You represent and warrant that you have the right to enter into this Agreement, are at least 18 years of age, and understand that no credit insurance is offered with this Agreement. You represent and warrant that the Collateral is not stolen, has no liens or encumbrances against it, and that you will not attempt to transfer any interest in the Collateral or seek a duplicate certificate of title to the Collateral until any balance is paid in full and you close your account. You further represent that while any balance remains unpaid, you will not permanently remove the Collateral from your current state of residence. You will notify us immediately in writing of any change of your residence address or telephone number.

10. DEFAULT. You will be in default under this Agreement: (i) if you fail to make any required payment within 10 days after the Payment Due Date; (ii) if you fail timely to comply with or perform any other obligation under this Agreement; (iii) any representation or warranty made by you to us is false or misleading; (iv) if you begin, or if any other person puts you in a bankruptcy, insolvency or receivership proceeding; or (v) if you die.

11. OUR RIGHTS IN THE EVENT OF DEFAULT. If you are in default under this Agreement, we may, at our option, do any one or more of the following: (i) declare the whole outstanding balance due on your Account immediately due and payable and proceed to collect it; (ii) foreclose upon our lien and liquidate the Collateral securing this Agreement according to law, including using self-help repossession; (iii) close your Account or lower your credit limit; (iv) exercise all other rights, powers and remedies given by law; and (v) recover from you all charges, costs and expenses, including all collection costs and reasonable attorney's fees incurred or paid by us in exercising any right, power or remedy provided by this Agreement or by law.

12 REPOSSESSION OF THE MOTOR VEHICLE/REDEMPTION/SALE OF THE MOTOR VEHICLE. Repossession means that, if you are in default under this Agreement, we can take the Motor Vehicle from you. To take the Motor Vehicle, we can enter your property or the property where the Motor Vehicle is stored so long as it is done peacefully. If the Motor Vehicle is repossessed, you have the right to get it back (redemption) by paying the entire amount you owe under this Agreement (not just the past due payments) plus the cost of taking and storing the Motor Vehicle and any other expenses that we have incurred. We will send you a written notice of sale at least fifteen (15) days before selling the Motor Vehicle. If you do not redeem the Motor Vehicle by the date shown on such notice, we can sell it. We will use the net proceeds of sale to pay all or part of your indebtedness to us. The net proceeds of sale means any charges for taking and storing the Motor Vehicle, cleaning and advertising, repairing if necessary, and any reasonable attorney's fees and court costs will be subtracted from the selling price. If you owe us less than the net proceeds of sale, we will pay you the difference unless we are required to pay it to someone else. If you owe more than the net proceeds of sale, you will continue to owe this amount.

13. JOINT LIABILITY. If more than one person signs this Agreement, each of you is jointly and severally liable. We may enforce our rights against one of you without affecting our rights as to the others. We may also release one of you without releasing the others.

14. CANCELLATION. You may cancel your Account at any time to avoid additional Annual Membership Fees being charged by notifying us in writing that you wish for your Account to be closed and by paying the entire New Balance reflected on your last statement prior to the due date reflected on that statement plus any additional Cash Advances made to you. In addition to our right to cancel your Account upon default, we may suspend making future cash advances on your Account at any time and in our sole discretion if we in good faith believe that we are in jeopardy of not being repaid as agreed by giving written notice to you, provided that if such suspension is made pursuant to this paragraph. You will be allowed to repay any remaining balance over time pursuant to this Agreement.

15. AMENDMENTS. We can change any of the terms of this Agreement, including the method of computing all Finance Charges and the applicable Annual Percentage Rate at any time. If we do, however, we will mail you written notice of the change(s) at least 15 days before they become effective. If we make changes to this Agreement and you do not agree with these changes, you must notify us in writing within fifteen (15) days and you must pay us with such notice the entire outstanding balance of your Account. If you do not take these actions you will have agreed to the change(s) in the notice. Any change(s) which become(s) effective as to you will apply to all then outstanding unpaid indebtedness on your Account, including all cash advances obtained prior to the effective date of the change(s).

16. GENERAL. (i) You agree to deposit a duplicate set of keys to the Collateral upon execution of this Agreement; (ii) you agree to pay us a returned check fee of \$25.00 each time we accept a check from you, despite our not being under the obligation to do so, if such check is not honored for any reason; (iii) you shall bear the entire risk of loss or damage to the Collateral while it is in your possession; (iv) you agree to indemnify and hold us harmless from any and all claims for property damages or personal injuries arising from your operation of the Collateral, including but not limited to, all judgments, attorney's fees, court costs and any incurred expenses; (v) time is of the essence of this Agreement; and (vi) 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 an parties.

17. PARAGRAPH HEADINGS; WAIVER; GOVERNING LAW; ENFORCEABILITY. The paragraph headings in this Agreement are for convenience only and do not limit any of its provisions. You agree that if we grant any waiver, modification or other indulgence of any kind at any time, it shall apply only to the specific instance involved and will not act as a waiver, modification or indulgence for any other or future acts, event or condition. We may delay enforcing any of our rights under this Agreement without losing them. This Agreement shall be construed, applied and governed by the laws of the Commonwealth of Virginia. The unenforceability or invalidity of any portion of this Agreement shall not render unenforceable or invalid the remaining portions hereof.

18. FAIR CREDIT REPORTING ACT NOTICE. Applicable law permits us to share information with third parties about our credit and account history with you. Applicable law also permits us to share additional information about you and your accounts with companies related to us by common ownership or control ("Affiliates"). We provide this additional information to our Affiliates so that you may receive special offers and promotions from our Affiliates. You may request that we not furnish this additional information (other than credit and account history) to our Affiliates by writing us at: 123 Anywhere Street Virginia Beach Virginia 78272. Please include your name, address, telephone number, Account number (if known), and social security (tax identification) number. Please allow a reasonable period of time for your request to take effect.

19. Important Notice Regarding Customer Privacy. We collect non-public personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates, or others;
- Information we receive from a consumer reporting agency.

We do not disclose any non-public personal information about our customers or former customers to anyone except to our Affiliates and nonaffiliated third parties working on our behalf as provided by law. We restrict access to non-public personal information about you to those employees who need to know that information and to our affiliates and nonaffiliated third parties working on our behalf to provide products and services to you, to administer your account, or to collect any money or collateral due us. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard this non-public personal information.

20. ARBITRATION AGREEMENT PROVISION INCLUDING WAIVER OF JURY CLASS ACTION PARTICIPATION. Arbitration is a method of deciding disputes outside the court system. This arbitration provision governs when and how any claims or disputes you and we may have will be arbitrated instead of litigated in court.

THIS ARBITRATION PROVISION MAY SUBSTANTIALLY LIMIT OR AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY!

KEEP THIS PROVISION OR A COPY FOR YOUR RECORDS.

Certain Definitions. Certain capitalized words used in this Arbitration Provision have special meanings:

When used in this paragraph, "We", "Us", and "Our" do not mean just Johnson's Title & Payday Loan (the "Lender"), but also include: (1) any parent company of the lender, (2) all companies owned by, controlled by or under common ownership or control with the parent company or the Lender, and (3) all of the employees or other individuals who manage or own these companies. Finally, if either you or we elect to arbitrate any Claim you bring against us, these terms include any other persons or companies who you make Claims against in the same proceeding.

"Claim" means any dispute, claim or controversy between you and us (including those raised as an initial claim, counterclaim, cross claim, or third party claim) that arises as a result of or has anything at all to do with: (1) your Motor Vehicle Equity Line of Credit Account, (2) this Agreement, (3) any prior loan, line of credit or agreement you may have had with us or (4) your relationship with us including our attempts to collect your obligation or to repossess the Collateral securing the Account. This term includes (a) disputes relating to any products, including club memberships, or any services offered to you by us, (b) disputes about whether this Arbitration Provision is valid or binding or about whether or when it applies, (c) disputes relating to constitutional provisions, statutes, ordinances, regulations, court decision, compliance with this Agreement, (d) disputes relating to wrongful acts of every type (whether intentional, fraudulent, reckless, or just negligent) and (e) any claim or request for injunctive or declaratory relief. This Arbitration Provision applies to claims that arise prior to the effective date of this Arbitration Provision. However, the term "Claim" does not include our right to enforce our security interest and to obtain possession of the Collateral by seeking a replevin judgment or by using self-help, provided such an action seeks only possession of the Collateral and not a personal monetary judgment against you.

"Administrator" means the American Arbitration Association, JAMS or the National Arbitration Forum. These companies administer arbitration proceedings. The arbitrator will be selected under the Administrator's rules. You can select the Administrator if you give us written notice of your selection with your notice that you are electing to arbitrate any claim or within 20 days after we give you notice that we are electing to arbitrate any claim. If you do not select the administrator on time, we will select one. If for any reason the administrator you or we select is unable or unwilling to serve or continue to serve as administrator, you will have 20 days to select a different administrator.

Starting an Arbitration. You or we can give written notice to the other of an intention to begin arbitration of a Claim or Claims or to require arbitration of the other party's Claim or Claims. This notice can be given by one party even if the other party has begun a lawsuit. If such a notice is given, any Claim will be resolved by arbitration under this Arbitration provision and the Administrator's Rules that are in effect at the time the Claim is filed with the Administrator. The arbitrator must be a lawyer with more than 10 years of experience or a retired judge. A copy of the Claim form may be obtained from the Administrator or from us. A party who has asserted a Claim in a lawsuit may still elect arbitration with respect to any Claim that is later asserted in the same lawsuit by any other party. All doubts about whether to arbitrate a Claim shall be resolved in favor of arbitration.

If we initiate arbitration, we shall pay the entire amount of filing fee and any required deposit required by the Administrator. If you initiate arbitration, you shall pay the first \$125.00 of such costs, and we will pay the remainder. Any arbitration shall take place in the district of your residence or in the district in which this Agreement was executed, at your option. If you cannot afford to pay the fees charged by the Administrator or if you believe that the fees will be prohibitively expensive or excessive, we will entertain in good faith any reasonable written request by you for us to pay or reimburse you for all or part of such fees. Each party shall bear the expense of that party's attorney's, experts, and witnesses, regardless of which party prevails in the arbitration, unless applicable law gives the party the right to recover any of those fees from the other party.

We will not elect to arbitrate an individual Claim that you bring against us in "small claims" court either as an initial claim or counterclaim provided that claim does not seek judgment in an amount greater than \$2,500.00. However, we may elect to arbitrate a "small claims" court Claim that is later sent or appealed to any different court.

IMPORTANT LIMITATIONS

Waiver of Right to Jury Trial

IF ARBITRATION IS CHOSEN BY EITHER OF US WITH RESPECT TO A CLAIM, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO LITIGATE THAT CLAIM IN COURT OR HAVE A JURY TRIAL ON THAT CLAIM, OR TO ENGAGE IN PRE-ARBITRATION DISCOVERY EXCEPT AS PROVIDED FOR IN THE APPLICABLE ARBITRATION RULES OR BY THIS ARBITRATION PROVISION. EXCEPT AS SET FORTH BELOW, THE ARBITRATOR'S DECISION WILL BE FINAL AND BINDING. NOTE THAT OTHER RIGHTS THAT YOU MAY HAVE IF A CLAIM WAS INITIATED IN COURT MAY NOT BE AVAILABLE IN ARBITRATION. THE FEES CHARGED BY THE ARBITRATOR MAY BE HIGHER THAN THE FEES CHARGED BY A COURT. THESE SAME LIMITATIONS APPLY TO US.

Class Action Limitations

FURTHER, IF ARBITRATION IS CHOSEN BY EITHER OF US WITH RESPECT TO A CLAIM, YOU MAY NOT PARTICIPATE IN A CLASS ACTION OR A CLASS-WIDE ARBITRATION, EITHER AS A REPRESENTATIVE OR MEMBER OF ANY CLASS OR CLAIMANTS PERTAINING TO ANY SUCH CLAIM OR ACT, EVEN IF SUCH CLASS ACTION IS PENDING ON THE EFFECTIVE DATE OF THIS ARBITRATION PROVISION. EXCEPT THAT THIS ARBITRATION PROVISION WILL NOT PRECLUDE YOUR PARTICIPATION IN A CLASS WHICH HAS ALREADY BEEN CERTIFIED ON THE EFFECTIVE DATE OF THIS ARBITRATION PROVISION AND WHICH RELATES TO CLAIMS ARISING FROM A PRIOR AGREEMENT YOU HAD WITH US, AS LONG AS SUCH CERTIFICATION SURVIVES ANY AND ALL APPEALS.

Unless a class is certified prior to the effective date of this Arbitration Provision and the certification survives any and all appeals, you acknowledge that you will be giving up your right to participate as a member of any such class if we decide to arbitrate your Claim. This means that you will not be able to obtain financial and other benefits that may ultimately be paid to or conferred upon members of any such class.

THERE SHALL BE NO AUTHORITY FOR CLAIMS TO BE ARBITRATED ON A "CLASS ACTION" BASIS. CLAIMS BROUGHT BY ANY BORROWER MAY NOT BE JOINED TO CLAIMS BROUGHT BY ANOTHER BORROWER.

APPLICATION OF FEDERAL ARBITRATION ACT. This Arbitration Provision is made pursuant to a transaction involving interstate commerce, and shall be governed by the Federal Arbitration Act ("FAA"). 9 U.S.C. § 1 et seq. The arbitrator shall apply applicable substantive law consistent with the FAA and applicable statutes of limitations. This Arbitration Provision shall survive any default as well as the repayment of all amounts borrowed from us, any legal proceeding by us to collect a debt owed by you, and any bankruptcy, to the extent consistent with applicable bankruptcy law. If any portion of this Arbitration Provision is deemed invalid or unenforceable, it shall not invalidate the remaining portions of this Arbitration Provision or the Agreement.

CONTACTING ARBITRATION ADMINISTRATION. If you have a question about the arbitration administrators mentioned in this Arbitration Provision or would like to obtain a copy of their arbitration rules or fee schedules, you can contact them as follows: JAMS, 45 Broadway, 28th Floor, New York, NY 10005, www.jamsadr.com, (800) 352-5267; American Arbitration Association, 335 Madison Avenue, New York, NY 10017, www.adr.org, (800)778-7879; National Arbitration Forum, P. O. Box 501291, Minneapolis, MN 55405, www.arb-forum.com (800) 474-2371.

21. **YOUR BILLING RIGHTS** – Keep this Notice for Future Use. This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

NOTIFY US IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR BILL.

If you think your bill is wrong, or if you need more information about a transaction on your bill, write to us on a separate sheet as soon as possible at the address listed on your bill. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. Please provide the following information:

1. Your name and account number.
2. The dollar amount of the suspected error.
3. Describe the error and explain if you can, why you believe there is an error. If you need more information, describe the item you not sure about

If you have authorized us to pay your bill automatically from your savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment, your letter must reach us three business days before the automatic payment is scheduled to occur.

YOUR RIGHTS AND OUR RESPONSIBILITIES AFTER WE RECEIVE YOUR WRITTEN NOTICE.

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct. After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. If we find that we made a mistake on your bill, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date it is due. If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within 10 days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is. If we do not follow these rules, we can't collect the first \$50.00 of the questioned amount, even if your bill was correct.

Borrower's Signature

Date

Lender's Agent's Signature

Date

Co-Borrower's Signature

Date