

**Founders Federal Credit Union**

737 Plantation Rd.
Lancaster, SC 29720
(800) 845-1614

**SECURITY AGREEMENT AND
ADVANCE RECEIPT**

| | | |
|--|--|--------------------------------------|
| BORROWER'S/OWNER'S NAME AND ADDRESS Joshua D Boyce | | DATE 03/21/2019 |
| CO-BORROWER'S/OWNER'S NAME AND ADDRESS | | ACCOUNT NUMBER *****874 06 |
| NON-BORROWER OWNER'S NAME | | |

SECURITY INFORMATION

THE FOLLOWING PROPERTY IS GIVEN AS COLLATERAL TO SECURE THE DEBT DESCRIBED HEREIN. THE ADVANCE IS ALSO SECURED BY BORROWER'S SHARES, ALL PROPERTY SECURING OTHER PLAN ADVANCES AND LOANS RECEIVED IN THE PAST OR IN THE FUTURE:

| | | | | | |
|------------------------------|---|---------------------|---|-------------------------|---|
| SHARES PLEGDED: | ACCOUNT NUMBER | AMOUNT | ACCOUNT NUMBER | AMOUNT | |
| | | \$ | | | |
| | ACCOUNT NUMBER | AMOUNT | ACCOUNT NUMBER | AMOUNT | |
| | | \$ | | | |
| | ACCOUNT NUMBER | AMOUNT | ACCOUNT NUMBER | AMOUNT | |
| | | \$ | | | |
| MOTOR VEHICLES: | YEAR 2015 | MAKE JEEP | MODEL CHEROKEE | BODY TYPE SUV | SERIAL NUMBER OR VIN 1C4PJMB5FW780312 |
| | VALUE \$ 23,925.00 | | AMOUNT OF LIEN (TOTAL OF PAYMENTS) \$ 25,602.29 | | |
| | YEAR | MAKE | MODEL | BODY TYPE | SERIAL NUMBER OR VIN |
| | VALUE \$ | | AMOUNT OF LIEN (TOTAL OF PAYMENTS) \$ | | |
| | | | | | |
| OTHER COLLATERAL: | AMOUNT OF LIEN (TOTAL OF PAYMENTS) \$ | | | | |
| | AMOUNT OF LIEN (TOTAL OF PAYMENTS) \$ | | | | |

CREDIT INFORMATION

| | | | |
|---|---|--|---|
| ANNUAL PERCENTAGE RATE: The cost of your credit as a yearly rate. 3.5000% * | FINANCE CHARGE: The dollar amount the credit will cost you. \$2,599.76 | Amount Financed: The amount of credit provided to you or on your behalf. \$23,002.53 | Total of Payments: The amount you will have paid after you have made all payments as scheduled. \$25,602.29 |
|---|---|--|---|

- ☐ *Share/Certificate Secured: If checked, this is a share or certificate secured loan and the Annual Percentage Rate for share/certificate secured advances will be the dividend rate being paid on share/certificate(s) offered as security (Index) plus a margin of **0.0%** %. If there is an existing balance on the date of the new advance, the existing balance will be added to the new advance and the entire balance will be at the new APR. The APR shall be subject to an increase or decrease at the time the dividend rate on your pledged shares/certificate(s) changes. Share dividend rate changes shall be at the sole discretion of Founders Federal Credit Union. The certificate must be renewed until the advance is completely paid. Any increase will take the form of higher payment amounts. EXAMPLE: If your loan was \$10,000 at 6% for 120 months and the rate increased to 6.50% after 3 years, your monthly payment would increase by \$1.83.
- ☐ *Prime Rate: If checked, the Annual Percentage Rate disclosed above may increase or decrease during the term of this transaction if the highest rate of interest identified as the 'Prime Rate' in the 'Money Rates' column of the Wall Street Journal increases or decreases. The Annual Percentage Rate will be equal to the Prime Rate plus a margin of ____%. Rates can change annually on the anniversary of the loan date following a change in the Prime Rate. Any increase will take the form of higher payment amounts. EXAMPLE: If your loan was \$10,000 at 6% for 120 months and the rate increased to 6.25% after 3 years, your monthly payment would increase by \$0.91.

Your payment schedule will be:

| | | |
|---------------------------------|---------------------------------------|--|
| NUMBER OF PAYMENTS 73 | AMOUNT OF PAYMENTS \$347.00 | WHEN PAYMENTS ARE DUE 04-20-2019 |
| 1 Final Payment | \$271.29 | MONTHLY 05-20-2025 |

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 a payment is received more than 15 days after the due date, you will be charged 5% of the scheduled payment amount on each said installment subject to a minimum of \$5.00 and a maximum of \$25.00

Filing Fees:
\$

Property Insurance: You may obtain property insurance from anyone you want that is acceptable to us. If you do not obtain property insurance we will obtain it at your cost.

Required Deposit Balance: The Annual Percentage Rate does not take into account your required deposit balance.

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.

| | | | | | |
|--|---------------------|---|-------------------------------------|--|---------------------------------|
| ITEMIZATION OF AMOUNT FINANCED OF | \$23,002.53 | Amount Paid to Others on Your Behalf (Describe) | | | |
| AMOUNT GIVEN TO YOU DIRECTLY | \$ 22,593.53 | GAP To: (a portion will be retained by us) 399 | Title Fees \$45.00 | Repair Agreement \$0.00 | Carfax \$10.00 |
| AMOUNT PAID ON YOUR ACCOUNT | \$ 0 | | | | |
| PREPAID FINANCE CHARGE | \$ | | | | |

| | |
|--|-------------------------------|
| BORROWER'S NAME Joshua D Boyce | ACCOUNT NUMBER *****874 06 |
|--|-------------------------------|

Debt Protection: Thank you for purchasing optional debt protection on your Consumer Lending Plan. The Total Estimated Fee for this loan is \$ 0.00 , and is included in the payment schedule disclosed on page 1 of this document. We will retain a portion of this amount.

Authentication and Signature (Loans and Obligations to the Credit Union). All borrowers and owners of collateral hereby authorize the credit union or its agents to file, execute, sign, authenticate and take all other actions it deems necessary or proper in said parties' name(s) and stand with regard to the said parties' obligations to sign, file or obtain any lien, evidence of lien, financing statement, certificate of title or other security instrument it deems necessary to the attachment or perfection of your lien rights in any Collateral pledged to secure the borrower's obligations to the Credit Union as well as any additional collateral it may require under the terms of the Agreement and any alternate collateral it agrees to accept; or sale of such collateral in the event of default, which authority includes any modification, amendment, continuation or refinancing.

By signing below, Borrower agrees to abide by the terms of the Credit Agreement and all owners GRANT TO THE CREDIT UNION A SECURITY INTEREST IN THE PROPERTY DESCRIBED ABOVE and agree to abide by the terms of the Security Agreement. This pledge of security is governed by the attached Security Agreement. Property given as security for this loan or for any other loan will secure all amounts you owe the Credit Union now and in the future. This includes a security interest in all your shares in the Credit Union. However, for purposes of this advance, the Credit Union specifically waives any security interest it may have in your dwelling as explained in the Security Agreement. Non-purchase money household goods will not secure future advances. By signing below, Non-Borrower Owner agrees to abide by the terms of the Security Agreement and grants to the Credit Union a security interest in the property described above.

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.

| | | |
|--|---|--------------|
| <input checked="" type="checkbox"/> BORROWER/OWNER | <input type="checkbox"/> NON-BORROWER/OWNER | DATE |
| <input checked="" type="checkbox"/> Joshua D Boyce | | Mar 21, 2019 |
| <input type="checkbox"/> BORROWER/OWNER | <input type="checkbox"/> NON-BORROWER/OWNER | DATE |
| <input checked="" type="checkbox"/> | | |

| | | |
|---|---|------|
| <input type="checkbox"/> BORROWER/OWNER | <input type="checkbox"/> NON-BORROWER/OWNER | DATE |
| <input checked="" type="checkbox"/> | | |
| SECURED PARTY SIGNATURE (IF REQUIRED) | | DATE |
| <input checked="" type="checkbox"/> Megan B McManus | | |

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

MEGAN B MCMANUS

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 of this advance you are a member of the military or a dependent (as those terms are defined in the Military Lending Act, 10 U.S.C. 987 and its implementing regulations), and: (a) your advance is unsecured or secured by personal property or a vehicle that you did not purchase with the proceeds of the advance; or (b) this advance is made for the purchase of a vehicle or personal property, and you also receive additional "cash out" financing (e.g., to pay off negative equity on a trade-in or you otherwise receive additional cash).

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 1-800-845-1614 during our normal business hours.
2. This advance will not be secured by a consensual lien on shares or deposits in any of your accounts unless you specifically agree to establish an account in connection with this advance ("Secured Account"). Only funds deposited into the Secured Account after the advance is made will secure this advance. Any cross-collateralization provision contained in your credit or membership 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, with regard to this advance, we still reserve our statutory lien rights and any resulting 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 advance. Any contract terms in your credit, security, or membership agreements that contradict the above with regard to this advance are hereby deleted.
3. Your advance is not subject to mandatory arbitration and therefore any reference to mandatory arbitration in this Credit Agreement and Security Agreement shall not apply to your advance.
4. If you are a Louisiana resident, the Louisiana-specific provisions contained in the Security Agreement do not apply to your advance.

"YOU" OR "YOURS" MEANS EACH PERSON WHO SIGNED THIS SECURITY AGREEMENT ON PAGE 1. "WE" OR "OURS" MEAN THE CREDIT UNION NAMED ON PAGE 1 OF THIS SECURITY AGREEMENT. "BORROWER" MEANS THE BORROWER NAMED ON PAGE 1 OF THIS SECURITY AGREEMENT.

SECURITY AGREEMENT

Security Interest: Description of Collateral By signing this Security Agreement, and/or by accessing, using, or otherwise accepting any funds, accounts or services under Borrower's Consumer Lending Plan, you grant us a security interest in all goods, property, or other items purchased under this Plan (hereinafter referred to as "Collateral") either now or in the future, or in any other property given in connection with the Plan. Any required description of the Collateral shall appear on the Advance Receipt or similar document and is hereby incorporated by reference. The security interest includes all increases, substitutions and additions to the Collateral, proceeds from any insurance on the Collateral and all earnings received from the Collateral. 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 you buy within 10 days of the Advance or any extensions, renewals or refinancing of the Advance. If the value of the Collateral declines, you promise to give us more security if asked to do so. You also agree to abide by the terms of the Security Agreement and any Advance Receipt or similar document.

CONSENSUAL PLEDGE of SHARES; Consensual Lien; Statutory Lien; Right to Set-off; Administrative Freeze: By signing this Security Agreement, you grant us, and we impress, a lien on your shares in the Credit Union. We also have similar statutory lien rights in your shares under the Federal Credit Union Act and/or applicable state law, as well as the common law right to set-off and administrative freeze. "Shares" and "share accounts" means any and all funds, regardless of the source of those funds, in any joint or individual account held and whether your obligation under the account(s) is direct, indirect, contingent or secondary and whether held now or in the future. Your pledge and our lien rights do not

include any IRA, Keogh or other account which would lose special tax treatment if pledged, or any irrevocable trust or fiduciary account in which you do not have vested ownership interest. If you default, we may apply the funds in your share accounts to any obligations you owe us, without any legal process, court proceeding or any notice to any owner of the affected share accounts, unless applicable law so requires. You specifically agree that we have the right to place an administrative freeze on any of your share accounts subject to applicable law, and such action shall not violate 11 USC 362 or other applicable law. These rights are multiple and we can exercise one or all of them.

CROSS-COLLATERALIZATION: Property and/or shares given as security under this Plan or for any other loan Borrower has with us will secure any and all advances under this Plan as well as any account owner's joint or individual obligations to us, now or in the future, whether direct, indirect, contingent or secondary and arising from any loan or credit agreement, insufficient fund items; fees; cost, expenses, reasonable attorney's fees, or otherwise. However, property securing another debt will not secure advances under this Plan if such property is your primary residence, or are non-purchase money household goods.

Release of Lien: We will not release any lien on any collateral if Borrower is delinquent on, or in default on, any subaccount under this Plan. For example, if you are in default of your line of credit subaccount, we will not release our lien on a vehicle loan, even if the vehicle loan is current or paid in full.

"YOU" OR "YOURS" MEANS EACH PERSON WHO SIGNED THIS SECURITY AGREEMENT ON PAGE 1. "WE" OR "OURS" MEAN THE CREDIT UNION NAMED ON PAGE 1 OF THIS SECURITY AGREEMENT.
 "BORROWER" MEANS THE BORROWER NAMED ON PAGE 1 OF THIS SECURITY AGREEMENT.

No Liability for Dishonor: We shall not have any liability relating to the dishonor or other return of any check or other item occurring as a result of us exercising our lien rights or good-faith freezing of your accounts.

Ownership of the Collateral: If you are granting a security interest in property you already own, you promise that the property is free of all security interests except that given to us or disclosed prior to the advance. You promise that you have informed us of any and all co-owners of the Collateral and/or any other person with an interest in or claim against the property. If you are using the advance proceeds to buy the property that shall be used as Collateral, you shall use those advance proceeds for the sole purpose of buying that Collateral. You shall not sell or lease the Collateral or use it as security for a loan with another creditor until the advance is repaid. You shall not allow another security interest or lien to attach to the Collateral either by your actions or by operation of law.

Protecting the Security Interest: You shall take any steps necessary for us to perfect our security interest in the Collateral. If asked to do so, you shall sign a financing statement or similar instrument to perfect our security interest and/or to protect our security interest from the claims of others.

Use and Maintenance of Collateral: Until the advance has been paid in full, you agree to (1) use the Collateral carefully and for the purpose it was intended and keep it in good repair; (2) Obtain our written permission before making material changes to the Collateral or changing the address where the Collateral is kept; (3) allow us to inspect the Collateral; (4) Promptly notify us if the Collateral is damaged, stolen or abused; (5) Not use the Collateral for any unlawful purpose; (6) pay all taxes, assessments and liens regarding the Collateral.

Notices: We may meet all requirements for sending you notice of any kind if we send it to you via United States mail, at your last given address. We may also meet this requirement by delivering these notices to you electronically if you have agreed to receive notices by electronic means.

Additional Advances: Any additional advances made by us for the payment of taxes or assessments or liens of any kind, or premiums on insurance and the interest owing thereon shall also be secured by this agreement. Such amounts shall be added to Borrower's loan balance and the minimum payment due shall be increased or your loan term extended accordingly.

Disposition of Collateral: If a default under the Plan occurs, we may repossess and sell the Collateral in a lawful manner. In such case, you will at our request assemble the Collateral and make it available to us at a place of our choosing, or we may enter the premises where the Collateral is kept and take possession, subject to applicable law. We may also render the Collateral unusable. If we decide to sell the Collateral at a public sale, private sale, or otherwise dispose of the Collateral, we will provide reasonable notice if required by law and will otherwise comply with applicable state law. If we sell or otherwise dispose of the Collateral we may collect from you reasonable expenses incurred in the retaking, holding and preparing the Collateral for and arranging the sale of the Collateral, as well as any deficiency balance as allowed under applicable law. We may also collect reasonable attorney's fees and legal expenses, permitted by applicable law, incurred in connection with disposition of the Collateral. We have certain rights and legal remedies available under the Uniform Commercial Code and other applicable laws, and we may use these rights to enforce payment if you default.

Attorney-in-Fact: You hereby appoint us as your Attorney-in-Fact to perform any acts which we feel are necessary to protect the Collateral and our security interest.

Survival of Obligations: This security agreement not only binds you, but your executors, administrators, heirs and assigns.

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 you are in default, we may seize and sell the motor vehicle without demand for payment or advance notice to you. 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, you hereby confess judgment in our favor for all amounts secured by the Plan, 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 advanced under the Plan. We may appoint a keeper of the property in the event of foreclosure. To the extent allowed under Louisiana law, you 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. You 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.

NOTICE FOR ARIZONA OWNERS OF PROPERTY: It is unlawful for you to fail to return a motor vehicle that is subject to a security interest within thirty days after you have received notice of default. The notice will be mailed to the address provided on this document unless you have given us a new address. It is your responsibility to notify us if your 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.

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, YOU MAY HAVE TO PAY THE DIFFERENCE.

PROPERTY INSURANCE; LENDER-PLACED INSURANCE - PLEASE READ CAREFULLY

(a) Your requirement to maintain property insurance. You are required to carry insurance to protect your interest and our 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 Plan.
- 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 we might otherwise inform you that we require.
- Must have a maximum deductible as set forth by us.
- Must be maintained in force for as long as the loan is outstanding.
- Must name us as loss payee. We must receive the loss payee endorsement within 30 days of your loan date.

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

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

- If you fail to maintain insurance satisfying the requirements set forth above, or if you fail to provide us proof of such coverage, we may, but do not have to, obtain insurance to protect our interest (not yours) 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 we incur, any commissions that may be earned, and other reasonable expenses related to your failure to maintain insurance. This cost will be paid by you either on demand, or by increasing your periodic payment, or by extending the loan term.
- Whether we obtain insurance, and the amount and types of coverage that we may obtain, is solely in our discretion. We may obtain this insurance from anyone we want, including an affiliate of ours, and such affiliate may earn a commission on the coverage.
- The insurance placed by us is without benefit to you personally, and is primarily for our protection. It may not adequately protect your 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 us may be considerably more expensive than coverage you could obtain on your own and may be different than previous policies you may have had or policies that you may prefer.
- Any insurance placed by us will be effective as of the date your policy lapsed or, if you never obtained insurance, the date of the loan.
- Nothing in this agreement is intended to confer third-party beneficiary rights or status to you with respect to any agreements between us and our insurer or its agent.

(c) How to remove lender-placed property insurance. You may have the lender-placed coverage cancelled at any time by providing evidence to us that you have purchased insurance coverage satisfying the requirements set forth above. If you do so, you will receive a refund of any unearned premiums and finance charges on the lender-placed coverages and your loan balance will be adjusted accordingly.

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

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

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CREDIT UNION AUTO PROTECTION PROGRAM DECLINATION OF COVERAGE

The Credit Union Auto Protection Program has been explained to me in conjunction with my automobile purchase.

I choose not to purchase the Mechanical Repair Agreement at this time with the full understanding that any repairs after the expiration date of the original factory warranty period shall be completely at my expense.

Member Signature *Joshua D. Boyce*

Joshua D. Boyce (Mar 21, 2019)

Date **Mar 21, 2019** **Joshua D Boyce**

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March 21, 2019

Please accept this notice as my authorization to release information to Founders Federal Credit Union regarding insurance coverage for a **2015 JEEP CHEROKEE 1C4PJMB5FW780312**.

This is also my authorization to list Founders Federal Credit Union as a loss payee.

Please note, Founders Federal Credit Union requires a maximum \$1,500 deductible to avoid lender-placed property insurance on the above referenced collateral.

Joshua D. Boyce
Joshua D. Boyce (Mar 21, 2019)

Mar 21, 2019

Joshua D Boyce
524 E Ryan Road
OAK CREEK, WI 53154

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Consumer and Credit Card

APPLICATION, DISCLOSURES, AND PROGRAM AGREEMENT for PAYMENT PROTECTION PLAN

| BORROWER 1 NAME | BORROWER 2 NAME | LOAN/ACCOUNT NUMBER | DATE OF LOAN |
|-----------------|-----------------|---------------------|--------------|
| Joshua D Boyce | | *****874 06 | |

This Product is Optional. Your purchase of the Debt Protection Plan ("Plan") is optional. Whether or not you purchase this protection will not affect your application for credit or the terms of any existing credit Plan you have with Founders Federal Credit Union ("us" or "we").

Termination of the Plan. You have the right to terminate the Plan at any time. If you terminate within 30 days of enrollment, we will refund any fees paid. We have the right to terminate the Plan by giving you written notice at least 30 days in advance of the termination. See the "Termination of the Plan and Change in Terms" section for other ways the Plan may terminate.

Benefits May Be Denied. Even if you are eligible to purchase this Plan, there are eligibility requirements, conditions, and exclusions that could prevent you from receiving Payment cancellations under the Program. This Plan will provide you with a complete explanation of all eligibility requirements, conditions, and exclusions for the Plan. **Example:** If you received medical treatment within the 6 months before enrolling, and you become disabled for that condition within the 6 months after enrolling, you will not qualify for Disability Payment cancellations (this is called a "pre-existing condition").

| I Elect: (Check only one box) | Cost: | |
|--|--|--|
| | Lines of Credit: monthly cost per \$100 of outstanding loan balance | Closed-End Loans: estimated total fee |
| PLATINUM: Loss of Life: Cancels loan balance up to \$50,000 Disability: Cancels up to 12 payments Involuntary Unemployment: Cancels up to 6 payments | <input type="checkbox"/> Single - Borrower 1: \$0.378 <input type="checkbox"/> Joint: \$0.715 | \$ <input type="checkbox"/> Single - Borrower 1 <input type="checkbox"/> Joint |
| PREMIUM: Loss of Life: Cancels loan balance up to \$50,000 Disability: Cancels up to 12 payments | <input type="checkbox"/> Single - Borrower 1: \$0.244 <input type="checkbox"/> Joint: \$0.464 | \$ <input type="checkbox"/> Single - Borrower 1 <input type="checkbox"/> Joint |
| PRIMARY: Loss of Life: Cancels loan balance up to \$50,000 Involuntary Unemployment: Cancels up to 6 payments | <input type="checkbox"/> Single - Borrower 1: \$0.197 <input type="checkbox"/> Joint: \$0.370 | \$ <input type="checkbox"/> Single - Borrower 1 <input type="checkbox"/> Joint |
| BASIC: Loss of Life: Cancels loan balance up to \$50,000 | <input type="checkbox"/> Single - Borrower 1: \$0.064 <input type="checkbox"/> Joint: \$0.121 | \$ <input type="checkbox"/> Single - Borrower 1 <input type="checkbox"/> Joint |
| Payment Cancellation Maximums | | |
| Disability Payment cancellations are limited to a maximum of \$12,000, per each occurrence, per each protected Borrower, and per each loan. | | |
| Involuntary Unemployment Payment cancellations are limited to a maximum of \$3,000, per each occurrence, per each protected Borrower, and per each loan. | | |
| Application Eligibility: | | |

Only Borrower 1 is eligible to apply for single protection. Co-signers, guarantors, and non-borrower owners of collateral are not eligible to apply.

To be eligible to apply, I must meet the following conditions. By signing this Application, I am stating that:

1. I am under age 70;
2. If applying for Disability or Involuntary Unemployment protection: I am presently working 25 or more hours per week;
3. If applying for Involuntary Unemployment protection: I am not self-employed.

180-Day Waiting Period: Involuntary unemployment that occurs within the first 180 days after your Effective Date will not be covered.

Borrowers' Signatures

☒ No, I do not wish to apply for the voluntary Plan at this time.

Yes, I want to purchase the Plan. My signature below means: (a) I have received a copy of this Application, Disclosures, and Program Plan and agree to the terms of this Plan; (b) I authorize the Plan fees to be added to my loan payment each month; and (c) my election above will remain in effect, according to the terms of this Plan, unless subsequently modified. This document is a part of my credit contract.

Borrower 1 signs if applying for single protection. Both borrowers sign if applying for joint protection.

| | |
|--|----------------------|
| Borrower 1 Signature <i>Joshua D. Boyce</i> Joshua D. Boyce (Mar 21, 2019) | Date Mar 21, 2019 |
| Borrower 2 Signature (if applying for joint protection) | Date |

BENEFIT CHART - REQUIREMENTS, CONDITIONS, AND EXCLUSIONS

The following describes the types of Protected Events, the amounts cancelled, and the exclusions and conditions that apply:

| Protected Event | You qualify for Payment cancellations if: | Number of Payment cancellations and amount*: | You will not receive Outstanding Balance or Payment cancellations if: |
|---------------------------------|---|--|--|
| Loss of Life | If you die during the term of this Plan, you will be eligible for cancellation of your Outstanding Balance. | For each protected borrower, we will cancel the amount of the Outstanding Balance as of the date of death, up to \$50,000, if the protected borrower dies before the end of the month in which he or she reaches age 70. If two protected borrowers die at the same time, we will cancel the lesser of the Outstanding Balance or \$100,000. | 1. Your death: a. is due to suicide committed within the first 12 months of protection; b. is due to an intentionally self-inflicted injury; c. is due to a Pre-existing Condition; d. is caused by or results from an atomic explosion or any other release of nuclear energy (except when used solely for medical treatment); e. occurs after the end of the month during which you reach age 70; f. is due to the commission of a felony. |
| Disability | During the term of this Plan, you are disabled, which means you: 1. are not working at any job, or a combination of jobs, for 25 hours or more per week; 2. are unable to engage in the significant duties of your occupation for at least 30 consecutive days; 3. are under the regular care and treatment of a physician; and 4. are not working at any job (or combination of jobs) paying you an income equal to or exceeding 80% of the wages you were earning from your full-time employment immediately preceding the date you become disabled. | 1. Once you are disabled for 30 days, we will cancel one Payment as of your Monthly Anniversary Date. Thereafter, we will cancel one monthly Payment for each month that you remain disabled on your Monthly Anniversary Date for up to 12 total Payment cancellations. Your Monthly Anniversary Date is the numerical date of the month on which you become disabled. Example: Suppose you become disabled on April 4. If you are still disabled on the Monthly Anniversary Date of May 4, we will cancel one monthly payment, and each additional monthly payment thereafter for each month you remain disabled on your Monthly Anniversary Date. 2. Payment cancellations will immediately stop if: a. you recover or return to work; or b. the loan is paid off, refinanced with a different lender, or discharged. 3. Maximum Payment cancellation: \$12,000 over the term of the loan, per each Protected Event, per each protected Borrower, and per each loan. | 1. Your disability: a. is due to an intentionally self-inflicted injury; b. is due to a normal pregnancy; c. is due to a Pre-existing Condition; d. is caused by or results from an atomic explosion or any other release of nuclear energy (except when used solely for medical treatment); e. occurs after the end of the month during which you reach age 70; f. is due to the commission of a felony; or 2. Within the first 2 years after you apply, we find you were not eligible when you applied. |
| Involuntary Unemployment | During the term of this Plan, you: 1. Involuntarily lose your full-time employment, and you are not working at any job, or a combination of jobs, for 25 hours or more per week; and 2. You are receiving state or railroad unemployment benefits.** **If you are still unemployed after reaching your maximum state or railroad benefits, you must be registered with a state employment office or otherwise recognized employment agency to continue having payments cancelled. **If you reside in a state or territory without unemployment benefits, you must be registered with a recognized employment agency in order to continue having payments cancelled. | 1. Once you are involuntarily unemployed for 30 days, we will cancel one Payment as of your Monthly Anniversary Date. Thereafter, we will cancel one monthly Payment for each month that you remain unemployed on your Monthly Anniversary Date for up to 6 total Payment cancellations. Your Monthly Anniversary Date is the numerical date of the month on which you become unemployed. Example: Suppose you become involuntarily unemployed on April 4. If you are still unemployed on the Monthly Anniversary Date of May 4, we will cancel one monthly payment, and each monthly payment thereafter for each month you remain unemployed on your Monthly Anniversary Date. 2. Payment cancellations will immediately stop if: a. your unemployment benefits are discontinued for any reason other than reaching the maximum benefit allowed; | 1. You retire; 2. You quit or resign your employment for any reason; 3. You lose your employment due to: a. commission of a felony; b. a normal, routine or seasonal lay-off or shut-down; 4. Your unemployment occurs after the end of the month during which you reach age 70 5. Within the first 2 years after you apply we find you were not eligible when you applied. 6. Your involuntary unemployment occurs within the first 180 days after your Effective Date. |

| Protected Event | You qualify for Payment cancellations if: | Number of Payment cancellations and amount*: | You will not receive Outstanding Balance or Payment cancellations if: |
|-----------------|---|--|---|
| | Involuntary Unemployment includes honorable discharge from active duty service by the United States Armed Forces. | b. you regain employment; or c. the loan is paid off, refinanced with a new lender, or discharged. 3. Maximum Cancellation: \$3,000 over the term of the loan, per each Protected Event, per each protected Borrower, and per each loan | |

***Additional Conditions:**

- If the Monthly Anniversary Date is the 29th, 30th, or 31st, the Monthly Anniversary Date will be the last day of the month in months in which there is no 29th, 30th, or 31st day.
- Payment Cancellations will not be provided under one Protected Event if you are currently receiving Payment cancellations under another Protected Event.
- Additional Disability Payment cancellations will not be provided if you suffer another disability while you are already receiving Disability Payment cancellations.
- The 4th column above applies to the Outstanding Balance and any advances under a revolving line of credit.

GENERAL PROVISIONS

How do I obtain benefits and verify a Protected Event under the Plan?

Contact the Plan Administrator, Minnesota Life, a Securian Financial company at 1-800-328-9442 or visit our Benefit Service Center at www.Securian.com/benefits. To obtain benefits under the Plan, you must notify us of a Protected Event within 30 days or as soon as possible, but no later than six (6) months after the occurrence of the Protected Event, and provide any documentation or information required by us at the time of your claim and/or throughout the period for which Payments are being cancelled. You must be able to verify the Protected Event to our satisfaction. If your delay in filing a claim prevents us in any way from determining eligibility under the Plan, no benefit will be issued.

What if I suffer a recurrence of the same or related Protected Event?

If you incur a claim for the same type of Protected Event again within twelve (12) months after you have recovered or returned to full-time work, we will consider this a continuation of the prior event. (For disability, however, this only applies if you are disabled due to the same condition.) This means that the maximum number of Payment cancellations per occurrence for the prior event will still apply; if that maximum was already reached, no benefits will be issued. If you incur a claim for the same type of Protected Event again more than twelve (12) months after you have recovered or returned to full-time work, we will consider this a new event and the terms and conditions of the Plan apply as if no prior event occurred. This provision applies whether you return to work full-time with the same or different employer.

What is the status of my loan following the occurrence of a Protected Event?

During the time it takes to process your request for benefits, you are responsible for making your monthly payment by the due date. Once benefits begin, you are responsible for any difference between the minimum payment due on the loan and the amount that is cancelled.

What if the term of my loan ends while I am receiving Payment cancellations under the Plan?

Regardless of the number of Payment cancellations you may otherwise be entitled to, Payment cancellations will cease if the loan is paid off, refinanced with a new lender, sold or transferred, or discharged for any reason.

How can the Plan be terminated?

Termination with notice. You may terminate this Plan at any time by writing us with at least 5 days advanced notice at Founders Federal Credit Union, 737 Plantation Road, Lancaster, SC 29720. If you do so within thirty (30) days of your enrollment in the Plan, we will credit your loan account for any fees charged for this protection.

We can terminate this Plan by giving you written notice at least thirty (30) days in advance of the termination. Termination by us or you will be effective on the first of the month following termination. Fees for the month in which notice of termination is received will still be due and collected from the loan payment.

Termination by us or you will be effective on the first of the month following termination. Fees for the month in which notice of termination is received will still be due and collected from the loan payment.

Termination without notice. Your Plan participation will terminate without advance notice if (1) your loan is paid off, refinanced with a new lender, sold or transferred, or discharged for any reason; (2) required loan payments are past due by 90 days or more; if you bring your loan current after your Protection has been terminated for delinquency, protection will be reinstated automatically; (3) you fail to pay the Plan Fee; (4) when you reach age 70 or die. If either borrower dies, any death benefits available will be paid, subject to the terms of this Plan, and the protection for that borrower will terminate; or (5) the protected Outstanding Balance is paid off under the terms of the Plan or all maximum Payment cancellations are reached.

Can the Plan Fee and terms of this Plan Change?

Yes. We can change the terms of this Plan, including the rates, at any time. If we do so, you will be provided prior notice and an opportunity to cancel your Plan.

What are the tax implications?

You may be subject to federal, state and local taxes on the amount of your cancelled loan payment or balance. You should consult your tax advisor. We or the Plan Administrator do not provide you with guidance on the tax implications, if any, of a cancelled debt.

Governing Law

This contract is governed by the laws of the State of South Carolina.

What if I have questions about the Plan?

Telephone us at 1-800-845-1614 or write to us at Founders Federal Credit Union, 737 Plantation Road, Lancaster, SC 29720 if you have any questions regarding this Plan.

Definitions

ADVANCE means each extension of credit we provide to you under a loan.

BORROWER means a person who is obligated to repay the advance to us, either principally or jointly and severally. It does not include guarantors.

EFFECTIVE DATE means that date on which your Plan becomes effective, which is the later of: (1) the date you enroll in, and your eligibility is approved for, the Plan; or (2) the date of your first advance under a protected open-end credit plan.

FULL-TIME EMPLOYMENT OR EMPLOYED FULL-TIME means actively working for income 25 hours or more per week.

OUTSTANDING BALANCE AND PAYMENT: "Outstanding Balance" means the outstanding loan balance as of the date a Protected Event occurs. "Payment" means the minimum monthly loan payment scheduled under your loan Plan. Outstanding Balance and Payment both refer to the protected amount under the Plan and include principal, interest, the Plan fee and any amounts which the creditor and borrower agreed to finance as part of the loan at the time the credit is extended. It does not include late fees or other fees; real estate taxes or property insurance premiums; or any amount that represents defaults in scheduled payments of either interest or principal. A scheduled lump-sum Balloon payment will only be protected if the Protected Event cancels the Outstanding Balance. Additionally, any advance taken during any period of Involuntary Unemployment or Disability will not be protected and the payment for that advance will not be cancelled. You will be responsible for re-paying any amounts that are not cancelled.

PRE-EXISTING CONDITION: This means a condition for which you received medical treatment or advice or had diagnostic tests for the same or related condition in the 6 month period prior to the Effective Date or an advance under a line of credit. This exclusion only applies if the Protected Event begins within the 6 months after the Effective Date or within the 6 months after an advance under a line of credit.

Example: if you break your leg within the 6 months before the Effective Date or an advance under a line of credit, and you become disabled because of that broken leg within 6 months after the Effective Date or advance, we will not make any Payment cancellations. However, if you become disabled 7 months after the Effective Date or advance, we will make Payment cancellations as described in the Benefit Chart.

This is Not an Insurance Policy

This Plan is not a policy of insurance and you will not receive cash benefits. This Plan is between you and us as your creditor. Under this Plan, we will cancel your loan balance or payments if you qualify for such cancellation(s) under the terms of this Plan. If your claim is approved by us, we will cancel your balance or loan payments in accordance with this Plan. We have hired Minnesota Life Insurance Company to administer claims on our behalf, but they are not a party to this Plan.



PAYMENT AUTHORIZATION AGREEMENT

If you would like your payment to draft automatically from a Founders account, please indicate your account number and whether you would like the draft from your checking or savings account, sign and return this form.

If you do not wish to have your payment drafted, please indicate below and return.

☒ I/we do not wish to have my/our loan payment drafted from our Founders Federal Credit Union account.

I/we hereby authorize Founders Federal Credit Union to:

☐ Draft my/our loan payment(s) from my/our account number: _____

☐ Cancel my/our draft(s) for loan payment(s) from account number: _____

☐ Checking Account

☐ Savings Account

☐ Money Management Account

Funds deposited to this account are from:

☐ Cash deposits and/or direct deposit of payroll from my employer

☐ Direct deposit of Social Security benefits or other Government benefits

This authority is to remain in full force and effect until Founders Federal Credit Union has received written notification from me/us of its termination in such time and in such manner as to afford Founders Federal Credit Union a reasonable opportunity to act on it.

Loan Account Number(s): *****874 Suffix(es) 06 _____

Account Owner's Name: Joshua D Boyce

Joshua D. Boyce
Joshua D. Boyce (Mar 21, 2019)

Signature

Mar 21, 2019

Date

For Credit Union Use Only: Payment Method (**select one**) ☐ T ☐ K

Date file maintenance completed: 3/21/2019

Form accepted by: **MBM**

Branch **EBRANCH**

MBM

Changes completed by: **MEGAN B MCMANUS**

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