

## ROSEMEAD FUNDING LLC

### LOAN AGREEMENT, PROMISSORY NOTE AND SECURITY AGREEMENT

**THIS AGREEMENT CONTAINS AN ARBITRATION CLAUSE (THE "CLAUSE"). BY ENTERING THIS AGREEMENT, UNLESS IOPT OUT OF THE CLAUSE, IWILL WAIVE CERTAIN RIGHTS TO RESOLVE DISPUTES. READ THE ARBITRATION CLAUSE CAREFULLY.**

<b>Lender:</b> Rosemead Funding LLC 2525 East Workman Avenue West Covina, CA 91791		<b>Loan Date:</b>  <b>Loan Number:</b>  <b>California Finance Lender License #:</b> 60DBO100528	
<b>Borrower:</b>		<b>Co-Borrower:</b>	
<b>Motor Vehicle Year:</b>	<b>Motor Vehicle Make:</b>	<b>Motor Vehicle Model:</b>	<b>Motor Vehicle ID #</b>

In this Loan Agreement, Promissory Note and Security Agreement (the "Note"), "I", "me" and "my" mean each Borrower and Co-Borrower who signs this Note. "Lender", "you" and "your" refer to Rosemead Funding. "Loan" means the loan made by Lender to Borrower under this Note pursuant to the California Financing Law, Division 9 (commencing with Section 22000) of the Financial Code. "Vehicle" means the motor vehicle described above. This Loan is made primarily for personal, family or household purposes.

**FOR INFORMATION OR COMPLAINTS, CONTACT THE DEPARTMENT OF BUSINESS OVERSIGHT, STATE OF CALIFORNIA, AT 1-866-275-2677 OR WWW.DBO.CA.GOV.**

#### FEDERAL TRUTH-IN-LENDING DISCLOSURES

<b>ANNUAL PERCENTAGE RATE</b>  The cost of my credit as a yearly rate.	<b>FINANCE CHARGE</b>  The dollar amount the credit will cost me.	Amount Financed  The amount of credit provided to me or on my behalf.	Total of Payments  The amount I will have paid after I have made all payments as scheduled.
Payment Schedule:		My payment schedule will be:	
<b>Number of Payments</b>	<b>Amount of Payments</b>	<b>When Payments Are Due (each a "Payment Due Date") *</b>	
<p>* If the first payment is due on the 29th or 30th day of the month, payments in subsequent months will be due on the same day (or the last day of February, as applicable). If the first payment is due on the 31st day of the month, payments in subsequent months will be due on the last day of the month.</p> <p>Security: I am giving a security interest in the Vehicle identified above. Lien Filing Fee: \$15.00</p> <p>Late Fee: \$15 for any payment not paid in full by the 15<sup>th</sup> day following the Payment Due Date for such payment</p> <p>Prepayment: Lender will not charge a prepayment penalty/charge if I pay all or part of the principal balance before the date on which the principal is due.</p> <p><i>See the remainder of this document for additional information about non-payment, default, any required repayment in full before the scheduled date, and prepayment penalties.</i></p>			

Itemization of Amount Financed:	
Amount given to me directly:	\$ _____ .00
<u>Plus</u> : Amount paid on my account with Lender (loan # N/A _____ ): <u>Plus</u> :	\$ _____ .00
Amount paid to public official for Lien Filing Fee	\$15.00
<u>Plus</u> : Amounts paid to other parties on my behalf	
Payment to:	\$
Payment to:	N/A
<u>Equals</u> : Amount Financed/Principal Loan Amount	\$ _____ .__

**Agreed Rate of Charge under the California Finance Lenders Law**  
 Following are the monthly and annual interest rates charged on the unpaid principal balance:  
 Monthly Rate: \_\_\_\_\_%      Annual Rate: \_\_\_\_\_%  
 See the provisions of this Note below for further information about interest calculations.

- 1. Promise to Pay; Co-Borrower Obligations:** I promise to pay Lender, or to Lender's order, at such place as Lender designates in writing from time to time, the principal sum of \$ \_\_\_\_\_ plus interest. I also promise to pay all other fees and charges expressly provided in this Note. Payments are due and payable in the amounts and on or before the Payment Due Dates set forth in the Payment Schedule above. If this Note is signed by more than one Borrower, each Borrower agrees to be liable to Lender jointly, and each Borrower will also be liable to Lender individually, for the Loan and other obligations under this Note. Time is of the essence.
- 2. Interest Application of Payments; Prepayment:** Interest will accrue daily on the outstanding principal balance. The interest rate is \_\_\_\_\_% per year. Interest accrues from and after the Loan Date identified above until the Loan is paid in full. Interest accrues based upon the number of days elapsed over a year having 365 days. In the event of acceleration of maturity, calculations for each elapsed day are based upon a daily factor of 1/365 of a year. Interest is calculated and charged as permitted by Cal. Fin. Code § 22308. Interest shall continue to accrue on past due amounts as permitted by California law. If any finance charge or other fee is held invalid, the remainder shall remain in effect. Payments are applied first to recovery fees and charges (if any), then to the Administrative Fee, then to accrued fees and charges, then to accrued and unpaid interest, and then to unpaid principal. The Payment Schedule and Finance Charge calculations shown above assume that all payments will be made in full and on the Payment Due Dates. Early payments and prepayments may decrease the amount of finance charge owed, and late or incomplete payments will increase the amount of finance charge owed. Borrower may prepay any amount owed under this Note in whole or in part at any time without incurring an additional charge or penalty.
- 3. Usury Savings Clause:** Lender does not intend to charge or receive any rate or charge higher than California law allows. The rate and charges under this Note will never exceed the highest lawful rate or charge. Lender will promptly refund or credit to my Loan any unlawful excess amount. Lender will reduce any excessive rate or charge to the maximum lawful rate or charge.
- 4. Administrative Fee:** I agree to pay an Administrative Fee of **\$75.00**. Lender earns the Administrative Fee at the time the Loan is made, and it is not refundable except as expressly provided in Section 7 below.
- 5. Loan Funding and Payment; Refinance:** Lender will fund the proceeds of the Loan by check. Lender may offer other funding methods in its discretion. I may make payments to Lender during Lender's normal business hours at the location at which I obtained this Loan. Lender accepts payments by cash, cashier's check, money order, debit card or other method specified by Lender from time to time. Lender does not accept personal checks or credit cards. Lender may agree to refinance this Loan in its sole discretion. As a condition to any refinance, I must pay to Lender the minimum refinance payment amount, satisfy Lender's other underwriting criteria for refinances, and enter into a new Installment Loan Agreement, Promissory Note and Security Agreement with Lender.
- 6. Lien Filing Fee; Delinquency Fee:** Lender charges the Lien Filing Fee identified above to place its lien on the Vehicle. On any installment not paid in full on or before the 15th day following the applicable Payment Due Date therefor, Lender may impose a delinquency fee in an amount equal to **\$15.00**. Lender may collect only one late fee per delinquent scheduled payment.
- 7. Right to Cancel:** I may cancel this Note, without cost, no later than the close of business on the first business day after the Loan Date, by returning the Loan proceeds to Lender at the store at which I obtained the Loan. Upon the timely cancellation and return of the Loan proceeds, Lender will credit my account for any accrued interest and cancel the Loan. If I do not cancel this Note in compliance with this Section 7, the Loan and this Note remain in full force and effect.
- 8. Collateral; Security Agreement; Co-Owner Obligations:** To secure this Note and the prompt payment and performance of my obligations hereunder, I grant to Lender a security interest in the Collateral. "Collateral" means the Vehicle and all Vehicle improvements, attachments, insurance proceeds and refunds and sale proceeds. But "Collateral" does not include any non-purchase money household goods (as defined in 16 C.F.R. Part 444), or other

consumer goods that I may acquire more than ten days after giving value unless such consumer goods are installed in or affixed to the Vehicle. I am a lawful owner of the Collateral. The Collateral is not stolen. The Collateral has no liens. Lender may file any documents and take any actions to ensure Lender's security interest in the Collateral. If Lender asks, I will sign other documents and take other actions to support Lender's security interest.

As a condition to Lender making this Loan, any co-owner of the Vehicle who is not a Borrower under this Note must execute a separate Co-Owner Consent, Grant of Security Interest, and Arbitration Agreement to grant to Lender a security interest in the Vehicle. Any co-owner who is not a Borrower under this Note shall not be personally obligated to Lender for satisfying Borrower's obligations under this Note.

9. **Promises About the Vehicle; Risk of Loss:** At all times during the term of this Note, until all amounts due under this Note are paid in full, I promise and agree as follows: (a) I will keep the Vehicle in good condition and repair and will pay all costs of maintaining the Vehicle; (b) I will pay all taxes and charges relating to the Vehicle; (c) I will not abuse the Vehicle or permit anything to be done to the Vehicle that will reduce its value, other than normal wear and use; (d) I will not allow damage, destruction, theft, loss or impound of the Vehicle; (e) I will tell Lender immediately if the Vehicle is damaged, destroyed, stolen, lost or impounded; (f) I will not use the Vehicle for illegal or business purposes or for hire or lease; (g) I will let Lender inspect the Vehicle from time to time; (h) I will not sell or transfer any interest in the Collateral; (i) I will not remove the Vehicle from the U.S. without Lender's written consent; (j) I will not permanently remove the Vehicle from my home state without Lender's written consent; (k) I will tell Lender immediately if I move or change my telephone number; (l) I will not move the Vehicle from the address shown on the first page of this Note to a new permanent place of garaging without first notifying Lender; (m) I will not get or try to get another title to the Vehicle; and (n) I will not allow any other liens on the Vehicle.

I am liable for Vehicle damage and loss. I hold Lender harmless for all claims and costs arising from my using the Vehicle. This includes all judgments, attorneys' fees, court costs and expenses.

10. **Events of Default:** I will be in default under this Note if (a) I fail to make any payment when due, (b) I fail to satisfy any other promise or performance obligation hereunder, or (c) the prospect of payment, performance, or realization of the Collateral is significantly impaired.

11. **Lender's Rights After Default; Limited Recourse; Collection Costs:** Lender's rights upon default are cumulative and not exclusive. Upon default, unless I timely cure such default, Lender may declare the entire unpaid balance of this Note and all accrued unpaid interest and any other charges permitted by law or this Note immediately due and payable, and I agree to pay that amount. In addition, I will have to pay this Note according to its original terms even if you and I agree to refinance or renew this Note, or extend it for any length of time or revise its terms. If Lender extends the time for payment or make any other accommodation, such extension or accommodation does not suspend or impair Lender's remedies or rights. Upon default Lender may take possession of the Vehicle with or without judicial process as allowed by California law. Borrower may voluntarily surrender possession of the Vehicle to Lender any time after default. If Borrower voluntarily surrenders the Vehicle, Lender may accelerate maturity of the Note and enforce the Note and the security interest in the Vehicle at any time after default. In the absence of fraud by Borrower, if Lender repossesses and sells the Collateral, Lender will not pursue Borrower personally in a legal action for repayment of the Loan. If I am in default of my obligations under this Note, I agree to pay Lender reasonable attorney fees and collection costs to the extent permitted by law.

12. **Vehicle Repossession:** If Lender repossesses the Vehicle, the following applies:

a. *Notice.* Lender will send Borrower a notice that tells Borrower how to buy back (redeem) the Vehicle. This means Borrower will have to pay the total balance on this Note and other amounts due. Subject to the limitations of California law, Borrower may also have the right to reinstate this Note. If Borrower has this right, Lender's notice will explain how to reinstate this Note. Lender's notice will include other information required by law.

b. *Redemption.* Borrower may buy back (redeem) the Vehicle at any time before Lender sells the Vehicle. If Borrower does not reinstate this Note or redeem the Vehicle before Lender sells it, Borrower gives up all claims to the Vehicle.

c. *Sale.* If Borrower does not reinstate this Note or redeem the Vehicle, Lender will sell the Vehicle and give Borrower notice of the sale as required by California law. The money received at sale will be used to pay expenses listed in paragraph 5 below, and then to pay Borrower's other obligations under this Note.

d. *Surplus or Deficiency.* If there is money left, Lender will pay it to Borrower. If there is not enough money from the sale to pay what Borrower owes under this Note, Lender may require Borrower to pay what is still owed hereunder.

e. *Expenses.* To the extent permitted by law, Borrower agrees to pay Lender's costs of repossessing and selling the Vehicle.

13. **Waivers: If Lender delays or does not enforce its rights every time, Lender can still do so later. I waive presentment, demand for payment, notice of intent to accelerate, notice of acceleration, protest, and notice of dishonor. Lender need not sue or show diligence in collecting against me or others. Lender need not go against the Vehicle. Lender may require that any Borrower pay the whole Loan without asking anyone else to pay. Lender may sue any Borrower without giving up any of its rights**

against any other Borrower. Lender may sue with a person without joining or suing others. Lender may release or modify a person's liability without changing other persons' liability.

14. **Communications and Correspondence:** Send all correspondence to Lender to Rosemead Funding, 2525 East Workman Avenue, West Covina, CA 91791, (address) (the "**Notice Address**"). Send all correspondence to me to my address above or any other address I give to Lender in writing (the "**Borrower Address**"). This Section 14 covers all correspondence between Lender and Borrower, including correspondence after default or Borrower's bankruptcy.

15. **Notice and Cure:** Before suing about (i) Borrower's credit application, (ii) this Note, (iii) the Vehicle, or (iv) the Loan, each party agrees to do all of the following:

a. The party filing the dispute (the "**Claimant**") must tell all other parties (the "**Defending Party**") of the dispute (the "**Dispute Notice**"). Each Dispute Notice must describe the nature of the claim and relief requested. Each Dispute Notice must be written and, except for collections letters from Lender, must give at least 30 days to solve the dispute.

b. Claimant must mail Dispute Notices to the Notice Address for Lender and the Borrower Address for Borrower. Dispute Notices to Lender must include the Loan Number and Borrower's mailing address and phone number.

c. If Defending Party asks for more information about the dispute, Claimant must give it.

16. **Reporting to Credit Bureaus:** Lender may report information concerning my account and/or transactions with Lender to credit bureaus. Late payments, missed payments or other defaults on my account may be reflected in my credit report.

17. **Important Information about Opening Accounts:** To help fight terrorism and money laundering, Lender must identify each person who opens an account. I must give Lender my name, address, date of birth and other requested information and documents, such as my driver's license.

18. **Confidentiality:** I have not requested confidentiality of my residence address and, by signing this Note, I waive the provisions of section 1808.21 of the California Vehicle Code. I authorize the Department of Motor Vehicles to furnish my current address to the holder of this Note until it is paid in full.

19. **Broker Acknowledgment:** I represent and warrant that no person has performed any act as a broker on my behalf in connection with this Note.

20. **Telephone Recording:** I agree that Lender may monitor and record any phone conversation I have with Lender.

21. **Time is of the Essence:** Time is of the essence with respect to all provisions of this Note.

22. **Severability:** If any provision of this Note is held invalid or unenforceable, such provision will be considered changed to the extent necessary to comply with law, and the validity or enforceability of any other provision will not be affected.

23. **Successors and Assigns:** This Note is binding upon my heirs and personal representatives in probate and upon anyone to whom I assign my assets or who succeeds me in any other way. Lender may assign all of its rights, title and interest under this Note at Lender's discretion. I may not assign my rights under this Note without Lender's written consent.

24. **Governing Law:** This Note and the Loan involve interstate commerce. This Note is governed by the laws of the State of California (including, specifically, the California Finance Lenders Law, Division 9, commencing with Section 22000 of the Financial Code).

25. **Litigation:** Either party may sue. I give up my right to:

1. Have juries decide Disputes.
2. Have courts, other than small claims courts, decide Disputes.
3. Serve as a private attorney general or in a representative capacity.
4. Join a Dispute I have with a dispute by other consumers.
5. Bring or be a class member in a class action or class arbitration.

Lender also gives up the right to a jury trial.

26. **Borrower Representations:** By signing this Note:

a. I promise that all information I gave to Lender in my application is true, complete and correct.

b. I have read, understand and agree to this entire Note, including the Federal Truth-In-Lending Disclosures and I agree to comply herewith and be bound hereby.

c. I have received an exact copy of this fully completed Note, all blank spaces in which had been completed before I signed.

- d. I am 18 years of age or older. I have full legal authority and capacity to sign this Note.
- e. I have received Lender's Privacy Policy.
- f. I am a rightful owner of the Vehicle.
- g. I am not a debtor in bankruptcy. I do not intend to file a federal bankruptcy petition.
- h. I have the ability to repay the Loan in accordance with its terms.
- i. I AM NOT a regular or reserve member of the Army, Navy, Marine Corps, Air Force, or Coast Guard, serving on active duty under a call or order that does not specify a period of 30 days or fewer (or a dependent of such a member).

27. **Entire Agreement:** This Note is the only agreement between Lender and me for this Loan. Lender and I have no oral agreements about the Loan. Lender and I may change this Note only by a writing signed by both of us.

<p><b>BORROWER:</b></p>  <p>_____</p> <p>Borrower Signature <span style="float: right;">Date</span></p>	<p><b>By signing this Note, Lender agrees to all of the terms and conditions of this Note.</b></p>
<p><b>CO-BORROWER:</b></p>  <p>_____</p> <p>Co-Borrower Signature <span style="float: right;">Date</span></p>	<p><b>LENDER:</b> Rosemead Funding LLC California Finance Lender License #: 60DBO100528</p> <p>By: _____</p>

THIS DOCUMENT IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF, AND PLEDGED AS COLLATERAL TO ROSEMEAD FUNDING LLC