

ADDITIONAL COLLATERAL LOAN AGREEMENT

This Additional Collateral Loan Agreement, hereafter "Agreement" is made and entered into on this _____ day of, 20____, by and between HUFF AUTO GROUP, (name of auto dealer), hereafter "Dealer" 2800 WILDWOOD AVE JACKSON MICHIGAN (address) and Jackson Community Federal Credit Union, a federal credit union, 408 East Ganson, Jackson, MI 49201, hereafter "JCFCU", collectively, the "Parties".

In consideration of JCFCU's agreement to loan money for the purchase of a vehicle from Dealer, the Parties incorporate and agree to be bound to the terms and conditions set forth below for the Additional Collateral Loan Program offered through JCFCU.

This Agreement shall be for JOE, of JOE, phone number: JOE. The loan from JCFCU for \$JOE (total sum) shall be for the purchase of a JOE (auto), VIN: JOE. The finance interest rate shall be 9.99% with a deposit to be put in escrow in accordance with this Agreement of \$JOE. The loan term shall be JOE months, with a monthly principal and interest payment of \$JOE.

Standard Additional Collateral Loan Program Terms & Conditions

WHEREAS the Parties desire to enter into this Agreement in order to provide for lending to individuals with credit problems or no credit in accordance with the Equal Credit Opportunity Act for those who might otherwise not qualify under standard traditional lending terms and conditions.

WHEREAS this Agreement is entered into to provide said funding at little or no risk to JCFCU;

WHEREAS JCFCU will provide lending to purchasers of vehicles through Dealer in order to finance said purchase on the terms and conditions as hereafter set forth; and

WHEREAS the Parties desire to enter into the terms and conditions for the Agreement as hereafter set forth.

NOW, THEREFORE, it is agreed between the Parties that the following loan terms & conditions shall apply:

Rate

1. The annual interest rate to be charged on all principal sums loaned shall be 9.99%

Term

2. The term length of any loan under this Agreement shall not exceed 36 months;

Loan Guideline

3. All loans made by JCFCU under this Agreement are hereby guaranteed 100% by Dealer. In entering into any loan under this Agreement, Dealer shall obtain information from the borrower including proof of income, confirmation of valid driver's license, and shall execute this Additional Collateral Loan Agreement between JCFCU and Dealer for Dealer compliance with the terms and conditions of the guarantee for the auto loan for the individual above-referenced.

Down Payment / Finance Amount

4. The retail price for the sale of the automobile for the above-referenced shall be determined by NADA Blue Book and shall not exceed the average retail price by more than 5% unless written confirmation is obtained confirming the vehicle sold has "value added" features which make that vehicle more valuable than the average retail price. ***If the exception is made to finance more than 105% G.A.P. Insurance will be required on the loan.*** In no case shall any sum financed for a vehicle exceed \$10,000.00, unless upon exception by both parties.

Tracking Device

5. All auto loans executed under this Agreement shall be secured by the installation by Dealer of a standard tracking device which shall have the ability to locate and disable any vehicle sold under this Agreement. The cost and expense of said tracking device shall be at the sole cost and expense of Dealer. Any decision to utilize the tracking device, including location and

implementation of the disabling mechanism, shall be at the sole and exclusive discretion of JCFCU. It is agreed between the Parties that the tracking device will be of the type that will not disable a vehicle sold under this Agreement while the vehicle is in motion.

Extra Key

6. Dealer shall provide an extra key to JCFCU for all vehicles sold under this Agreement which shall be kept in a sealed envelope to be opened under controlled situations upon default by the above-referenced vehicle purchaser.

Dealer shall provide in a prompt fashion to JCFCU the sealed envelope with a key for each vehicle sold under this Agreement.

Recourse

7. Dealer guarantees 100% of the loan balance to JCFCU subject to the following:

a. Dealer shall procure from each vehicle purchaser under this Agreement a deposit equal to 12% of the sum financed. Said deposit shall be delivered to JCFCU to be held as an escrow deposit.

b. The escrow deposit shall be held by JCFCU until such time as the loan is paid in full to JCFCU or until the vehicle is repossessed as hereafter set forth.

c. If the above-referenced vehicle purchaser defaults under the car loan agreement with JCFCU, the 12% escrow deposit shall be applied by JCFCU as a credit to the unpaid loan balance.

d. All repossessed vehicle shall be returned to Dealer.

e. Upon return and surrender of the repossessed vehicle to Dealer, Dealer shall immediately pay to JCFCU the remainder of the loan balance, including fees, costs and attorney fees, if any, and clear title shall be procured by the Parties and delivered back to Dealer for resale of the vehicle.

f. Dealer shall provide Dealer's owner's personal guarantee for all sums Dealer becomes financially obligated to JCFCU under this Agreement.

g. The terms and conditions of this Agreement shall additionally be in accordance with and subject to a separate Blanket Continuing Guaranty Agreement between Dealer and JCFCU.

Default

8. Any vehicle loan financed under this Agreement shall be considered in default if more than thirty (30) days past due. It is agreed between the Parties that upon default, the tracking device may be utilized by JCFCU and the vehicle disabled without notice to the above-referenced vehicle purchaser. Any and all costs associated with repossession, nonsufficient fund check collection and any and all other ancillary expenses shall be added to the loan balance and paid in accordance with the terms above set forth. Additionally, if the vehicle cannot be prepossessed after sixty (60) days joint effort by both Dealer and JCFCU, Dealer shall pay in full, including ancillary expenses set forth above, the loan to JCFCU in accordance with the terms hereof and JCFCU shall assign to Dealer all of JCFCU's right, title and interest in the loan agreement.

Insurance

9. Prior to the sale of any vehicle under this Agreement, Dealer shall procure and obtain proof of insurance from the vehicle purchaser which shall comply with the standard insurance requirements of JCFCU and which shall name Jackson Community Federal Credit Union as an additional insured. ***Deductibles for insurance shall not exceed \$500.00.*** Upon lapse of any insurance, a default may be declared by JCFCU and JCFCU may implement the tracking device to locate and disable the vehicle for repossession.

CPI Insurance shall not be allowed on any vehicle sold under this Agreement. If the Credit Union is required to apply CPI insurance the vehicle shall be disabled in accordance with that set forth above and shall thereafter be repossessed. In said circumstance, while the CPI Insurance is in force and damages occurs prior to repossession, Dealer shall have the option of retaking the vehicle for resale as referenced above or applying receipt of the CPI funds from the insurance company to repair the vehicle.

Dealer acknowledges and confirms its understanding that the condition of the vehicle in terms of damage at the time of repossession has no impact and shall not have any bearing upon the payoff due on the loan amount to the Credit Union, which sum shall be independent as to the vehicle itself.

Refinance

10. All vehicles financed under this Agreement shall not be eligible for further refinance or extension.

Deposit Requirement

11. All individuals who finance a vehicle purchased under the Agreement shall be required to become members of JCFCU and shall be required to maintain a minimum account balance at JCFCU equal to two (2) NSF fees.

Amendment

12. The Agreement shall not be amended, altered or terminated except by writing executed by each of the authorized representatives of each Party.

Headings

13. Heading used in the Terms and Conditions are included solely for convenience and have no bearing or other meaning.

Choice of Law and Venue

14. This Agreement shall be governed in all respects by the laws of the State of Michigan. Any judicial action brought under this Agreement shall be brought in the District or Circuit Courts for the County of Jackson, State of Michigan.

Waiver

15. A waiver by any Party of any breach or breaches of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach of any provision of this Agreement.

Binding Effect

16. This Agreement, inclusive of its terms and provisions, shall survive execution and shall be binding on and inure to the benefit of, and be enforceable by, the respective heirs, legal representatives, successors, and assigns of the Parties.

Equal Credit Opportunity Act

17. The Parties to this Agreement agree to abide by the Equal Credit Opportunity Act and shall not adversely consider any loan application under this Agreement based on an applicant's race, national origin, religion or creed.

AUTHORITY

18. Dealer covenants and affirms the individual signing below on behalf of Dealer is authorized and empowered by Dealer to sign on behalf of Dealer and Dealer acknowledges JCFCU's reliance on representation of said authority.

The undersigned agree and shall be bound to the terms and conditions set forth above in accordance with the Additional Collateral Loan Program Terms and Condition.

Exceptions to this loan agreement are: **NOW IS THE TIME FOR ALL GOOD MENT OT COME THE AIDE OF THERE PARTY**

, DEALER

Dated: **JOE**

By: _____

Its: _____

JACKSON COMMUNITY FEDERAL CREDIT UNION

Dated: **JOE**

By: _____

Its: _____