

Section A. Student Information (Please use black or blue ink, and do not use correction fluid.)

1. Student Last Name Student First Name MI 2. Date of Birth / /
MM DD YYYY 3. Social Security Number - -

4. Permanent Home Street Address (No PO Box)
City State ZIP Code

5. Temporary / In-School Street Address
City State ZIP Code

6. Phone Consent
By providing your phone number(s), you authorize Discover and its affiliates and agents to contact you at such number(s) using any means of communication, including, but not limited to, calls to your mobile device using an automated dialing device, prerecorded messages, and/or SMS text messages regarding current or future inquiries, applications, and/or accounts owned or serviced by Discover and its affiliates and agents even if you will be charged by your mobile service provider(s).
In addition, by selecting "Yes" below and signing this application, you consent to receive offers and promotions on products and services using any means as described above.
 Yes No

Primary Phone Number (include area code) - - Land Line Mobile

Alternate Phone Number (include area code) - - Land Line Mobile

7. E-mail Address 8. Do You Have a Checking or Debit Account? Yes No 9. Do You Have a Savings, IRA or Money Market Account? Yes No 10. Citizenship (check one):
 US Citizen Permanent Resident International Student

11. Gross Monthly Income \$ If no income while in school, please enter 0.
You do not need to reveal alimony, child support or maintenance if you do not wish to have it considered as a basis for loan repayment.

12. Requested Loan Amount \$

13. School Name 14. School Code (8 digits)

15. Interest Rate Type (check one): Fixed Variable
Loan Type (check one): Undergraduate Loan Health Professions Loan Law Loan MBA Loan Graduate Loan

16. Grade Level (check one): Undergraduate: Freshman Sophomore Junior Senior 5th Year or Greater
Graduate: 1st Year 2nd Year 3rd Year 4th Year or Greater

17. Enrollment Status (check one): Full Time Half Time Less than Half Time

18. Field of Study

19. Enrollment Period for This Loan (not to exceed 12 months) from / to /
MM YYYY MM YYYY 20. Anticipated Graduation Date / /
MM DD YYYY

Section B. Personal Reference

21. Reference Last Name Reference First Name MI 22. Primary Phone Number (include area code) - - 23. Alternate Phone Number (include area code) - -

Section C. Student Signature

Notice to Student Borrower

For purposes of this notice, "you" refers to the student borrower not the lender.

You, the student borrower, have reviewed and understand the information contained on this Application and Promissory Note, and you certify that the information you have provided is true and accurate to the best of your knowledge and belief. You have read and understand your responsibilities and rights as described on this Application and Promissory Note. You understand that your lender will be Discover Bank and that you will be legally obligated to the terms contained in this Application and Promissory Note, in accordance with the "HOW YOU AGREE TO THE TERMS OF THIS LOAN" section. You also understand that you may be required to obtain an eligible cosigner.

You certify that you have been accepted for enrollment or are enrolled in a graduate educational program or a 4- or 5-year undergraduate educational program. By preparing, signing, and submitting this application, you request that we, Discover Bank, make an education loan in the amount and on the terms described on this Application and Promissory Note. You authorize us to check and investigate the information you have provided on this application, including, but not limited to, obtaining a credit report from one or more consumer credit reporting agencies. You authorize us to electronically transmit the proceeds of this loan to the school directly if this is the method preferred by the school. You authorize us to release information regarding any of your outstanding education loans with us to members of your immediate family.

- a) Do not sign any of your loan documents before you read them, including the writing on any subsequent pages, even if otherwise advised;
- b) Do not sign any of your loan documents if they contain any blank spaces;
- c) You are entitled to an exact copy of any agreement you sign;
- d) You have the right at any time to pay in advance without penalty the unpaid balance due under this agreement and you may be entitled to a partial refund of the finance charge;
- e) Caution – it is extremely important that you thoroughly read the contract before you sign it.

24. Signature of Student

25. Date / /
MM DD YYYY

Please return completed form to: Discover Student Loans • PO Box 30947 • Salt Lake City, UT 84130-0947

Promissory Note

THIS PROMISSORY NOTE CONTAINS AN ARBITRATION PROVISION. UNLESS YOU ACT PROMPTLY TO REJECT THE ARBITRATION PROVISION, ARBITRATION CAN HAVE A SUBSTANTIAL IMPACT ON YOUR RIGHTS, INCLUDING YOUR RIGHT TO A JURY TRIAL AND YOUR RIGHT TO PURSUE OR PARTICIPATE IN A CLASS ACTION LAWSUIT. YOU MAY REJECT THE ARBITRATION PROVISION AS EXPLAINED IN SECTION U (ARBITRATION OF DISPUTES) BELOW.

A. PARTIES:

The words "we," "our," and "us" mean Discover Bank. The words "Borrower," "you," and "your" refer to the Student and any Cosigner. The "Student" is the student whose education the loan is used to finance. The "Cosigner" is another person, other than the Student, who agrees to be bound by all of the terms and conditions of this Note. When this loan is made, both the Student and any Cosigner will be liable, individually and together, for the full amount of the loan, plus interest and other charges. The "School" is an institution of higher education that we approve and that the Student attends or will attend.

B. OTHER DEFINITIONS:

"Principal" is the amount disbursed to you or on your behalf as disclosed on the Final Disclosure. **"Capitalization"** is the addition of accrued and unpaid interest to the outstanding principal balance of a loan made under this Note. After we capitalize interest, interest will accrue on the new principal balance, including the capitalized interest.

"Deferment Period" is the period of a loan made under this Note during which you are not required to make any payments of principal or interest. The Deferment Period will begin on the date the loan is first disbursed and will end six months after you cease to be enrolled at the School at least half-time for undergraduate loans or nine months after you cease to be enrolled at the School at least half-time for graduate loans. If you have more than one loan with us, you consent and agree that we may extend the Deferment Period for any of your loans to expire at the end of the longest Deferment Period for any of your loans.

"Final Disclosure" is a Truth-in-Lending document that we will provide to you as required by federal law prior to your first loan disbursement.

"Note" is this Application and Promissory Note for a private education loan.

"Repayment Period" is the period of a loan made under this Note during which you are required to make payments. The Repayment Period will begin on the day after the Deferment Period ends. The Repayment Period will be for 180 months for undergraduate loans or 240 months for graduate loans. The Repayment Period may be shortened or extended as described in Section I (INTEREST) and Section J (REPAYMENT TERMS AND CAPITALIZATION OF INTEREST) below. If you have more than one loan with us, you consent and agree that: 1) we may extend the Repayment Period for any of your loans to expire at the end of the longest Repayment Period for any of your loans; and 2) we may send you a single statement with a single minimum payment amount that will fully amortize your loans over the adjusted Repayment Period. The length of the Repayment Period is subject to limitations on the period of repayment under applicable law.

C. IDENTITY VERIFICATION:

To help the government fight the funding of terrorism and money-laundering activities, federal laws require all financial institutions to obtain, verify, and record information that identifies each person who applies for a loan. When you apply for a loan, we will ask for your name, address, date of birth, Social Security

number, and other information and documents that will allow us to identify you.

D. CONSUMER CREDIT REPORTS:

We may request your consumer credit report from one or more consumer credit reporting agencies to evaluate your application and at any time before you repay your loan in full. If you ask, we will tell you if we requested a consumer credit report and give you the name and address of the consumer credit reporting agency that provided it. We may report information about your loan to consumer credit reporting agencies, such as late payments, missed payments, or other defaults on your loan that may reflect in your consumer credit report. If you believe we have reported inaccurate information about your loan to a consumer credit reporting agency, or if you believe you have been the victim of identity theft in connection with this loan, write to us at **Discover Student Loans, PO Box 30947, Salt Lake City, UT 84130-0947** or another customer service address that we provide to you on a letter or statement. In your letter: 1) provide your name and the loan number; 2) identify the specific information that you are disputing; 3) explain the basis for the dispute; and 4) provide any supporting documentation that substantiates the basis for your dispute.

E. PRIVACY:

Our Privacy Policy includes a summary of the personal information we collect, when we may share it with others (including when we may share it with our affiliates for marketing purposes), how we safeguard the confidentiality and security of information, and the steps you may take to limit our sharing of such information with others. Our personnel may listen to or record phone calls between you and our representatives without notice to you as permitted by law. For example, we listen to calls for quality monitoring purposes. You agree that we may contact you about your loan by e-mail, using any e-mail address you have provided to us or that you provide to us in the future.

F. HOW YOU AGREE TO THE TERMS OF THIS LOAN:

With respect to each disbursement of loan proceeds, you agree to all the terms in this Note and the Final Disclosure when you consummate the loan by either: 1) endorsing a check that disburses such proceeds; or 2) using the proceeds or allowing someone to use the proceeds on your behalf without objection within 60 days of the disbursement. You are not bound to the terms in this Note until the loan is consummated.

G. DISBURSEMENT OF LOAN PROCEEDS:

We will decide how to disburse the loan proceeds. We can disburse loan proceeds by: 1) making one or more checks payable jointly to you and to the School; 2) making one or more checks payable to only the School; or 3) electronically transmitting funds to the School. You authorize the School to apply the proceeds to your student account at the School and to return to us as a partial prepayment of a loan made under this Note any portion of the proceeds that exceeds the amount necessary to pay your cost of attendance, less other financial aid, as calculated by the School.

H. YOUR PROMISE TO PAY:

You promise to pay us the principal loan amount, interest accrued or capitalized on the principal loan amount, and all other amounts that may become due under this Note. You also promise to pay all reasonable costs of collection, as permitted by law, including attorney fees, court costs, and the costs of outside collection agencies. You promise to make each payment on or before the date that it is due. You promise to make the payments at the place or to mail the payments to the address that we specify. You must make payments on time even if we do not send you

a payment coupon book or statement. On the date that the last installment of principal becomes due under the terms of this Note, you promise to pay any other accrued and unpaid amounts in addition to the scheduled installment of principal.

Your responsibility to repay amounts due under this Note is not affected by the liability of any other person to you. You agree to uphold your obligations in this Note, even if you do not complete your education program.

I. INTEREST:

You agree to pay interest on the principal loan amount from the time we disburse the proceeds until the principal balance is paid in full.

1) **Interest Calculated Daily:** We will calculate interest on a daily basis on the outstanding principal balance until the loan balance is paid in full. The daily interest rate is equal to the annual interest rate in effect on that day divided by the number of days in that calendar year. Because we calculate interest daily, the amount of interest you pay will vary based on the number of days between your previous payment and your current payment.

2) **Interest Rate Calculation:** The fixed or variable interest rate will be identified on the Final Disclosure for your loan. If your loan has a fixed interest rate, it will not increase or decrease over the life of your loan. If your loan has a variable interest rate, we will calculate it during the Deferment Period and the Repayment Period by taking the Prime Index (which is variable and may change quarterly as described below) and adding a "Margin" Percentage (which is a fixed amount identified on your Final Disclosure). Then we round up to the nearest one-one hundredth of one percent (0.01% or 0.0001). If the Prime Index is no longer available, we will substitute an index that is comparable, in our sole opinion, and we may adjust the Margin so that the resulting variable interest rate is consistent with the variable interest rate described in this paragraph. If at any time the fixed or variable interest rate as provided in this paragraph is not permitted by applicable law, interest will accrue at the highest rate allowed by applicable law. The interest rate will never be higher than 18% per year.

3) **Prime Index:** The Prime Index is variable, may change quarterly on each January 1, April 1, July 1, and October 1 (the "interest rate change date"), and is the highest rate of interest listed as the "prime rate" in the Money Rates section of *The Wall Street Journal* on the first Friday of the calendar month preceding the interest rate change date. If *The Wall Street Journal* is not published or the prime rate is not listed on the first Friday, then we will use the next published prime rate as the Prime Index. The Prime Index is a pricing index and does not represent the lowest or best interest rate available to a borrower at any bank at any given time.

4) **Interest Rate Changes:** We will notify you of any changes in the interest rate as required by law. A change in the interest rate may cause the amount of the final payment to change, may cause the amount of the monthly payments to increase or decrease, or may cause the number of payments to change.

5) **Interest after Maturity and Judgment:** Unless prohibited by applicable law, interest calculated as described in this Note will continue to accrue on the unpaid balance until it is paid in full, even after maturity (whether by acceleration or otherwise) and/or judgment, if a judgment is entered against you for the amount due.

J. REPAYMENT TERMS AND CAPITALIZATION OF INTEREST:

1) **Deferment Period:** Interest will accrue but you are not required to make payments during the Deferment

Period. We will capitalize the accrued and unpaid interest at the beginning of the Repayment Period.

2) **Repayment Period:** You are required to make payments during the Repayment Period in consecutive, monthly installments until you pay the principal, interest, and all other charges owed under this Note.

3) **Payment Due Dates:** Payments will be due monthly on the same day of each month as determined by us. The first payment in the Repayment Period will be due approximately 30 days, but not more than 60 days, after the start of the Repayment Period.

4) **Calculation of Initial Payment Amount:** At the start of the Repayment Period, we will calculate the payment amount necessary to amortize your outstanding loan balance, including capitalized interest, at the current interest rate in equal installments over the number of months in the Repayment Period. This scheduled monthly payment will not be less than \$50.

5) **Changes in Payment Amount:** The amount of the scheduled monthly payment may increase or decrease to amortize the new outstanding loan balance at the then current interest rate in equal monthly installments by the end of the Repayment Period. We will inform you in advance of any change in the scheduled monthly payment.

6) **Application of Payments:** Payments will be applied first to accrued interest and then to principal. Under some circumstances, the payment amount may not cover the interest that accrues. In those cases, we will add the unpaid interest to the principal balance of the loan.

7) **Forbearance:** If you are unable to repay your loan according to the terms of this Note, we may grant you a forbearance of your payments. If we grant you a forbearance, interest will continue to accrue. Any accrued and unpaid interest will be added to the principal balance of your loan at the end of the forbearance period.

8) **Amounts Owning at the End of the Repayment Period:** Because interest accrues daily on the outstanding principal loan balance, you may owe principal, interest, and/or other charges at the end of the Repayment Period if the interest rate changes or if you make payments after the payment due dates. In these cases, we will increase the amount of the last monthly payment by the amount necessary to repay the loan in full. However, the amount of the final payment will not be more than twice the amount of the previous payment. If necessary, we will increase the number of payments.

K. YOUR RIGHT TO CANCEL:

Under the Truth-in-Lending Act, you have the right to cancel your loan prior to the first disbursement by giving notice to us as described on the Final Disclosure.

L. ADDITIONAL RIGHT TO CANCEL:

In addition to your right to cancel under the Truth-in-Lending Act, if you or the School cancel all future loan disbursements and return all previously disbursed loan proceeds within 120 days of the first disbursement date, we will waive any and all interest charges from the date of first disbursement on your loan. If a loan or an individual disbursement is canceled, you will have to reapply to obtain a new loan.

M. PREPAYMENT:

You may prepay, in full or in part, the amount owed on this Note at any time without penalty. If you prepay the loan in part, you agree to continue to make regularly scheduled payments until all amounts due under this Note are paid. If you have more than one loan outstanding, you may direct the amount of your prepayment to one or more particular loans. If you do not specify how to apply your prepayment, we will apply it to your loans in any order we determine.

N. NO RETURNED PAYMENT CHARGES:

We will not assess any returned payment charges under this Note.

O. NO LATE PAYMENT CHARGES:

We will not assess any late payment charges under this Note.

P. DEFAULT – WHOLE LOAN DUE:

If you are in default, the entire outstanding balance on this Note will be due immediately at our option. This will happen without any prior notice to you or right to cure, except where required by law. A default on this Note is a default on every other note, loan, or agreement of yours with us. If you are in default and we file suit or take other action to collect this loan, you agree to pay the costs of the suit and the costs of collection (including the costs of outside collection agencies) and, if permitted by law, reasonable attorneys' fees. You will be in default for any of the following reasons:

- 1) if you do not make any payment before or on the date it is due;
- 2) if you default on any promise made in this Note or any other note, loan, or agreement with us;
- 3) if you have made any untrue statement or misrepresentation in this application or any other certificate or document given or made for this loan;
- 4) if on good faith we believe that the prospect of you paying this Note is impaired;
- 5) if you fail to provide, at our request, adequate verification of enrollment status;
- 6) if you fail to use the proceeds of the loan solely for your educational expenses;
- 7) if you become insolvent and/or cannot pay your debts as they become due;
- 8) if any other creditor tries by legal process to take any of your money or property in our possession;
- 9) if you file a bankruptcy petition or anyone files an involuntary bankruptcy petition against you;
- 10) if you make an assignment for the benefit of creditors, or if any insolvency, reorganization, arrangement, debt adjustment, receivership, trusteeship, liquidation, or other legal or equitable proceedings are instituted by or against you; or
- 11) if any judgment, tax lien, municipal charge, or tax levy is filed, or a writ of execution is issued against you.

Q. GENERAL WAIVER PROVISIONS:

You have waived presentment for payment, demand, protest, notice of protest, dishonor, and all other notices or demands in connection with the delivery, acceptance, performance, default, or enforcement of this Note. We can accept late payments, partial payments, or checks and money orders marked "payment in full" or with any other restrictive endorsement without losing any of our rights under this Note.

R. ASSIGNMENT:

You may not assign or otherwise transfer your rights under this Note to anyone else. We may sell, transfer, or assign this Note, and your rights and obligations under this Note will continue unchanged.

S. DELAY IN ENFORCEMENT:

We can delay enforcing any rights under this Note without losing any rights. Our failure to enforce any right under this Note will not act as a waiver of that right or preclude the exercise of that right in the event of a future occurrence of the same event. We can also extend or defer the time allowed for making payments at your request, and such extension will not affect your obligations, whether or not you are given notice of the extension.

T. NOTICES AND ADDRESSES:

- 1) You agree to notify us promptly after any change

in your name, address, or other contact information.

2) Any notice or communication with us required or permitted under the Federal Bankruptcy Code must be in writing, must include your loan number, and must be sent to **Discover Student Loans, PO Box 30947, Salt Lake City, UT 84130-0947** or another customer service address that we provide to you on a letter or statement.

3) Prior to initiating, joining, or participating in any judicial or arbitration proceeding, whether individually, as a class representative or participant or otherwise, regarding any case, controversy, dispute, tort, disagreement, lawsuit, or claim now or hereafter existing between you and us arising out of or in connection with your Note ("Claim"), the party asserting the Claim (the "Claimant") shall give the other party written notice of the Claim (a "Claim Notice") and a reasonable opportunity, not less than 30 days, to resolve the Claim. Any Claim Notice you send must include your name, address, phone number, and loan number. Any Claim Notice must explain the nature of the Claim and the relief that is demanded. You may only submit a Claim Notice on your own behalf and not on behalf of any other party. The Claimant must reasonably cooperate in providing any information about the Claim that the other party reasonably requests. This provision includes any Claims involving our parent corporations, subsidiaries, affiliates (including, without limitation, Discover Financial Services, DB Servicing Corporation, and The Student Loan Corporation), predecessors, successors, and assigns, as well as the officers, directors, and employees of each of these entities (our "Related Parties"). You will send any Claim Notice to us at **Discover Student Loans, PO Box 30947, Salt Lake City, UT 84130-0947** or another customer service address that we provide to you (the "Claim Notice Address"). We will send any Claim Notice to you at your address in our records or, if you are represented by counsel, to your attorney at your attorney's office.

4) Send any other notice to the address that we have most recently provided to you for that purpose.

5) Except as otherwise provided by applicable law, any notice that we are required to give you will be effective when mailed by USPS First-Class Mail to your address in our records.

U. ARBITRATION OF DISPUTES:

1) **Agreement to Arbitrate:** If a dispute arises between you and us, either party may choose to resolve the dispute by binding arbitration, as described below, instead of in court. Any Claim (except for a Claim challenging the validity or enforceability of this arbitration provision, including the Class Action Waiver) may be resolved by binding arbitration if either party requests it. This includes Claims and disputes relating to any other loan or agreement you have or had with us. **THIS MEANS IF EITHER YOU OR WE CHOOSE ARBITRATION, NEITHER PARTY WILL HAVE THE RIGHT TO LITIGATE THE CLAIM IN COURT OR TO HAVE A JURY TRIAL. DISCOVERY AND APPEAL RIGHTS ARE LIMITED IN ARBITRATION. CLASS ACTION WAIVER: ARBITRATION MUST BE ON AN INDIVIDUAL BASIS. THIS MEANS NEITHER YOU NOR WE MAY JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION BY OR AGAINST OTHER BORROWERS, OR LITIGATE IN COURT, OR ARBITRATE ANY CLAIMS AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.**

Only a court, and not an arbitrator, will determine the validity and effect of the Class Action Waiver. Even if all parties have opted to litigate a Claim in court, you or we may elect arbitration with respect to any Claim made by a new party or any new Claims later asserted in that lawsuit.

2) **Your Right to Go to Small Claims Court:** We will not choose to arbitrate any Claim you bring in small claims

court. However, if the Claim is transferred, removed, or appealed to a different court, we may then choose to arbitrate.

3) **Governing Law and Rules:** Your loan involves interstate commerce and this provision shall be governed by the Federal Arbitration Act ("FAA"). Arbitration must proceed with only the American Arbitration Association ("AAA") or JAMS. The rules for the arbitration will be those in this arbitration agreement and the procedures of the chosen arbitration organization. If there is disagreement between the agreement and the organization's procedures, the rules in this arbitration agreement will apply. If the organization's procedures change after the Claim is filed, the procedures in effect when the Claim is filed will apply. For a copy of each organization's procedures, to file a Claim, or for other information contact:

• AAA: 335 Madison Avenue, Floor 10, New York, NY 10017-5905, www.adr.org (phone 1-800-778-7979); or

• JAMS: 620 Eighth Ave., Floor 34, New York, NY 10018, www.jamsadr.com (phone 1-800-352-5267). If both AAA and JAMS are completely unavailable, and if you and we cannot agree on a substitute, then either you or we may request that a court appoint a substitute.

4) **Fees and Costs:** If you wish to begin an arbitration against us but you cannot afford to pay the organization's or arbitrator's costs, we will pay those costs if you ask us in writing. Any request like this should be sent to **Discover Student Loans, PO Box 30421, Salt Lake City, UT 84130-0421**. If you lose the arbitration, the arbitrator will decide whether you must reimburse us for money we advanced for you for the arbitration. If you win the arbitration, we will not ask for reimbursement of money we advanced. Additionally, if you win the arbitration, the arbitrator may decide that you are entitled to be reimbursed your reasonable attorneys' fees and costs (if actually paid by you).

5) **Hearings and Decisions:** Arbitration hearings will take place in the federal judicial district where you live. A single arbitrator will be appointed. The arbitrator must follow all applicable substantive law, except when contradicted by the FAA. However, if more than \$100,000 was genuinely in dispute, then either you or we may choose to appeal to a new panel of three arbitrators. The appellate panel is completely free to accept or reject the entire original award or any part of it. The appeal must be filed with the arbitration organization not later than 30 days after original award issues. The appealing party pays all appellate costs. The appellate panel may order that the loser of the appeal pay the winner's costs and attorneys' fees. Any arbitration award may be enforced (such as through a judgment) in any court with jurisdiction.

6) **Other Beneficiaries of this Arbitration Provision:** Our rights and obligations under this arbitration provision shall inure to the benefit of and be binding upon our parent corporations, subsidiaries, affiliates (including, without limitation, Discover Financial Services, DB Servicing Corporation, and The Student Loan Corporation), predecessors, successors, and assigns, as well as the officers, directors, and employees of each of these entities, and will also inure to the benefit of any third party named as a codefendant with us or with any of the foregoing in a Claim that is subject to this arbitration provision. Your rights and obligations under this arbitration provision shall inure to the benefit of and be binding upon all persons contractually liable under this agreement.

7) **Survival of this Arbitration Provision:** This arbitration provision shall survive termination of your loan as well as voluntary payment in full by you, any legal

proceedings by us to collect a debt owed by you, any bankruptcy by you, and any sale by us of your loan.

8) **You May Have the Right to Reject Arbitration:** You may reject this Section U (ARBITRATION OF DISPUTES) but only if we receive from you a written notice of rejection within 30 days after consummation of your loan. You must send the notice of rejection to: **Discover Student Loans, PO Box 30938, Salt Lake City, UT 84130-0938**. Your rejection notice must include your name, address, phone number, loan number, and signature. No one else may sign the rejection notice for you. Your rejection notice must not be sent with any other correspondence. If you previously had the chance to reject an arbitration agreement with us but did not, you may not reject it now. Rejection of arbitration will not affect your other rights or responsibilities under this Note or your obligation to arbitrate disputes under any other loan as to which you and we have agreed to arbitrate disputes. If you previously sent us a rejection notice on a different loan, you must send us a new rejection notice or else this arbitration agreement will apply to any disputes with us relating to your other loans.

V. GOVERNING LAW:

This Note and any Claim or dispute arising out of this Note will be governed by applicable federal law and, to the extent state law applies, Delaware law, without regard to its conflict of law rules.

W. STATE LAW NOTICES:

1) **California Residents:** A married applicant may apply for a separate loan.

2) **Iowa and Kansas Residents:** NOTICE TO CONSUMER: a) Do not sign this agreement before you read it; b) You are entitled to a copy of this agreement; c) You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned finance charges in accordance with law.

3) **Maryland Residents:** We elect Subtitle 10, Credit Grantor Closed-End Credit Provision to Title 12 of the Commercial Law Article of the Annotated Code of Maryland, to govern this Note, only to the extent not inconsistent with 12 U.S.C. §1831d and related regulations and opinions.

4) **Missouri Residents: Oral agreements or commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt, including promises to extend or renew such debts, are not enforceable. To protect you (borrower(s)) and us (creditor) from misunderstanding or disappointment, any agreements we reach covering such matters are contained in this writing, which is the complete and exclusive statement of the agreement between us, except as we may later agree in writing to modify it.**

5) **New Hampshire Residents:** If we refer this Note to an attorney for collection, you agree to pay our reasonable attorneys' fees. However, if you prevail in a) any action, suit, or proceeding we bring, or b) an action brought by you in connection with this Note, or if you successfully assert a partial defense or setoff, recoupment, or counterclaim to an action brought by us, the court may withhold from us the entire amount or such portion of the attorneys' fees as the court considers equitable.

6) **New York and Vermont Residents:** A consumer credit report may be ordered on you in connection with your application for credit. If you ask, we will tell you whether or not one was ordered and if one was, the name and address of the consumer credit reporting agency that provided it. Subsequent consumer credit reports may be requested or used in connection with an update, renewal, or extension of the credit applied for without further notice to you.

7) **Ohio Residents:** The Ohio laws against discrimination require that all creditors make credit equally available

to all credit-worthy customers and that consumer credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

8) **Texas Residents:** You give up (waive) your common law rights to receive notice of intent to accelerate and notice of acceleration. This means that you give up the right to receive notice that we intend to demand that you pay all that you owe on this contract at once (accelerate) and notice that we have accelerated.

This written loan 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.

9) **West Virginia Residents:** Any provision in this Note authorizing the holder of this Note to collect attorneys' fees in the event of a default are void if the party being sued for collection is a resident of the State of West Virginia.

10) **Wisconsin Residents:** If you are a married Wisconsin resident, your signature confirms that this loan obligation is being incurred in the interest of your marriage or family. No provision of any marital property agreement (e.g., premarital agreement), unilateral statement under §766.59 of the Wisconsin Statutes, or court decree under §766.70 of the Wisconsin Statutes adversely affects our interest unless we, prior to the time that the loan is approved, are furnished with a copy of the marital property agreement, a statement, or a decree or have actual knowledge of the adverse provision. If the loan for which you are applying is granted, you will notify us if you have a spouse who needs to receive notification that credit has been extended to you. Notwithstanding provisions to the contrary in Section P (DEFAULT – WHOLE LOAN DUE) of this Note, you will be in default hereunder only: a) if the interval between scheduled payments is 2 months or less, and you permit to be outstanding an amount exceeding 1 full payment that has remained unpaid for more than 10 days after its scheduled due date or deferred due date, or you fail to pay the first payment or the last payment within 40 days of its scheduled due date or deferred due date; or b) if the interval between scheduled payments is more than 2 months, and you permit to be outstanding all or any part of 1 scheduled payment that has remained unpaid for more than 60 days after its scheduled due date or deferred due date. You will also be in default if you fail to observe any other provision of this Note, the breach of which materially impairs your ability to pay the amounts due under this Note.

11) **Utah Residents:** As required by Utah law, you are hereby notified that a negative consumer credit report reflecting on your credit record may be submitted to a consumer credit reporting agency if you fail to fulfill the terms of your credit obligations.

X. CORRECTION OF ERRORS:

All parties to this Note agree to fully cooperate and adjust all typographical, computer, calculation, or clerical errors discovered in any or all of the loan documents, including this Note and the Final Disclosure.

Y. EFFECT OF PARTIAL INVALIDITY:

If any provisions of this Note are rendered invalid or unenforceable, those provisions shall be considered omitted from this Note without affecting the validity or enforceability of the remaining provisions of this Note.