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In Re:  
William E Finley  
and Marlene M Finley,  
Debtors,

Case No. 04-34182

Chapter 7 Case

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**NOTICE OF HEARING AND MOTION FOR RELIEF FROM THE STAY**

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TO: Debtor(s) and other entities specified in Local Rule 9013-3.

1. Mayo Employees Credit Union moves the Court for the relief requested below and gives notice of hearing.
2. The Court will hold a hearing on this motion on October 25, 2004 at 9:30 AM o'clock, in Courtroom No. 228A, at the United States Courthouse, 316 North Robert Street, St. Paul, MN.
3. Any response to this motion must be filed and delivered not later than October 20, 2004, which is three days before the time set for the hearing (excluding Saturdays, Sundays, and holidays), or filed and served by mail not later than October 14, 2004, which is seven days before the time set for the hearing (excluding Saturdays, Sundays and holidays). **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.**
4. This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§157 and 1334, Fed. R. Bankr. P. 5005 and Local Rule 1070-1. This proceeding is a core proceeding. The petition commencing this case was filed on July 18, 2004. The case is now pending in this court.
5. This motion arises under 11 U.S.C. §362(d) and Fed. R. Bankr. P. 4001. This motion is filed under Fed. R. Bankr. P. 9014 and Local Rules 9006-1, 9013-1 through 9013-3, and 9017-1. Movant seeks relief from the automatic stay in §362(a) to foreclose its liens against the 2001 Chevrolet Impala Sedan 4D vehicle and the Debtors' homestead real property in Olmsted County, Minnesota (the collateral), and requests the court permit Movant to immediately enforce the

order requested, lifting the 10 day stay imposed by Rule 4001(a)(3).

6. Movant requests relief from the stay for cause under §362(d)(1). Debtors are delinquent under the terms of the original contracts with Movant. Movant requests relief under §362(d)(2). The Debtors have no equity in the collateral, and the collateral is not necessary to an effective reorganization.
7. Movant gives notice that it may, if necessary, call the person who signed the verification to this motion, or some other representative of Movant, from Movant's offices in Minnesota, to testify regarding the debt and value.
8. This notice of motion and motion also serve as notice of default required by Cobb v. Midwest Recovery Bureau Co., 295 N.W.2d 232 (Minn.1980). If the default is not cured before the hearing, Movant will repossess the property promptly upon the Court signing the Order.
9. A separate Memorandum of Fact and Law is attached hereto and made a part hereof.

**WHEREFORE**, Mayo Employees Credit Union moves the Court for an order modifying the automatic stay of §362(a) and such other relief as may be just and equitable.

Dated: October 5, 2004

**STEWART, ZLIMEN & JUNGERS, LTD.**

/e/ Linda Jeanne Jungers

Linda Jeanne Jungers, Atty ID #5303X

Attorneys for Movant

430 Oak Grove Street #200

Minneapolis, MN 55403

612-870-4100

This is a communication from a debt collector attempting to collect a debt. Any information obtained will be used for that purpose.

MINNESOTA DEPARTMENT OF PUBLIC SAFETY  
DRIVER & VEHICLE SERVICES DIVISION  
445 MINNESOTA ST., ST. PAUL, MN 55101  
CONFIRMATION OF LIEN PERFECTION - DEBTOR NAME AND ADDRESS

FINLEY MARLENE MARIE OR  
FINLEY WILLIAM EDWARD  
6255 CO RD 24 NE  
ELGIN MN 55932

GGK068

1ST SECURED PARTY

LIEN HOLDER

Year	Make	Model	Title NR
01	CHEV	4DIMP	D1210N200

  

Security Date	Rebuilt
04/13/01	NO

VIN  
2G1WF52E019252233

RETAIN THIS DOCUMENT - See reverse  
side of this form for removing this lien.

MAYO CLINIC CU  
200 SW 1ST  
ROCHESTER MN 55905-0001

First Class  
U.S. Postage  
**PAID**  
Permit No. 171  
St. Paul, MN

EXHIBIT A



OFFICE OF COUNTY RECORDER  
Olmsted County, Minnesota

I hereby certify that this document was filed in this office on 11/26/2003 at 3:00:00 PM and was duly recorded as document number A-1001450

DANIEL J. HALL - County Recorder, by \_\_\_\_\_ Deputy.

Well Certificate:  Received  Not Required

Abstr. - yes  no

Fees:

Total \$20.00

21626-110

SE NW 7-107-12

Received from/return to:  
HOLT TITLE

1741 2ND STREET SW  
ROCHESTER, MN 55902

**MORTGAGE**

THIS MORTGAGE is made on 11/20/2003, between the Mortgagor,  
MARLENE M. FINLEY AND WILLIAM E. FINLEY, WIFE AND HUSBAND

(herein "Borrower"), and the Mortgagee, Mayo Employees Credit Union, a corporation organized and existing under the laws of Minnesota, whose address is 200 First Street SW • Rochester, MN 55905 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of U.S. \$29,000.00; which indebtedness is evidenced by Borrower's note dated 11/20/2003 and extensions and renewals thereof (herein "Note"), providing for monthly installments of principal and interest, with the balance of indebtedness, if not sooner paid, due and payable on 11/12/2013;

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby grant and convey to Lender, with power of sale, the following described property located in the County of OLMSTED, State of Minnesota:

THE SOUTH 1/2 OF THE EAST 1/2 OF THE NW 1/4 OF SECTION 7, TOWNSHIP 107, RANGE 12, OLMSTED COUNTY, MINNESOTA. ACCORDING TO THE PLAT THEREOF ON FILE AND OF RECORD IN THE OFFICE OF THE COUNTY RECORDER WITHIN AND FOR SAID COUNTY AND STATE.

which has the address of 6255 CO RD 24 (Street)

ELGIN (City), Minnesota 55932 (Zip Code) (herein "Property Address");

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents, all of which shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property."

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, and that the Property is unencumbered, except for encumbrances of record. Borrower covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

403PAID11-26-03#003

\$66.70 C W

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UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

**1. Payment of Principal and Interest.** Borrower shall promptly pay when due the principal and interest indebtedness evidenced by the Note and late charges as provided in the Note.

**2. Funds for Taxes and Insurance.** Subject to applicable law or a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Mortgage and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Borrower shall not be obligated to make such payments of Funds to Lender to the extent that Borrower makes such payments to the holder of a prior mortgage or deed of trust if such holder is an institutional lender.

If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge, Borrower and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 17 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Mortgage.

**3. Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, and then to the principal of the Note.

**4. Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any.

**5. Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the terms "extended coverage", flood and such other hazards as Lender may require and in such amounts and for such periods as Lender may require.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

**6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

**7. Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property,

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then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lender's interest. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, at the Note rate, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

**8. Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

**9. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

**10. Borrower Not Released; Forbearance by Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

**11. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 16 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Note, (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Property to Lender under the terms of this Mortgage, (b) is not personally liable on the Note or under this Mortgage, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.

**12. Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

**13. Governing Law; Severability.** The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable. As used herein, "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

**14. Borrower's Copy.** Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

**15. Rehabilitation Loan Agreement.** Borrower shall fulfill all of Borrower's obligations under any home rehabilitation, improvement, repair, or other loan agreement which Borrower enters into with Lender. Lender, at Lender's option, may require Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

**16. Transfer of Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Mortgage. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Mortgage without further notice or demand on Borrower.

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**NON-UNIFORM COVENANTS.** Borrower and Lender further covenant and agree as follows:

**17. Acceleration; Remedies.** Except as provided in paragraph 16 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall give notice to Borrower as provided in paragraph 12 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Lender, at Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale hereby granted and any other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 17, including, but not limited to, reasonable attorneys' fees.

If Lender invokes the power of sale, Lender shall cause a copy of a notice of sale to be served upon the person, if any, in possession of the Property. Lender shall publish a notice of sale and the Property shall be sold at public auction in the manner prescribed by applicable law. Lender or Lender's designee may purchase the Property at any sale. The proceeds of the sale shall be applied in the following order: (a) to all sums secured by this Mortgage; (b) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable attorneys' fees and costs of title evidence; and (c) the excess, if any, to the person or persons legally entitled thereto.

**18. Borrower's Right to Reinstate.** Notwithstanding Lender's acceleration of the sums secured by this Mortgage due to Borrower's breach, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to the earlier to occur of (i) sale of the Property pursuant to the power of sale contained in this Mortgage or (ii) entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums constituting the default actually existing under this Mortgage and the Note at the commencement of foreclosure proceedings under this Mortgage; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage, and in enforcing Lender's remedies as provided in paragraph 17 hereof, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

**19. Assignment of Rents; Appointment of Receiver.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 17 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 17 hereof or abandonment of the Property, and at any time prior to the expiration of any period of redemption following sale of the Property, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

**20. Release.** Upon payment of all sums secured by this Mortgage, Lender shall discharge this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

**21. Waiver of Homestead.** Borrower hereby waives all right of homestead exemption in the Property.

**22. Notice of Default.** Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth on page one of this Mortgage, of any default under the superior encumbrance and of any sale or other foreclosure action.

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IN WITNESS WHEREOF, Borrower has executed this Mortgage

X Marlene M. Finley

X William E. Finley

MARLENE M. FINLEY

WILLIAM E. FINLEY

(Borrower)

(Borrower)

X

X

(Borrower)

(Borrower)

STATE OF Minnesota, OLMSTED County ss:

The foregoing instrument was acknowledged before me this 11/20/2003 by  
(date)

MARLENE M. FINLEY AND WILLIAM E. FINLEY, WIFE AND HUSBAND

(person acknowledging)

(person acknowledging)

My Commission Expires:



Jeri Gauthier  
Notary Public

This instrument was prepared by Mayo Employees Credit Union

(Name)

of 200 First Street SW • Rochester, Minnesota 55905.  
(Address)

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HOLT TITLE GUARANTY CO.  
REGISTERED ABSTRACTS  
ABSTRACTS - TITLE INSURANCE  
1741 S.W. 2ND ST.  
ROCHESTER, MINNESOTA 55902

038285



Mayo Employees Credit Union

**NOTE AND DISCLOSURE STATEMENT**

BORROWER NAME (Last - First - Middle Initial) AND ADDRESS (Street - City - State - Zip Code)

FINLEY, MARLENE  
FINLEY, WILLIAM

DATE: 4/16/2001  
ACCOUNT NUMBER: 21626  
NOTE NUMBER: L1

NEW LOAN  
 REFINANCE

CONTRACT NUMBER: 022-0491-4  
REFERENCE NUMBER:  
MATURITY DATE: 4/10/2007

6255 CO RD 24  
ELGIN MN 55932

In this agreement "you" and "your" mean each person who signs this agreement. The "credit union" means the credit union whose name appears above and anyone to whom the credit union transfers its rights under this agreement. The terms on the following pages are part of this agreement. Boxes checked below apply to this agreement.

**TRUTH IN LENDING DISCLOSURE**

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments	Prepayment:
The cost of your credit as a yearly rate. <b>7.490%</b>	The dollar amount the credit will cost you. <b>\$3,672.04</b>	The amount of credit provided to you or on your behalf. <b>\$15,101.00</b>	The amount you will have paid when you have made all payments as scheduled. <b>\$18,773.04</b>	If you pay off early you will not have to pay a penalty. <i>e means an estimate</i>

Your Payment Schedule will be:	Number of Payments	Amount of Payments	When Payments Are Due	Property Insurance:
1	155	\$120.34	Beginning 5/1/2001 4/10/2007	You may obtain property insurance from anyone you want that is acceptable to the credit union. If you get the insurance from the credit union, you will pay
		\$120.34	Bi-Weekly (Every Other Week)	

**Security:** Collateral securing other loans with the credit union will also secure this loan. You are giving a security interest in your shares and/or deposits in the credit union; and  the goods/property being purchased;  Other (Describe)

Late Charge: N/A

<b>Required Deposit:</b> The Annual Percentage Rate does not take into account your required deposit, if any.	<b>Filing Fees</b> \$15.00	<b>Non-Filing Insurance</b>
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See your contract documents for any additional information about nonpayment, default, and any required repayment in full before the scheduled date.

**ITEMIZATION OF THE AMOUNT FINANCED**

ITEMIZATION OF AMOUNT FINANCED OF	AMOUNT GIVEN TO YOU DIRECTLY	AMOUNT PAID ON YOUR ACCOUNT	PREPAID FINANCE CHARGE
\$15,101.00	\$0.00	\$0.00	\$0.00
AMOUNT PAID TO OTHERS ON YOUR BEHALF	To MARLENE FINLEY AND CLEMENTS CHE	To	
	To	To	
	To	To	
	To	To	

**SIGNATURE:** If you agree to make and be bound by the terms of this Note and Security Agreement sign below. If you are not a borrower but an owner of the collateral for this loan, sign below and check the box for "Owner of Collateral". By doing so you agree only to the terms of the Security Agreement.

**CAUTION: IT IS IMPORTANT THAT YOU THOROUGHLY READ THIS CONTRACT BEFORE YOU SIGN IT.**

Borrower 1 <input checked="" type="checkbox"/> Owner of Collateral (other than a Borrower)	Date	Borrower 2 <input checked="" type="checkbox"/> Owner of Collateral (other than a Borrower)	Date
<i>Marlene Finley</i> (SEAL)	4/16/2001	<i>William E. Finley</i> (SEAL)	4/16/2001
Borrower MARLENE FINLEY	Date	Witness WILLIAM FINLEY	Date
<input checked="" type="checkbox"/> (SEAL)		<input checked="" type="checkbox"/> (SEAL)	

**EXHIBIT B**

**NOTE AND SECURITY AGREEMENT**

Promise to Pay: You promise to pay \$15,101.00 to the credit union plus interest on the unpaid balance at 7.490% per year until what you owe has been repaid.

**Collection Costs:**

You Promise to pay all costs of collecting the amount you owe under this agreement including court costs and reasonable attorney fees.

SECURITY OFFERED:	MODEL	YEAR	I.D. NUMBER	TYPE	VALUE
2001 CHEVROLET IMPALA 4DR #2G1WF52E019252233					
OTHER (DESCRIBE)			PLEDGE OF SHARES	ACCOUNT NO(S)	KEY NO.
MSRP \$20,854.00					

This Note is governed by the laws of Minnesota.

**PAYMENTS** -- You promise to make payments of the amount and at the time shown in the Truth in Lending Disclosure on page 1 until what you owe has been repaid. You may make larger payments without penalty. If you do prepay part of what you owe, subsequent payments will remain due as scheduled. If you do not make payments as scheduled or if you elect credit insurance, your last payment may be larger than the amount of the other payments. You promise to make payments at the place chosen by the credit union.

**LOANS BY MAIL** -- If this loan is being made by mail, interest on this loan begins when the loan proceeds are mailed. If this loan refinances an earlier loan, said loan will be cancelled and refinanced as of the date on page 1.

**SECURITY INTEREST** -- Any property shown in the "Security Offered" section on page 1 will be security for this loan. In addition, you agree this loan is also secured by all the shares and deposits in all your individual and joint accounts with the credit union now and in the future. Shares and deposits in an Individual Retirement Account and any other account that would lose special tax treatment under state or federal law if given as security are not subject to the security interest you give in your shares and deposits. All property, other than dwellings, that you have given to secure other loans with the credit union will also secure this loan.

**DEFAULT** -- You will be in default if you do not make a payment of the amount required when it is due. You will be in default if you break any promise you made in connection with this loan. You will be in default if you die, file for bankruptcy or become insolvent, that is, unable to pay your obligations when they become due. You will be in default if you make any false or misleading statements in any credit application or update of credit information. You will be in default if anyone who has

signed a security agreement in connection with this loan is in default. You will also be in default if something happens which the credit union believes may substantially reduce your ability to repay what you owe.

When you are in default, the credit union can demand immediate payment of the unpaid balance of this loan without giving you advance notice. If the credit union demands immediate payment of the unpaid balance, you will continue to pay interest at the same interest rate until what you owe has been repaid. If the credit union has demanded immediate payment of the unpaid balance, the credit union can apply the shares and deposits that you have given as security under this agreement towards what you owe. The credit union can also exercise any other rights the law gives the credit union when you are in default.

**EACH PERSON RESPONSIBLE** -- Each person who signs this agreement will be individually and jointly responsible for paying the entire amount owed. That means the credit union can enforce its rights under this agreement against any one of you individually or against all of you together.

**LATE CHARGE** -- If you are late in making a payment, you agree to pay the late charge shown in the Truth in Lending Disclosure on page 1. If no late charge is shown, you will not be charged one.

**NO WAIVER** -- The credit union can delay enforcing any of its rights any number of times without losing its rights.

**NOTICES** -- Notices will be mailed to you at the most recent address you have given the credit union in writing. Notice to any one of you will be notice to all.

**FOR TENNESSEE CREDIT UNIONS ONLY --  
USE WHEN AUTOMOBILE IS PURCHASED**

NOTICE: If you do not purchase the insurance required on the automobile and the credit union purchases the insurance, the insurance purchased by the credit union will cover only the credit union's interest in the property. The insurance will not be liability insurance. You have read the above statement and acknowledge that the credit union has explained it to you.

SIGNATURE	DATE
X	
SIGNATURE	DATE
X	

**FOR NORTH DAKOTA CREDIT UNIONS ONLY --  
APPLIES ONLY WHEN A MOTOR VEHICLE IS PURCHASED**

NOTICE: 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.

FOR CREDIT UNION USE ONLY: Credit Union Approval

X  
AUTHORIZED CREDIT UNION SIGNATURE

**SECURITY AGREEMENT**

In this agreement all references to "credit union" mean the credit union whose name appears on this note and anyone to whom the credit union assigns the loan. All references to "the loan" mean the loan described in the Truth in Lending Disclosure. All references to "you" mean each person who signs this agreement.

**THE SECURITY FOR THE LOAN** -- By signing this security agreement in the signature area or by signing the statement referring to this agreement on the back of the check you receive for your loan, you give the credit union what is known as a security interest in the property described in the "Security Offered" section. The security interest you give 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 loan or any extensions, renewals or refinancing of the loan. It also includes any money you receive from selling the property or from insurance you have on the property. If the value of the property declines, you promise to give the credit union more property as security if asked to do so.

**WHAT THE SECURITY INTEREST COVERS** -- The security interest secures the loan described in the Truth in Lending Disclosure and any extensions, renewals or refinancings of that loan. It also secures any other loans you have with the credit union now or in the future including any credit card loans and any other amounts you owe the credit union for any reason now or in the future, except any loan secured by your principal residence. If the property description is marked with one star (\*), or the property is household goods as defined by the Credit Practice Rule, the property will secure only this loan and not other amounts you owe.

**OWNERSHIP OF THE PROPERTY** -- You promise that you own the property, or if this loan is to buy the property, you promise you will use the loan for that purpose. You promise that no one else has any interest in or claim against the property that you have not already told the credit union about. You promise not to sell or lease the property or to use it as security for a loan with another creditor until your loan with the credit union is repaid. You promise you will allow no security interest or lien to attach to the property either by your actions or by operation of law.

**PROTECTING THE SECURITY INTEREST** -- If your state issues a title for the property, you promise to have the credit union's security interest shown on the title. The credit union may have to file what is called a financing statement to protect its security interest from the claims of others. If asked to do so, you promise to sign a financing statement. You also promise to do whatever else the credit union thinks is necessary to protect its security interest in the property.

**USE OF PROPERTY** -- Until the loan has been paid off, you promise you will: (1) Use the property carefully and keep it in good repair. (2) Obtain written permission from the credit union before making major changes to the property. (3) Inform the credit union in writing before changing your address or the address where the property is kept. (4) Allow the credit union to inspect the property. (5) Promptly notify the credit union if the property is damaged, stolen or abused. (6) Not use the property for any unlawful purpose.

**PROPERTY INSURANCE, TAXES AND FEES** -- You promise to pay all taxes and fees (like registration fees) due on the property and to keep the property insured against loss and damage. The amount and coverage of the property insurance must be acceptable to the credit union. You may provide the property insurance through a policy you already have, or through a policy you get and pay for.

You promise to make the insurance policy payable to the credit union and to deliver the policy or proof of coverage to the credit union if asked to do so.

If you cancel your insurance and get a refund, the credit union has a right to the refund. If the property is lost or damaged, the credit union can use the insurance settlement to repair the property or apply it towards what you owe. You authorize the credit union to indorse any draft or check which may be payable to you in order for the credit union to collect any refund or benefits due under your insurance policy.

If you do not pay the taxes or fees on the property when due or keep it insured, the credit union may pay these obligations, but is not required to do so. Any money the credit union spends for taxes, fees or insurance will be added to your loan balance and you will pay interest on those amounts at the same rate you agreed to pay on the loan. If the credit union adds amounts for taxes, fees, or insurance to your loan balance, your payments may be increased by the amount necessary for your loan to be paid off in the same number of months originally scheduled.

**DEFAULT** -- You will be in default if you break any promise you make under this agreement. You will also be in default if you are in default under the loan. If you are pledging property, but have signed only as an "Owner of Collateral (other than a Borrower)", you will be in default if anyone is in default who has signed the LOANLINER Note.

**WHAT HAPPENS IF YOU ARE IN DEFAULT** -- When you are in default the credit union can, without advance notice to you, require immediate payment of what you owe on the loan and take possession of the property. You agree the credit union has the right to take possession of the property without going to court and without giving you advance notice. If you are asked to do so by the credit union, you promise to deliver the property at a time and place the credit union chooses. The credit union will not be responsible for any of your other property, not covered by this agreement, that you leave inside the property. The credit union will try to return that property to you or make it available for you to claim.

After the credit union has possession of the property, it can sell it and apply the money received to any amounts you owe the credit union. The credit union will give you notice of any public sale or the date after which a private sale will be held. The expenses of the credit union for taking possession of and selling the property will be deducted from the money received from the sale. Those costs may include the cost of storing the property, preparing it for sale and attorney's fees to the extent permitted under state law or awarded under Section 506(b) of the Bankruptcy Code. The rest of the sale money will be applied to what you owe on the loan.

If you have agreed to pay the loan, you will also have to pay any amount that remains unpaid after the sale money has been applied to what you owe on the loan and under this agreement. You agree to pay interest on that amount at the same rate as the loan until that amount has been paid.

**DELAY IN ENFORCING RIGHTS AND CHANGES IN THE AGREEMENT** -- The credit union can delay enforcing any of its rights under this agreement any number of times without losing the ability to exercise its rights later. The credit union can enforce this agreement against your heirs or legal representatives. If the credit union changes the terms of the loan, you agree that this agreement will continue to protect the credit union.

**CONTINUED EFFECTIVENESS** -- If the law makes any term(s) of this plan unenforceable, the other terms will remain in effect.

**THE PROPERTY DESCRIPTION IN THE "SECURITY OFFERED" SECTION IS PART OF THIS AGREEMENT.  
NOTICE: SIGN THIS AGREEMENT ON PAGE 1.**

**CERTIFICATE**

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_ SS.

The undersigned notary public certifies that the above and foregoing is a true copy of the original security agreement, executed, and delivered by the debtor named therein and to the secured party therein.

\_\_\_\_\_  
SECURED PARTY SIGNATURE (If Required)

\_\_\_\_\_  
NOTARY PUBLIC

(SEAL)

My commission expires: \_\_\_\_\_

Residing in \_\_\_\_\_

(COUNTY)

CREDIT UNION COPY

NM110 (LASER) 6849LL



CREDIT INSURANCE

You can protect your financial future by signing up for voluntary credit insurance below. Enroll by simply indicating your preference in the "Credit Insurance Application" section below. Your credit union will be happy to explain the various insurance options and coverage. The cost is reasonable.



CUNA MUTUAL GROUP

CUNA Mutual Insurance Society

P.O. Box 391 · 5910 Mineral Point Road
Madison, WI 53701-0391
Phone: 800/937-2644

CREDIT INSURANCE APPLICATION & SCHEDULE

"You" or "Your" means the member and the joint insured (if applicable). A co-signor is not eligible for joint coverage.

Credit insurance is voluntary and not required in order to obtain this loan. You may select any insurer of your choice. You can get this insurance only if you check "yes" below and sign your name and write in the date. The rate you are charged for the insurance is subject to change. You will receive written notice before any increase goes into effect. You have the right to stop this insurance by notifying your credit union in writing. Your signature below means you agree that:

- You are eligible for disability insurance only if you are working for wages or profit for 25 hours a week or more on the date of any advance. If you are not, that particular advance will not be insured until you return to work. If you are off work because of temporary layoff, strike or vacation, but soon to resume, you will be considered at work.
You are eligible for insurance up to the Maximum Age for Insurance. Insurance will stop when you reach that age.

- If you elect insurance, you authorize the credit union to add the charges for insurance to your loan each month.

Table with columns: YOU ELECT THE FOLLOWING INSURANCE COVERAGE(S), YES, NO, PREMIUM SCHEDULE, COVERED MEMBER. Rows include Single Credit Disability, Joint Credit Disability, Single Credit Life, and Joint Credit Life.

If you are totally disabled for more than 14 days, then the disability benefit will begin with the 15th day of disability.

Table with columns: MEMBER'S NAME AND ADDRESS, INSURANCE MAXIMUMS, DISABILITY, LIFE, MEMBER'S ACCOUNT NUMBER, RATE OF INTEREST, GROUP POLICY NUMBER, DATE OF ISSUE OF THE CERTIFICATE, SECONDARY BENEFICIARY, DATE, MEMBER'S DATE OF BIRTH, JOINT INSURED'S DATE OF BIRTH, SIGNATURE OF MEMBER, SIGNATURE OF JOINT INSURED (CO-BORROWER).

APP. 835-1196MN



Mayo Employees Credit Union



**NOTE AND DISCLOSURE STATEMENT**

BORROWER NAME (Last - First - Middle Initial) AND ADDRESS (Street - City - State - Zip Code)

DATE: 11/20/2003  
 ACCOUNT NUMBER: 21626 L10  
 NOTE NUMBER

FINLEY, MARLENE  
 FINLEY, WILLIAM  
 6255 CO RD 24  
 ELGIN MN 55932

CONTRACT NUMBER: 022-0736-4  
 REFERENCE NUMBER  
 MATURITY DATE: 12/20/2013

In this agreement "you", "your", or "I" mean each person who signs this agreement. The credit union whose name appears above and anyone who takes this Note by transfer and is entitled to receive payments under this Note will be called the "Note Holder." The terms on page 2 are part of this agreement.

**TRUTH IN LENDING DISCLOSURE**

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments	Prepayment:
The cost of your credit as a yearly rate.  7.990%	The dollar amount the credit will cost you.  \$13,216.64 e	The amount of credit provided to you or on your behalf.  \$29,000.00	The amount you will have paid when you have made all payments as scheduled.  \$42,216.64 e	If you pay off early you will not have to pay a penalty.  <i>e means an estimate</i>
<b>Number of Payments</b> Your Payment Schedule will be:	<b>Amount of Payments</b> 120 \$351.70 1 \$12.64	<b>When Payments Are Due</b> Beginning 12/20/2003 Ending 12/20/2013	<b>Property Insurance:</b> You may obtain property insurance from anyone you want that is acceptable to the credit union. If you get the insurance from the credit union, you will pay	

**Security:** You are giving a security interest in your real estate. You are giving a security interest in your shares and/or deposits in the credit union; and  the goods/property being purchased;  Other (Describe) HOME EQUITY

**Late Charge:**

A \$20.00 late fee will be imposed if your payment is more than 10 days past due.

<b>Itemization of the Amount financed:</b> You have the right to receive at this time an Itemization of the Amount Financed. <input type="checkbox"/> You want an Itemization. <input checked="" type="checkbox"/> You do not want an Itemization.	<b>Filing Fees</b> \$ 86.70
--	--------------------------------

**See your contract documents for any additional information about nonpayment, default, and any required repayment in full before the scheduled date.**

**NOTE**

PROPERTY ADDRESS

CITY  
ELGIN

STATE  
MN

ZIP CODE  
55932

6255 CO RD 24

**BORROWER'S PROMISE TO PAY** -- In return for a loan that I have received, I promise to pay U.S. \$ 29,000.00 (this amount will be called "principal"), plus interest, to the order of the Lender. The Lender is

Mayo Employees Credit Union

understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note will be called the "Note Holder."

**INTEREST** -- I will pay interest at a yearly rate of 7.990%. Interest will be charged on that part of principal which has not been paid. Interest will be charged beginning on the date of this Note and continuing until the full amount of principal has been paid.

**PAYMENTS** -- I will pay principal and interest by making payments each month of U.S. \$ 351.70. I will make my payments on the 20th day of each month beginning on 12/20/2003. I will make these payments every month until I have paid all of the principal and interest and any other charges, described below, that I may owe under this Note. If, on 12/20/2013 I still owe amounts under this Note, I will pay all those amounts, in full, on that date. I will make my monthly payments at

Mayo Employees Credit Union  
200 First Street SW  
Rochester, MN 55905

or at a different place if required by the Note Holder.

**4. BORROWER'S FAILURE TO PAY AS REQUIRED -- (A) Late Charge for Overdue Payments:**

A \$20.00 late fee will be imposed if your payment is more than 10 days past due.

**(B) Notice From Note Holder:** If I do not pay the full amount of each monthly payment on time, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date I will be in default. The date must be at least 30 days after the date on which the notice is mailed to me.

**(C) Default:** If I do not pay the overdue amount by the date stated in the notice described in (B) above, I will be in default. If I am in default, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

**(D) Payment of Note Holder's Costs and Expenses:** If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back for all of its costs and expenses to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

**5. THIS NOTE SECURED BY A MORTGAGE OR DEED OF TRUST** -- In addition to the protections given to the Note Holder under this Note, a Mortgage or Deed of Trust, dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Mortgage or Deed of Trust describes how and under what conditions I may be required to make immediate payment in full of all amounts that I owe under this Note.

**6. BORROWER'S PAYMENTS BEFORE THEY ARE DUE** -- I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in a letter that I am doing so. A prepayment of all of the unpaid principal is known as a "full prepayment." A prepayment of only part of the unpaid principal is known as a "partial prepayment."

I may make a full prepayment or a partial prepayment without paying any penalty. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no delays in the due dates or changes in the amounts of my monthly payments unless the Note Holder agrees in writing to those delays or changes. I may make a full prepayment at any time. If I choose to make a partial prepayment, the Note Holder may require me to make the prepayment on the same day that one of my monthly payments is due. The Note Holder may also require that the amount of my partial prepayment be equal to the amount of principal that would have been part of my next one or more monthly payments.

**7. BORROWER'S WAIVERS** -- I waive my rights to require the Note Holder to do certain things. Those things are: (A) to demand payment of amounts due (known as "Presentment"); (B) to give notice that amounts due have not been paid (known as "notice of dishonor"); (C) to obtain an official certification of nonpayment (known as a "protest"). Anyone else who agrees to keep the promises made in this Note, or who agrees to make payments to the Note Holder if I fail to keep my promises under this Note, or who signs this Note to transfer it to someone else also waives these rights. These persons are known as "guarantors, sureties and endorsers."

**8. GIVING OF NOTICES** -- Any notice that must be given to me under this Note will be given by delivering it or by mailing it by certified mail addressed to me at the Property Address above. A notice will be delivered or mailed to me at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by certified mail to the Note Holder at the address stated in Section 3 above. A notice will be mailed to the Note Holder at a different address if I am given a notice of that different address.

**9. RESPONSIBILITY OF PERSONS UNDER THIS NOTE** -- If more than one person signs this Note, each of us is fully and personally obligated to pay the full amount owed and to keep all of the promises made in this Note. Any guarantor, surety, or endorser of this Note (as described in Section 7 above) is also obligated to do these things. The Note Holder may enforce its rights under this Note against each of us individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note. Any person who takes over my rights or obligations under this Note will have all of my rights and must keep all of my promises made in this Note. Any person who takes over the rights or obligations of a guarantor, surety, or endorser of this Note (as described in Section 7 above) is also obligated to keep all of the promises made in this Note.

*Marlene Finley*  
Borrower MARLENE FINLEY

X  
Borrower

X

*William Finley*  
Borrower WILLIAM FINLEY

X  
Borrower

X



# Notice of Right to Cancel

## NOTICE OF RIGHT TO CANCEL - Open End

**ESTABLISHING AN ACCOUNT** The Credit union has agreed to establish an open-end credit account for you, and you have agreed to give the credit union a (mortgage/deed of trust) (on/in) your home as security for the account. You have a legal right under federal law to cancel the account, without cost, within three business days after the latest of the following events:

1. the opening date of your account which is \_\_\_\_\_; or
2. the date you received your Truth in Lending disclosures; or
3. the date you received this notice of your right to cancel the account.

If you cancel the account, the (mortgage/deed of trust) (on/in) your home is also cancelled. Within 20 days of receiving your notice, the credit union must take the necessary steps to reflect the fact that the (mortgage/deed of trust) (on/in) your home has been cancelled. The credit union must return to you any money or property you have given to us or to anyone else in connection with the account.

You may keep any money or property the credit union has given you until the credit union has done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address shown below. If the credit union does not take possession of the money or property within 20 calendar days of your offer, you may keep it without further obligation.

**INCREASING THE SECURITY** You have agreed to increase the amount of the (mortgage/deed of trust) (on/in) your home that the credit union holds as security for your open-end credit account. You have a legal right under federal law to cancel the increase, without cost, within three business days after the latest of the following events:

1. the date of the increase in the security which is \_\_\_\_\_; or
2. the date you received your Truth in Lending disclosures; or
3. the date you received this notice of your right to cancel the increase in the security.

If you cancel the increase in the security, your cancellation will apply only to the increase in the amount of the (mortgage/deed of trust). It will not affect the amount you presently owe on your account, and it will not affect the (mortgage/deed of trust) the credit union already has (on/in) your home. Within 20 calendar days after the credit union receives your notice of cancellation, the credit union must take the necessary steps to reflect the fact that any increase in the (mortgage/deed of trust) (on/in) your home has been cancelled. The credit union must also return to you any money or property you have given the credit union or to anyone else in connection with this increase.

You may keep any money or property the credit union has given you until the credit union has done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address shown below. If the credit union does not take possession of the money or property within 20 calendar days of your offer, you may keep it without further obligation.

**INCREASING THE CREDIT LIMIT** The credit union has agreed to increase the credit limit on your open-end credit account. The credit union has a (mortgage/deed of trust) (on/in) your home as security for your account. Increasing the credit limit will increase the amount of the (mortgage/deed of trust) (on/in) your home. You have a legal right under federal law to cancel the increase in your credit limit, without cost, within three business days after the latest of the following events:

1. the date of the increase in your credit limit which is \_\_\_\_\_; or
2. the date you received your Truth in Lending disclosures; or
3. the date you received this notice of your right to cancel the increase in your credit limit.

If you cancel, your cancellation will apply only to the increase in your credit limit and to the (mortgage/deed of trust) that resulted from the increase to your credit limit. It will not affect the amount you presently owe, and it will not affect the (mortgage/deed of trust) the credit union already has (on/in) your home. Within 20 calendar days after the credit union receives your notice of cancellation, the credit union must take the necessary steps to reflect the fact that any increase in the (mortgage/deed of trust) (on/in) your home has been cancelled. The credit union must also return to you any money or property you have given to the credit union or to anyone else in connection with this increase.

You may keep any money or property the credit union has given you until the credit union does the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address shown below. If the credit union does not take possession of the money or property within 20 calendar days of your offer, you may keep it without further obligation.

**NOTICE OF YOUR RIGHT TO CANCEL - Closed End**

**GENERAL RIGHT TO CANCEL** You are entering into a transaction that will result in a (mortgage/deed of trust) (on/in) your home. You have a legal right under federal law to cancel this transaction, without cost, within three business days from whichever of the following events occurs last:

1. the date of the transaction which is 11/20/2003; or
2. the date you received your Truth in Lending disclosures; or
3. the date you received this notice of your right to cancel.

If you cancel the transaction, the (mortgage/deed of trust) is also cancelled. Within 20 calendar days after we receive your notice, we must take the steps necessary to reflect the fact that the (mortgage/deed of trust) (on/in) your home has been cancelled, and we must return to you any money or property you have given to us or to anyone else in connection with this transaction.

You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer it reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address below. If we do not take possession of the money or property within 20 calendar days of your offer, you may keep it without further obligation.

**REFINANCING RIGHT TO CANCEL (REFINANCING WITH ORIGINAL CREDITOR).** You are entering into a new transaction to increase the amount of credit provided to you. Your home is the security for this new transaction. You have a legal right under federal law to cancel the new transaction, without cost, within three business days from whichever of the following events occur last:

1. the date of this new transaction, which is \_\_\_\_\_; or
2. the date you received your new Truth in Lending disclosures; or
3. the date you receive this notice of your right to cancel.

If you cancel this new transaction, it will not affect any amount that you presently owe. Your home is the security for that amount. Within 20 calendar days after we receive your notice of cancellation of this new transaction, we must take the steps necessary to reflect the fact that your home does not secure the increase of credit. We must also return any money you have given to us or anyone else in connection with this new transaction.

You may keep any money we have given you in this new transaction until we have done the things mentioned above, but you must then offer to return that money at the address below. If we do not take possession of the money within 20 calendar days of your offer, you may keep it without further obligation.

**HOW TO CANCEL**

If you decide to cancel the account/transaction designated above, you may do so by notifying the credit union in writing, at Mayo Employees Credit Union • 200 First Street SW • Rochester, MN 55905

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. Keep one copy of this notice no matter how you notify the credit union because it contains important information about your rights.

If you cancel by mail or telegram, you must send the notice no later than midnight of (date) 11/24/2003 (or midnight of the third business day following the latest of the three events listed above). If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than that time.

**I WISH TO CANCEL**

\_\_\_\_\_ Date \_\_\_\_\_

Borrower/Owner of Property

**ACKNOWLEDGMENT OF RECEIPT**

You have received two copies of this Notice of Right to Cancel and one copy of the Truth in Lending Disclosures from the credit union and have read and understand them. If this transaction is to increase the amount of the Mortgage/Deed of Trust on/in your home or to increase your credit limit, you acknowledge that you received Truth in Lending Disclosures at the time the original account was established.

You know of no individual(s) no signing this statement who also lives in your home as their principal residence and has any kind of an ownership interest in that property.

Marlene Finley 11-20-03  
 Borrower/Owner of Property MARLENE FINLEY Date

William Finley 11-20-03  
 Borrower/Owner of Property WILLIAM FINLEY Date

**STATEMENT OF NONCANCELLATION**

If you decide NOT to cancel your account/transaction at the end of the three-day period described in the above Notice, please read, sign and date the following Statement. Please return this statement to the credit union at the address in the above Notice.

**Statement of Noncancellation** – You have chosen not to cancel the account/transaction referenced in the above Notice. You understand that the credit union will allow you to receive funds in reliance on this statement.

You know of no individual(s) not signing this statement who also lives in your home as their principal residence and has any kind of ownership interest in that property.

Marlene Finley 11-25-03  
 Borrower/Owner of Property MARLENE FINLEY Date

William Finley 11-25-03  
 Borrower/Owner of Property WILLIAM FINLEY Date



# CREDIT CARD APPLICATION

MAYO EMPLOYEES CREDIT UNION  
200 SW First Street  
Rochester, MN 55905

MEMBER Account# 21626

Credit Limit Requested \$5,000 - \$7,500

No. of Cards 2

NOTICE: Married Applicants may apply for a separate account. Check the appropriate box below to indicate the type of credit for which you are applying.  
 Individual Credit: Complete Applicant section. Complete the Co-Applicant section as follows: (1) Information about your spouse if you live in a community property state (AZ, CA, ID, LA, NM, NV, TX, WA, WI) or (2) If your spouse will use the Account.  
 Joint Credit: Provide information about both of you by completing Applicant and Co-Applicant sections.

## TELL US ABOUT YOURSELF

Last Name <u>Finley</u>	First <u>Marlene</u>	Middle <u>Marie</u>	Social Security # <u>475-80-6184</u>
Street Address <u>6255 Co Rd 24 NE</u>	Apt. # <u></u>	City <u>Elgin</u>	State <u>Mn</u>
Zip <u>55932</u>	Birth Date <u>6-5-57</u>	Employer <u>Mayo Clinic</u>	Employer Address <u>Rochester</u>
Start Date <u>1-1-96</u>	Position <u>Med. sec.</u>	Notice: Alimony, child support, or separate maintenance income need not be revealed if you do not choose to have it considered.	
Other Source: \$ _____ Per _____	<input checked="" type="checkbox"/> Gross Monthly Income \$ <u>1600</u>		<input type="checkbox"/> Net Monthly Income \$ _____
<input checked="" type="checkbox"/> Own <input type="checkbox"/> Rent Monthly Payment <u>700</u>	Work Phone <u></u>	Home Phone <u>876-2480</u>	Mother's Maiden Name <u>Lloyd</u>

## TELL US ABOUT YOUR Co-Applicant (Complete For Joint Credit)

Last Name <u>Finley</u>	First <u>William</u>	Middle <u>Edward</u>	Social Security # <u>475-72-7113</u>
Street Address <u>6255 Co Rd 24 NE</u>	Apt. # <u></u>	City <u>Elgin</u>	State <u>Mn</u>
Zip <u>55932</u>	Birth Date <u>2-3-57</u>	Employer <u>Doyle Conner Construction</u>	Employer Address <u>168 3rd St E Rochester, Mn</u>
Start Date <u>8-96</u>	Position <u>constr. mec.</u>	Notice: Alimony, child support, or separate maintenance income need not be revealed if you do not choose to have it considered.	
Other Source: \$ _____ Per _____	<input checked="" type="checkbox"/> Gross Monthly Income \$ <u>2300</u>		<input type="checkbox"/> Net Monthly Income \$ _____
<input checked="" type="checkbox"/> Own <input type="checkbox"/> Rent Monthly Payment <u>700</u>	Work Phone <u></u>	Home Phone <u>876-2480</u>	Mother's Maiden Name <u>Johnson</u>

## PLEASE SIGN HERE (BOTH SIGNATURES REQUIRED FOR JOINT CREDIT)

A consumer credit report may be requested in connection with this application and with any renewals, updates or extensions of any new credit extended as a result of this application. The credit union is relying on what you stated in this application and you acknowledge that everything you have stated is true. If a credit card is issued to you and you use the card (or its account number) or authorize its use, you agree that such use will constitute your agreement to the terms of the cardholder agreement that you receive from the credit union.

APPLICANT SIGNATURE <u>X Marlene Finley</u>	DATE <u>6-10-96</u>	CO-APPLICANT SIGNATURE <u>X William E. Finley</u>	DATE <u>6-10-96</u>
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FOR CREDIT UNION

481531000973722E

<input checked="" type="checkbox"/> Approved	Credit Limit <u>\$2000</u>	Credit Card Account # _____
<input type="checkbox"/> Declined	Credit Committee or Loan Officer Signature <u>[Signature]</u>	

D/F  $1508 \div 3802 = 39.7\%$

**VISA CLASSIC**

The information about the costs of the card described in this application is accurate as of 3/96. This information may have changed after that date. To find out what may have changed, call or write to us at the number or location listed above.

Annual percentage rate for purchases	Grace period for repayment of the balance for purchases	Method of computing the balance for purchases and cash advances	Minimum Finance charge	Transaction fee for purchases	Annual Fee	Over-Credit-Limit .....
13.9%	25 days	Average Daily Balance (Including new purchases)	None	None	None	\$10.00
						Replacement Card .....
						\$5.00
						Returned Check .....
						\$10.00

**VISA GOLD**

The information about the costs of the card described in this application is accurate as of 3/96. This information may have changed after that date. To find out what may have changed, call or write to us at the number or location listed above.

Annual percentage rate for purchases	Grace period for repayment of the balance for purchases	Variable rate information	Method of computing the balance for purchases and cash advances	Minimum Finance charge	Annual Fee	Other Fees
				None		
13.25%*	25 days	The <b>ANNUAL PERCENTAGE RATE</b> is a variable rate. It is equal to Four Point Nine Percent (4.9%) over the prime rate published in the money rates column of <i>The Wall Street Journal</i> , rounded up to the nearest one-quarter percent (the "index"). VISA Gold will never exceed the VISA Classic rate.	Average Daily Balance (Including new purchases)	Transaction fee for purchases	None	Over-Credit-Limit .....
				None		
						Replacement Card .....
						\$5.00
						Returned Check .....
						\$10.00

	<b>GOLD</b>	<b>CLASSIC</b>
CREDIT LIMITS	\$5,000 - \$7,500	0 - \$5,000
MINIMUM PAYMENT	3% or \$25.00	4% or \$25.00

MAYO EMPLOYEES  
 CREDIT UNION  
 200 SW FIRST STREET  
 ROCHESTER MN 55905

**Read their Fine Print**

**Mayo Employees Credit Union's Credit Card saves you more, costs you less!**

 **LOANLINER® Credit  
and Security Agreement  
Truth in Lending Disclosure**

This LOANLINER® Credit and Security Agreement, which includes the Truth in Lending Disclosures, will be referred to as **the Plan**. The Plan documents include this agreement and an Addendum. **You, your and borrower** mean any person who signs the Plan. **Credit union, we, our and us** mean Mayo Employees Credit Union or anyone to whom the Credit Union transfers its rights under the Plan.

**HOW THIS PLAN WORKS** — This is an open-end, multi-featured credit plan. We anticipate that, from time to time, you will borrow money (called "advances") under the Plan. **We are not required to make advances to you under the Plan and can refuse a request for an advance at any time.** The Addendum describes the different types of credit (called "subaccounts") available under the Plan, the current interest rate for each subaccount expressed as a daily periodic rate and corresponding annual percentage rate and other charges. It may also have other terms and a schedule for determining the payment amounts.

**CREDIT LIMIT** — We may, but do not have to, establish a credit limit on certain subaccounts. If a credit limit is set for a subaccount, you promise not to exceed the established credit limit. If you exceed the credit limit, you promise to repay immediately the amount which exceeds the credit limit.

**REPAYMENT** — You promise to repay all amounts you owe under the Plan plus interest. Payments are due on the last day of the month unless we set a different day at the time of an advance. If the Addendum has no payment schedule for a subaccount, your payment will be determined at the time of each advance. Payments must include any amount past due and any amount by which you have exceeded any credit limit you have been given for a subaccount. You may repay all or part of what you owe at any time without any prepayment penalty. Even if you prepay, you will still be required to make the regularly scheduled payments unless we agree in writing to a change in the payment schedule. If you have a joint sharedraft account, you will be responsible for paying all overdraft advances obtained by a joint holder of the sharedraft account. Unless otherwise required by law, payments will be applied to amounts owed under the Plan, in the manner the Credit Union chooses.

**PLAN ACCESS** — You can obtain credit advances in any manner authorized by us. If we allow you to use your ATM/Debit card to access the Plan, you may be liable for the unauthorized use of your ATM/Debit card. You will not be liable for unauthorized use that occurs after you notify us, orally or in writing, of the loss, theft, or possible unauthorized use. If you believe your ATM/Debit card has been lost or stolen, immediately inform the Credit Union by calling or writing us at the telephone number or address that appears elsewhere in the Plan. If the card is used to obtain unauthorized advances directly from the Plan, your liability will not exceed \$50. If the unauthorized withdrawal is from a sharedraft account, your liability is governed by the Regulation E disclosures you received at the time you received your ATM/Debit card, even if the withdrawal results in an advance being made from your overdraft subaccount.

**FINANCE CHARGE** — The dollar amount you pay for money borrowed is called a "finance charge" and begins on the date of each advance. A finance charge will be computed separately for each separate balance under the Plan. To compute the finance charge, the unpaid balance for each day since your last payment (or since an advance if you have not yet made a payment)

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is multiplied by the applicable daily periodic rate. The sum of these amounts is the finance charge owed. The balance used to compute the finance charge is the unpaid balance each day after payments and credits to that balance have been subtracted and any additions to the balance have been made. In addition to interest, we may charge other finance charges which are disclosed on the Addendum. If the interest rate is a variable interest rate, the Addendum explains how the variable interest rate works.

**SECURITY** — You pledge as security for the Plan all shares and dividends and, if any, all deposits and interest in all joint and individual accounts you have with us now and in the future. If a specific dollar amount is pledged for an advance, we will freeze shares in that account to the extent of the outstanding balance for the advance. Otherwise, your pledged shares may be withdrawn unless you are in default. We have a statutory lien on the shares and dividends and, if any, the deposits and interest in all individual and joint accounts you have with us and may exercise our rights under the lien to the extent permitted by state law. **The statutory lien and/or your pledge will allow us to apply the funds in your account(s) to what you owe when you are in default.** The statutory lien and your pledge do not apply to any Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security.

Additional security for the Plan may be required at the time of an advance. If a subaccount identifies a type of property (such as "New Cars") you must give that type of property as security when you get an advance under that subaccount. A subaccount name such as "Other Secured" means you must provide security acceptable to us when you obtain an advance under that subaccount. Property you give as security will secure all amounts owed under the Plan and all other loans you have with us now or in the future, except any loan secured by your principal dwelling. Property securing other loans you have with us may also secure the Plan.

**CREDIT INSURANCE** — Credit life and/or credit disability insurance is optional under the Plan. If you qualify for and purchase the insurance from us, you authorize us to add the insurance premiums monthly to your loan balance and charge you interest on the entire balance. If you elect credit insurance, your payments may increase or the period of time necessary to repay your advance may be extended. The credit insurance rates may change during the Plan. If the rates change, we will provide any notices required by applicable law.

**PERIODIC STATEMENT** — On a regular basis you will receive a statement showing all transactions under the Plan during the period covered by the statement. Statements and notices will be sent to you at the most recent address you have given us in writing. Unless applicable law requires notice to each joint borrower, notice to any one of you will be notice to all.

**JOINT ACCOUNTS** — If this is a joint account, each of you is individually and jointly responsible for paying all amounts owed. That means we can enforce our rights under the Plan against any one of you individually or against all of you together. If you give us inconsistent instructions, we can refuse to follow your instructions. Unless our written policy requires all of you to sign for an advance, each of you authorizes the other(s) to obtain advances individually and agrees to repay advances made to the other(s). Any joint account holder may terminate the Plan by giving us prior written notice. If any of you terminate the Plan, the Plan is terminated for all of you. You remain liable individually and jointly for all advances incurred before termination.

**FEES AND CHARGES** — If you give us a security interest in certain types of property, we may charge you a filing fee to perfect our interest in the property. If we do, the amount of the fee will be disclosed to you at the time you obtain an advance. We may also charge you other fees in connection with the Plan. Our current fees are disclosed on the Addendum and will be added to your loan balance unless you pay them in cash.

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**UPDATING CREDIT INFORMATION** — You promise that you will promptly give us written notice if you move, change your name or employment, or if any other information you provided to us changes. Upon our request, you also agree to provide us updated financial information.

**DEFAULT** — *The following paragraph applies to borrowers in Idaho, Kansas, Maine and South Carolina:* You will be in default if you do not make a payment of the amount required when it is due. You will also be in default if we believe the prospect of payment, performance, or realization on any property given as security is significantly impaired.

*The following paragraph applies only to borrowers in Wisconsin:* You will be in default if you fail to make a payment when due two times during any 12 month period. You will be in default if breaking any promise made under the Plan materially impairs your ability to repay what you owe or materially impairs the condition, value, or protection of or our right in any property you gave as security.

*The following paragraph applies only to borrowers in Iowa:* You will be in default if you are more than 10 days late in making a payment. You will also be in default if you do not comply with the terms of the Plan and your failure to comply materially impairs any property you gave as security or your ability to repay what you owe under the Plan.

*The following paragraph applies to borrowers in all other states:* You will be in default if you do not make a payment of the amount required when it is due. You will be in default if you break any promise you made under the Plan or if anyone is in default under any security agreement made in connection with an advance under the Plan. You will be in default if you die, file for bankruptcy, become insolvent, if you make any false or misleading statements in any credit application or update of credit information, or if something happens we believe may substantially reduce your ability to repay what you owe. You will also be in default under the Plan if you are in default under any other loan agreement with us.

**ACTIONS AFTER DEFAULT** — *The following paragraph applies to borrowers in Colorado, District of Columbia, Iowa, Kansas, Maine, Massachusetts, Missouri, Nebraska, South Carolina and West Virginia:* When you are in default and after expiration of any right you have under applicable state law to cure your default, we can demand immediate payment of the entire unpaid balance under the Plan without giving you advance notice.

*The following paragraph applies to borrowers in all other states except Wisconsin and Louisiana:* When you are in default, we can require immediate payment (acceleration) of the entire unpaid balance under the Plan. You waive any right you have to demand for payment, notice of intent to accelerate and notice of acceleration.

*The following paragraphs apply to borrowers in all states except Wisconsin and Louisiana:* If immediate payment is demanded, you will continue to pay interest until what you owe has been repaid at the applicable interest rates in effect or, if applicable, at the default rate disclosed on the Addendum. If a demand for immediate payment has been made, your shares and/or deposits can be applied towards what you owe as provided in the section above called "Security." We can also exercise any other rights given by law when you are in default.

You agree the Credit Union has the right to take possession of any property given as security under the Plan, without judicial process, if this can be done without breach of the peace. If we ask, you promise to deliver the property at a time and place we choose. We will not be responsible for any other property, not covered by this Agreement, that you leave inside the property or that is attached to the property. We will try to return that property to you or make it available to you to claim.

After we have possession of the property, we can sell it and apply the money to any amounts you owe us. We will give you notice of any public

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sale or the date after which a private sale will be held. Our expenses for taking possession of and selling the property will be deducted from the money received from the sale. Those costs may include the cost of storing the property, preparing it for sale and attorney's fees to the extent permitted under state law or awarded under the Bankruptcy Code. The rest of the sale money will be applied to what you owe under the Plan.

You will also have to pay any amount that remains unpaid after the sale money has been applied to any unpaid balance under the Plan. You agree to pay interest on that amount at the same rate as the advance, or, if applicable, at the default rate disclosed on the Addendum, until that amount has been paid.

**The following paragraph applies only to Wisconsin borrowers:** When you are in default and after expiration of any right you have under applicable state law to cure your default, we may require immediate payment of your outstanding loan balance under the Plan and seek possession of property given as security. You may voluntarily give the property to us if you choose, or we may seek to take possession of the property by judicial process. If we repossess the property, you agree to pay reasonable expenses incurred in disposing of the property. If the property is a motor vehicle, mobile home, trailer, snowmobile, boat or aircraft, you will also be required to pay any costs permitted by Section 422.413 of the Wisconsin Statutes.

**The following paragraph applies only to Louisiana borrowers:** When you are in default, we can require immediate payment (acceleration) of the entire unpaid balance under the Plan. You waive any right you have to demand for payment, notice of intent to accelerate and notice of acceleration. If immediate payment is demanded, you will continue to pay interest until what you owe has been repaid at the applicable interest rates in effect unless a default rate is disclosed on the Addendum. If a demand for immediate payment has been made, the shares and deposits given as security for the Plan can be applied towards what you owe. We can also exercise any other rights given by law when you are in default and our rights under any security agreements you have with us.

**CANCELLING OR CHANGING THE PLAN — The following paragraph applies only to borrowers in Illinois:** We have the right to change the terms of the Plan from time to time after giving you any advance notice required by law. Any change to the interest rate or other charges will apply to future advances.

**The following paragraph applies only to borrowers in Wisconsin:** We can change the terms of the Plan from time to time in accordance with Section 422.415 of the Wisconsin Statutes. You will be notified of any change in terms. An increase in the daily periodic rate under a variable rate interest rate is not considered a change in terms under the Plan. We can cancel the entire Plan or any part of the Plan at any time. You may cancel the Plan at any time by giving us prior written notice. Your obligation to pay the unpaid balances under the terms of the Plan continues whether you or the credit union cancel the Plan, except to the extent that your liability is limited by Section 422.4155 of the Wisconsin Statutes.

**The following paragraph applies only to borrowers in Iowa:** We can change the terms of the Plan from time to time after giving you any advance notice required by law. A change that increases the rate of finance charge or other charge, that increases the amount of your payments, or that otherwise adversely affects existing balances will apply to existing balances only if you agree to the change or you use the Plan after receiving notice that your use of the Plan means you agree the change applies to existing balances.

**The following paragraph applies to borrowers in all other states:** We have the right to change the terms of the Plan from time to time after giving

(continued)

you any advance notice required by law. Any change in the interest rate will apply to future advances, and at our discretion and subject to any requirements of applicable law, will also apply to unpaid balances.

**The following paragraph applies to all but Wisconsin borrowers:** An increase in the daily periodic rate under a variable interest rate is not considered a change in terms under the Plan. We can cancel the entire Plan or any part of the Plan at any time. You may cancel the Plan at any time by giving us prior written notice. Your obligation to pay the unpaid balances under the terms of the Plan continues whether you or the Credit Union cancel the Plan.

**DELAY IN ENFORCING RIGHTS AND CHANGES IN THE PLAN** — We can delay enforcing any of our rights under this Plan any number of times without losing the ability to exercise our rights later. We can enforce this Plan against your heirs or legal representatives. If we change the terms of the Plan, you agree that this Plan will continue to protect us.

**CONTINUED EFFECTIVENESS** — If any part of this Plan is determined by a court to be unenforceable, the rest will remain in effect.

**NOTICE TO UTAH BORROWERS** — This written agreement is a final expression of the agreement between you and the Credit Union. This written agreement may not be contradicted by evidence of any oral agreement.

**The following is required by Vermont law — NOTICE TO CO-SIGNER — YOUR SIGNATURE ON THIS NOTE MEANS THAT YOU ARE EQUALLY LIABLE FOR REPAYMENT OF THIS LOAN. IF THE BORROWER DOES NOT PAY, THE LENDER HAS A LEGAL RIGHT TO COLLECT FROM YOU.**

The following paragraphs apply if you give security in connection with an advance under the Plan. They apply to borrowers in all states except Louisiana. Louisiana borrowers will execute a separate security agreement. Borrowers in other states may also be asked to execute a separate security agreement.

**THE SECURITY FOR THE PLAN** — You give us what is known as a security interest in all property described in any receipt, voucher or other document you receive for an advance ("the Advance"). The security interest you give 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. It also includes any money you receive from selling the property or from insurance you have on the property. If the value of the property declines, you promise to give us more property as security if asked to do so.

**WHAT THE SECURITY INTEREST COVERS** — The security interest secures the Advance described in the receipt, voucher or any other document you receive at the time of the Advance and any extensions, renewals or refinancings of the Advance. It also secures any other advances you have now or receive in the future under the Plan and any other amounts or loans, including any credit card loan, you owe us for any reason now or in the future, except any loan secured by your principal residence. If the property is household goods as defined by the Federal Trade Commission Credit Practices Rule, the property will secure only the Advance and not other amounts you owe.

**OWNERSHIP OF THE PROPERTY** — You promise that you own all property you give as security or if the Advance is to buy the property, you promise you will use the Advance for that purpose. You promise that no one else has any interest in or claim against the property that you have not already told us about. You promise not to sell or lease the property or to use it as security for a loan with another creditor until the Advance is repaid. You promise you will allow no other security interest or lien to attach to the property either by your actions or by operation of law.

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**PROPERTY INSURANCE, TAXES AND FEES** — You must maintain property insurance on all property that you give security under the Plan. You may purchase the property insurance from anyone you choose who is acceptable to the Credit Union. The amount and coverage of the property insurance must be acceptable to us. You may provide the property insurance through a policy you already have, or through a policy you get and pay for. You promise to make the insurance policy payable to us and to deliver the policy or proof of coverage to us if asked to do so.

If you cancel your insurance and get a refund, we have a right to the refund. If the property is lost or damaged, we can use the insurance settlement to repair the property or apply it towards what you owe. You authorize us to endorse any draft or check which may be payable to you in order for us to collect any refund or benefits due under your insurance policy. You also promise to pay all taxes and fees (like registration fees) due on the property.

If you do not pay the taxes or fees on the property when due or keep it insured, we may pay these obligations, but we are not required to do so. Any money we spend for taxes, fees or insurance will be added to the unpaid balance of the advance and you will pay interest on those amounts at the same rate you agreed to pay on the advance. We may receive payments in connection with the insurance from a company which provides the insurance. We may monitor our loans for the purpose of determining whether you and other borrowers have complied with the insurance requirements of our loan agreements or may engage others to do so. The insurance charge added to an advance may include (1) the insurance company's payments to us and (2) the cost of determining compliance with the insurance requirements. If we add amounts for taxes, fees or insurance to the unpaid balance of an advance, we may increase your payments to pay the amount added within the term of the insurance or approximate term of the advance.

**NOTICE** — If you do not purchase the required property insurance, the insurance we may purchase and charge you for will cover only our interest in the property. **The insurance will not be liability insurance and will not satisfy any state financial responsibility or no fault laws.**

**PROTECTING THE SECURITY INTEREST** — If your state issues a title for the property, you promise to have our security interest shown on the title. We may have to file what is called a financing statement to protect our security interest from the claims of others. If asked to do so, you promise to sign a financing statement. You also promise to do whatever else we think is necessary to protect our security interest in the property. You promise to pay all costs, including but not limited to any attorney fees, we incur in protecting our security interest and rights in the property, to the extent permitted by applicable law.

**USE OF PROPERTY** — Until the Advance has been paid off, you promise you will: (1) Use the property carefully and keep it in good repair. (2) Obtain our written permission before making major changes to the property or changing the address where the property is kept. (3) Inform us in writing before changing your address. (4) Allow us to inspect the property. (5) Promptly notify us if the property is damaged, stolen or abused. (6) Not use the property for any unlawful purpose.

**NOTICE TO NORTH DAKOTA 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.

**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 you gave us. 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.

## VISA Credit Card Agreement and Truth in Lending Disclosures

In this agreement, the words **you** and **your** refer to any and all persons who accept a credit card issued by us or under an account we hold. The words **we**, **us** and **our** refer to Mayo Employees Credit Union.

By either signing, using or accepting the plastic card(s) issued to you by us, you accept the terms and conditions of this agreement.

**PROMISE TO PAY** — When you use your account or permit someone else to use it for a purchase or cash advance you promise to pay the total amount of purchase or cash advance. You also promise to pay any finance charge or other charges that may be due.

**CREDIT LIMIT** — You promise to make purchases and cash advances only up to that limit established for you by the credit union. We can change your credit limit at any time. If you use your account for more than your limit, we can still charge you without giving up any of our rights under this agreement.

**STATEMENTS** — Each month you have a balance, you will receive a statement showing your new balance. Your statement also shows the minimum amount you must pay and the latest date we must receive your payment. This due date is 25 days after the Statement Closing date.

**CREDIT INFORMATION** — You authorize us to investigate your credit standing when opening, renewing or reviewing your account and you authorize us to disclose information regarding your account to credit bureaus and other creditors who may inquire of us about your credit standing.

**PAYMENTS** — The minimum monthly payment will include any past due or overlimit amounts. Payments are considered made when received. Payments and credits will be applied on your account in the following order: a) finance charges on previously billed cash advances, b) finance charges on previously billed purchases, c) unpaid annual membership fees, d) amounts due on previously billed cash advances, e) amounts due on previously billed purchases, f) outstanding cash advances currently owing, g) outstanding purchases currently owing. Please refer to the Addendum for specific minimum monthly payment requirements.

For those accounts participating in promotional processing, payments will be applied to that balance first then in the order stated above.

**FINANCE CHARGE RATE** — The monthly periodic rate and annual percentage rate are disclosed on the Addendum. The finance charge rate is also on the monthly periodic statement stated as the monthly periodic rate and as an annual percentage rate of your average daily balance, subject to finance charge.

**CALCULATION OF FINANCE CHARGE** — If the New Balance shown on your monthly statement is paid in full by the payment Due Date shown on the statement, no Finance Charge will be imposed on the Current Cycle Purchases (which are the purchases itemized on the statement). If a FINANCE CHARGE is shown on your statement, it is computed by applying the monthly periodic rate or rates to the average daily outstanding balance for that billing period (by adding the average daily balance of current billing cycle purchases plus the average daily balance of previous billing cycle purchases plus the average daily balance of old purchases plus the average daily balance of cash advances). The average daily outstanding balance is computed in accordance with the method described below. Cash advances are always subject to finance charges from the date of transaction. Average daily outstanding balance for the billing period is determined by dividing the sum of the amounts owed to the card issuer on

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each day of the billing period by the number of days in the billing period except that:

The amount of the new purchases shown on the statement and the outstanding balance at the beginning of the billing period are not considered part of the average daily outstanding balance during the billing period if the total amount owed to the issuer at the beginning of the billing period was paid in full within 25 days after that beginning date.

**USE OF ACCOUNT** — You may use your Card, up to your available credit limit, to buy or lease goods, services or insurance wherever the Card is honored. You agree that you will not use your card for any transaction that is illegal under applicable federal, state or local law. If you wish to pay for goods or services over the Internet, you may be required to provide card number security information before you will be permitted to complete the transaction.

**LIABILITY FOR UNAUTHORIZED USE-LOST/STOLEN CARD NOTIFICATION** — You agree to notify us immediately, orally or in writing at Mayo Employees Credit Union, 200 First Street, SW, Rochester, MN 55905 or telephone us at 507-535-1460 of the loss, theft or unauthorized use of your Credit Card. You may be liable for the unauthorized use of your Credit Card. You will not be liable for unauthorized use that occurs after you notify us of the loss, theft, or possible unauthorized use. You will have no liability for unauthorized purchases made with your credit card, unless you are grossly negligent in the handling of your card. In any case, your liability will not exceed \$50.

**DEFAULT** — You will be in default if you fail to make any minimum payment or other required payment by the date that it is due. You will be in default if you break any promise you make under this agreement. You will be in default if you die, file for bankruptcy or become insolvent, that is, unable to pay your obligations when they become due. You will be in default if you make any false or misleading statement in any credit application or credit update. You will also be in default if something happens that the Credit Union believes may substantially reduce your ability to repay what you owe. When you are in default, the Credit Union has the right to demand immediate payment of your full account balance without giving you notice. If immediate payment is demanded, you agree to continue paying finance charges, at the periodic rate charged before default, until what you owe has been paid and any shares that were given as security for your Account may be applied towards what you owe.

**AMENDMENTS** — We may amend or cancel this agreement at any time by getting your consent as provided by law or giving you a notice of the amendments. Cards are our property and must be returned at our request.

**MERCHANT DISPUTES** — The Credit Union is not responsible for the refusal of any merchant or financial institution to honor your Card. The Credit Union is subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the Card if you have made a good faith attempt but have been unable to obtain satisfaction from the merchant or service provider, and (a) your purchase was made in response to an advertisement the Credit Union sent or participated in sending to you; or (b) your purchase cost more than \$50 and was made in your state or within 100 miles of your home.

**OTHER FEES AND CHARGES** — Please refer to the Addendum for other applicable fees and charges.

**CASH ADVANCE FEE** — When you obtain a cash advance, you may be charged a cash advance fee. This fee is an additional FINANCE CHARGE that will be applied to your account when the cash advance is posted. You agree to any resulting increase in your ANNUAL PERCENTAGE RATE. The following transactions will be treated as cash advances:

(continued)

- obtaining cash from participating Automated Teller Machines ("ATMs");
- obtaining cash from participating financial institutions nationwide that have agreed with MasterCard and VISA to allow you to use your Card to obtain cash;
- using credit line access checks;
- obtaining money orders, travelers checks, foreign currency, lottery tickets, casino chips, vouchers redeemable for cash or similar items.

Please refer to the Addendum for the specific cash advance fee amount.

**MISCELLANEOUS** — If any provision of this agreement would be unlawful, the rest of the agreement will stand and the unlawful provision will be deemed amended to conform to law.

**CARDHOLDER LIABILITY** — All persons who use the card are individually and together responsible for any balance outstanding. If two or more persons are responsible to pay for any outstanding balance, we may refuse to release any of them from liability until all of the unexpired cards outstanding under the account have been returned to us and the balance outstanding has been paid in full. The card is property of the Financial Institution and must be returned upon request.

**BILLING ERRORS** — If you find an error or have an inquiry about your statement, your rights are protected under the Fair Credit Billing Act. A copy of your billing rights is contained in and is a part of this agreement.

**FOREIGN TRANSACTIONS** — Purchases and cash advances made in foreign countries and foreign currencies will be billed to you in U.S. dollars. The conversion rate to dollars will be determined in accordance with the operating regulations established from time to time by VISA International. The currency conversion rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date.

**IRREGULAR PAYMENTS** — We may accept late payments, partial payments, post-dated checks, or any form of payment containing a restrictive endorsement, without losing any of our rights under this agreement. Our acceptance of checks or money orders labeled "payment in full" or words to that effect, will not constitute an accord and satisfaction nor a waiver of any rights we have to receive full payments.

**SECURITY INTEREST —**

**PLEDGE OF SHARE ACCOUNT(S) — NOTE: You pledge to us and grant a security interest in all individual and joint accounts you have with us now and in the future, to secure your VISA Credit Card account. You authorize us to apply the balance in these account(s) to pay any amounts due under this agreement if you should default.**

Collateral securing other loans you have with the Credit Union may also secure this loan, except that your home will never be considered as security for this Account, notwithstanding anything to the contrary in any other agreement.

**ACTS MAKING AGREEMENT BINDING** — Applicant(s)' signing the LOANLINER® Application and/or using or permitting another to use the VISA Card(s) referred to herein shall bind applicant(s) to the terms and conditions hereof and all amendments.

## Billing Rights Notice

### Keep This Notice For Future Use

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

**NOTIFY US IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR STATEMENT** — If you think your statement is wrong, or if you need more information about a transaction on your statement, write us on a separate sheet at the address listed on your statement. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

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

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

**YOUR RIGHTS AND OUR RESPONSIBILITIES AFTER WE RECEIVE YOUR WRITTEN NOTICE** — We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the statement was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to send statements to you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your statement that are not in question.

If we find that we made a mistake on your statement, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your statement. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your statement was correct.

**SPECIAL RULE FOR CREDIT CARD PURCHASES** — If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. There are two limitations on this right: (a) You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address; and (b) The purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

**N.A.D.A. Official Used Car Guide  
Vehicle Summary N.A.D.A. Values  
7/27/2004**

Region:	Midwest July, 2004	Stock #:	
Vehicle Description:	2001 CHEVROLET IMPALA-V6 SED 4D	VIN:	2G1WF52E019252233
MSRP:	\$18,999	Weight:	3,389
Mileage:	45,001		

	<u>Retail</u>	<u>Trade-In</u>	<u>Loan</u>
<b>Base Value</b>	\$9,475	\$7,500	\$6,750
<b>Option Total</b>	\$0	\$0	\$0
<b>Mileage Adjustment</b>	\$0	\$0	\$0
<b>Total N.A.D.A. Official Used Car Guide Values</b>	<b>\$9,475</b>	<b>\$7,500</b>	<b>\$6,750</b>

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*EXHIBIT C*

04-03446-0

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

In Re:  
William E Finley and Marlene M Finley,

Case No. 04-34182  
Chapter 7 Case

VERIFICATION FOR MOTION FOR RELIEF FROM STAY

I, Marc Slavin, the Designated Agent for Mayo Employees Credit Union, the Creditor herein, declare under penalty of perjury that the following is true and correct according to the best of my knowledge, information and belief, and based on the Creditor's business records:

1. I am legally competent to testify and am personally familiar with the debt owed by Debtor to the Creditor on account nos. 21626-L1, L10, VISA.
2. The Debtors owe the Creditor on the accounts as follows:

Account No.	Payoff as of today	Arrears	Past Due Date
21626-L1	\$ 8,083.18	\$ 601.70	8-3-04
21626-L10	\$28,184.91	\$ 810.65	8-3-04
21626-visa	\$10,153.25	\$1,215.00	6-19-04

3. The debt owed to the Creditor is secured by a perfected lien on a 2001 Chevrolet Impala Sedan 4D vehicle and by a recorded mortgage lien on the Debtors' home. As of the date of filing, the NADA published retail value of the vehicle was \$9,475.00, and the value of the home is believed to be about \$250,000.00.
4. The vehicle secures both the L1 and the visa accounts. The home secures the L10 account.
5. True and correct copies of the title documents are attached to the Motion as Exhibit "A". True and correct copies of the loan documents are attached as Exhibit "B".
6. Debtors have failed to reaffirm as stated on their Statement of Intentions.

Dated: 10/4/04

  
 Marc Slavin  
 Mayo Employees Credit Union  
 130 23rd Ave SW  
 Rochester, MN 55902

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

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In Re:  
William E Finley  
and Marlene M Finley,  
Debtors,

Case No. 04-34182

Chapter 7 Case

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**MEMORANDUM OF FACT AND LAW**

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Mayo Employees Credit Union ("Movant") submits this Memorandum of Fact and Law in support of its motion for relief from the stay.

**FACTS**

Movant is the holder of a secured claim, and is thus a party in interest. Movant has a valid and perfected security interest in the collateral. The collateral is in Debtors' possession or control.

Debtors' filed Statement of Intentions states Debtors are to reaffirm on the debt owed to Movant. Movant submitted a reaffirmation agreement. Debtors have failed to sign it. Debtors have stopped making payments on the debt.

The total net balance due on the debt secured by the vehicle is about \$18,000.00 as set out in the attached Verification. On information and belief, the vehicle has an NADA retail value of \$9,475.00. NADA pages showing this vehicle value are attached as Exhibit "C".

The real property is believed to have a market value of about \$250,000. There is a first mortgage lien against the property which Debtors list as having a balance of \$195,000. Movant's lien against the property has a balance of more than \$28,000 leaving little or no equity after foreclosure and sales costs are considered.

Movant's collateral is subject to depreciation in that the collateral is being used, subjecting the same to wear and tear, while Debtors are failing to make payments.

## ARGUMENT

Pursuant to 11 U.S.C. §362(d)(1), a creditor is entitled to relief from the automatic stay "for cause, including the lack of adequate protection of an interest in property of such creditor." In this case, there is a lack of adequate protection as follows:

- Failure to make the payments required by the Contract since June 19, 2004 and August 3, 2004.
- Failure to make payments due post petition under the Contract.
- Failure to reaffirm as stated on their filed Statement of Intentions.

Movant has not been provided with adequate protection of Movant's interest in the collateral. Such circumstances constitute cause, within the meaning of §362(d)(1), justifying relief from the stay. See, United States Association of Texas v. Timbers of Inwood Association, Ltd. (In re Timbers of Inwood Association, Ltd.), 484 U.S. 365, 108 S.Ct. 626, 98 L.Ed. 2d 740 (1988); In re Reinbold v. Dewey County Bank, 942 F.2d 1304, 1306 (8th Cir. 1991). Pursuant to 11 U.S.C. §362(g), the burden is on the Debtor to prove adequate protection and/or absence of cause.

Pursuant to 11 U.S.C. §362(d)(2), relief from the automatic stay is also appropriate if the Debtor has no equity in the property and the property is not necessary to an effective reorganization. See, In re Gellert, 55 B.R. 970 (Bkrtcy. D.N.H. 1983). In the present case, the balance due Movant on the Contract is \$7,959.05. It appears Debtor has no equity in the collateral. No evidentiary hearing is required on the issue of equity unless Debtors dispute it. Powers v. American Honda Finance Corp., 216 B.R. 95, 97 (N.D.N.Y. 1997). There is no reorganization proposed by the Debtor in this Chapter 7 case. Pursuant to 11 U.S.C. §362(g), the burden is on Debtor to establish that collateral is necessary for reorganization.

Bankruptcy Rule 4001(a)(3) imposes a stay of 10 days which the court may, in its discretion, order is not applicable so that Movant may immediately enforce and implement the order granting relief.

Advisory Committee Notes to 1999 Amendments to Bankruptcy Rule 4001.

Dated: October 5, 2004

**STEWART, ZLIMEN & JUNGERS, LTD.**

/e/ Linda Jeanne Jungers

Linda Jeanne Jungers, Atty ID #5303X

Attorneys for Movant

430 Oak Grove Street #200

Minneapolis, MN 55403

612-870-4100

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

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In Re:  
William E Finley  
and Marlene M Finley,  
Debtors,

Case No. 04-34182

Chapter 7 Case

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**UNSWORN CERTIFICATE OF SERVICE**

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I, Linda Jeanne Jungers, declare under penalty of perjury that on October 6, 2004, I mailed copies of the attached Notice of Hearing and Motion for Relief from the Stay with Exhibits, Verification, Memorandum of Fact and Law, Certificate of Service, and proposed Order, by first class mail postage prepaid to each entity named below at the address stated below for each entity.

William E Finley  
6255 County Road 24 NE  
Elgin, MN 55932

Marlene M Finley  
6255 County Road 24 NE  
Elgin, MN 55932

Michael J Quinn  
Attorney at Law  
400 S Broadway, Suite 201  
Rochester, MN 55904

Charles W Ries  
Chapter 7 Trustee  
PO Box 7  
Mankato, MN 56002-0007

U.S. Trustee  
1015 U.S. Courthouse  
300 South 4th Street  
Minneapolis, MN 55415

Executed on: October 6, 2004

Signed: /e/Linda Jeanne Jungers  
Linda Jeanne Jungers  
STEWART, ZLIMEN & JUNGERS  
430 Oak Grove Street, #200  
Minneapolis, MN 55403

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In Re:  
William E Finley  
and Marlene M Finley,  
Debtors,

Case No. 04-34182

Chapter 7 Case

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**ORDER FOR RELIEF FROM THE STAY**

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Mayo Employees Credit Union's Motion for an order granting relief from the stay came before the Court on October 25, 2004 at 9:30 AM o'clock.

Based on the arguments of counsel, all the files, records and proceedings herein, the court being advised in the premises, and the court's findings of fact and conclusions of law, if any, having been stated orally and read in open court following the close of evidence,

IT IS HEREBY ORDERED:

1. The automatic stay is modified to permit Mayo Employees Credit Union to repossess and sell the 2001 Chevrolet Impala Sedan 4D vehicle, VIN 2G1WF52E019252233 in accordance with applicable state law.

2. The automatic stay is modified to permit Mayo Employees Credit Union to commence its mortgage foreclosure on the lien on Debtors' homestead and legally described as:

The South 1/2 of the East 1/2 of the NW 1/4 of Section 7, Township 107, Range 12, Olmsted County, Minnesota. According to the plat thereof on file and of record in the Office of the County Recorder within and for said County and State.

Such foreclosure to be done in accordance with applicable state law.

3. Notwithstanding Federal Rule of Bankruptcy Procedure 4001(a)(3), this Order is effective immediately.

Dated: \_\_\_\_\_

\_\_\_\_\_  
United States Bankruptcy Judge