

PROMISSORY NOTE

Borrower:

Address:

Telephone:

Lender: Bob Jones University

Loan Department

1700 Wade Hampton Blvd

Greenville, SC 29614

PRINCIPAL SUM BORROWED _____

ANNUAL INTEREST RATE _____

PROMISE TO PAY: For value received, I ("Borrower") promise to pay to the order of Bob Jones University (the "Payee" or "BJU") the principal sum set forth above or such lesser sum as is indicated on the Payee's records, together with the interest thereon at the rate set forth above. Interest shall be computed and principal and interest shall be paid as set out in the following paragraphs.

CONSOLIDATION: If BJU disburses additional loans to the borrower with the same repayment terms as set forth here, the sum of the total amounts disbursed to the Borrower, plus accrued interest, shall be consolidated for the purposes of repayment. Consolidation for repayment shall take place on or after Borrower ceases to be continuously enrolled at BJU in at least 6 credit hours for an undergraduate student and 4 credit hours as a graduate student.

PAYMENT: Payment shall be made to BJU in monthly installments. The payments due shall be the greater of \$150.00 per month or the monthly amount as may be necessary to pay off the Principal Sum Borrowed plus all accrued interest and additional fees (as allowed by applicable law) by the 10 year anniversary of the "initial payment" as defined in the next paragraph.

INITIAL PAYMENT: Payment will commence on the first day of the third (3rd) month following the date the Borrower ceases to be continuously enrolled at BJU in at least 6 credit hours for an undergraduate student and 4 credit hours as a graduate student. Borrower agrees to pay BJU at BJU's above-listed address or any such other place as BJU may direct in writing.

APPLICATION OF PAYMENTS: All payments received pursuant to the terms of this Promissory Note ("Note"), including prepayments, shall be applied first to earned interest due, then to due and unpaid collection costs (if any), and then to the unpaid principal.

INTEREST: The total outstanding principal balance of the Note shall accrue interest monthly at the rate of 10 percent (10%) per annum beginning the first month the funds have been disbursed until paid in full.

PREPAYMENT: You have the right to prepay the Promissory Note, in whole or in part, without penalty. Early payments will not, unless agreed to by BJU in writing, relieve Borrower of Borrower's obligation to continue to make payments under the Note's payment schedule. Rather, early payments will reduce the principal balance due. Borrower agrees not to send BJU or any entity collecting on BJU's behalf payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, BJU or any entity collecting on BJU's behalf may accept it without losing any of BJU's rights under this Note, and Borrower will remain obligated to pay any further amount owed to BJU.

DEFAULT: Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Borrower and BJU.

Default in Favor of Third Parties. Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any related document.

False Statement. Any warranty, representation or statement made or furnished to BJU by Borrower or on Borrower's behalf under this Note or any related document is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at anytime thereafter.

Insolvency. The commencement of proceeding under any bankruptcy or insolvency laws by or against Borrower.

NOTICE OF RIGHT TO CURE: Borrower, pursuant to the South Carolina Code of Laws, will be provided a notice of Borrower's right to cure default prior to any acceleration of the loan balance. Borrower, when default consists only of a failure to make a required payment, will be provided twenty (20) days to cure Borrower's default. Curing default, pursuant to the terms of the notice or right to cure, will restore Borrower to his/her rights under the Note as though the default had not occurred.

BJU's RIGHTS: Upon default, and Borrower's failure to cure default, BJU may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

OBLIGATIONS: You agree to complete an exit interview when you cease to be continuously enrolled at BJU in at least 6 credit hours for an undergraduate student and 4 credit hours as a graduate student. You agree to immediately report any of the following changes in your status to BJU or its agent:

1. If you do not plan to return to BJU the next semester (excluding summer sessions); this includes but is not limited to the following:
 - a. Withdrawal;
 - b. Transfer to another school;
 - c. Graduation; and
 - d. Probation or expulsion;
2. If you enroll or receive credit for less than ten hours any semester (excluding summer sessions);
3. If your address changes; and
4. If your name changes.

TRANSCRIPTS OR OTHER INFORMATION: At the time you request a transcript or any other academic record, Borrower agrees to be in full compliance with this Note. If Borrower is not in full compliance with the terms set forth herein, Borrower understands and agrees that he/she is not entitled to and will not receive the requested documents.

CREDIT BUREAU REPORTING: BJU may report your repayment history to the major credit bureaus.

FEES & EXPENSES: BJU may hire or pay a collection agency or attorney to help collect this Note if Borrower does not pay or otherwise defaults. Borrower will pay BJU the costs and fees associated with any post-default collection effort. This includes, subject to limits under any applicable law, all reasonable attorney's fees and other legal expenses, whether or not there is a lawsuit, including expenses associated with Borrower's bankruptcy proceeding. Additionally, Borrower understands and agrees (subject to the limits of applicable law) that upon default BJU may add up to 33.33% to the amount due in order to pay the fees for hiring a collection agency.

DELAY IN ENFORCEMENT: BJU may delay enforcing any of our rights under the Promissory Note without losing them.

MODIFICATION: This Note may only be modified in writing executed by both Borrower and an authorized representative of BJU.

SEVERABILITY AND VENUE: If any part of the Note is held to be invalid, all other parts will remain enforceable. In the event of any dispute related to this Note, the parties will attempt a resolution pursuant to Biblical principles (as those principles are taught at BJU), utilizing negotiation and mediation. If this is unsuccessful for any reason, venue for any legal action shall be in Greenville County, South Carolina. This Note shall be construed pursuant to South Carolina law.

DISHONORED ITEM FEE: Borrower will pay to BJU \$30.00 pursuant to S.C. Code § 34-11-70, or the maximum amount allowed by law, if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

SUCCESSOR INTERESTS: The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of BJU and its successors and assigns.

CUMULATIVE REMEDIES: The remedies provided for in the Note shall be cumulative and concurrent and may be pursued singly, successively, or together against Borrower at the sole discretion of BJU.

CONTACT: I understand and agree that by providing my telephone number above, I expressly consent to being contacted by BJU or any entity on BJU's behalf with regarding payment or collection of this Note. Additionally, I expressly consent to the use of automated dialing technology when contacting me regarding payment. I make this express consent regardless of the type of telephone connected the provided number, i.e. residential telephone, business telephone, cellular telephone, or any developing technology.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO ALL OF THE TERMS OF THE NOTE. BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS NOTE.

BORROWER:

Signature

Print Name

Date