

# Harris Small Business Loan and/or Line of Credit Application



Bring the Insurance Coverage Agreement and Application in to a Harris banker at a location nearest you.

**Type of Credit Applying For** Please select all boxes that apply

- |   |  |
|---|--|
| <input type="checkbox"/> <b>Term Loan (fixed rate only) secured by:</b><br><input type="checkbox"/> Business Assets<br><input type="checkbox"/> Business Equity/Real Estate<br><input type="checkbox"/> Marketable Securities/Certificates of Deposit<br><input type="checkbox"/> Vehicle<br>Term of Loan _____ | <input type="checkbox"/> <b>Line of Credit (variable rate only) secured by:</b><br><input type="checkbox"/> Business Assets<br><input type="checkbox"/> Business Equity/Real Estate<br><input type="checkbox"/> Marketable Securities/Certificates of Deposit<br><input type="checkbox"/> <b>Unsecured Revolving Line of Credit (variable rate only)</b><br><input type="checkbox"/> <b>Renewal of Loan/Line of Credit</b><br>Loan # _____ |
|---|--|

**Primary Purpose of this Loan:** \_\_\_\_\_ **Amount Requested:** \$ \_\_\_\_\_

**Financial Document Requirements**

**For all applicants, please submit:**

1. Year end business financial statement or business tax return for most recent year.
2. Most recent personal tax return for any principal guaranteeing this loan.

**For customers with total combined loans greater than \$100,000 at Harris, please provide the additional 2 items:**

1. Year end business financial statements or tax returns for the most recent 2 years.
2. A completed Harris Personal Financial Statement for any principal guaranteeing the loan.

**Business Information**

Legal Name of Business \_\_\_\_\_

Address \_\_\_\_\_ Phone ( ) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

e-mail address† \_\_\_\_\_

Description of Business \_\_\_\_\_ Tax Identification # \_\_\_\_\_

Date Business Established \_\_\_\_\_ Years under Current Ownership \_\_\_\_\_ Number of Employees \_\_\_\_\_

Business Bank Name \_\_\_\_\_

Checking Balance \_\_\_\_\_ Gross Sales Revenue Last Year \_\_\_\_\_

† By including your e-mail address you agree to receive occasional emails from Harris with special offers, deals, and promotions or surveys from the Harris/Bank of Montreal Family of companies.

**Type of Business Entity:**

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Sole Proprietor     | <input type="checkbox"/> Corporation               | <input type="checkbox"/> Limited Liability Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Non Profit                    |
| <input type="checkbox"/> S Corporation       | <input type="checkbox"/> Limited Partnership       | <input type="checkbox"/> Other _____                   |

**Business Debt:** (Include all term loans, credit lines, commercial mortgages, credit cards used for business, etc. Use attachments if necessary)

Bank/Creditor	Term/ Line	Current Balance	Amount of Line	Monthly Payment	Type of Collateral	Do you plan to pay off this debt with proceeds from this application?:
_____		\$ _____	\$ _____	\$ _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____		\$ _____	\$ _____	\$ _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____		\$ _____	\$ _____	\$ _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____		\$ _____	\$ _____	\$ _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____		\$ _____	\$ _____	\$ _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Personal Information:** Please provide the following information on all guarantors. Information must be provided on all owners who own 20% or more of the business.

First Name \_\_\_\_\_ M.I. \_\_\_\_\_ Last Name \_\_\_\_\_

Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_ % Ownership \_\_\_\_\_

Address \_\_\_\_\_ Home Phone ( ) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Monthly Mortgage (PITI)/Rent \$ \_\_\_\_\_ Total Other Monthly Payments \$ \_\_\_\_\_

Bank Name \_\_\_\_\_

First Name \_\_\_\_\_ M.I. \_\_\_\_\_ Last Name \_\_\_\_\_

Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_ % Ownership \_\_\_\_\_

Address \_\_\_\_\_ Home Phone ( ) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Monthly Mortgage (PITI)/Rent \$ \_\_\_\_\_ Total Other Monthly Payments \$ \_\_\_\_\_

Bank Name \_\_\_\_\_

Annual Salary from this Business Last Year \_\_\_\_\_

Other Household Income/Source\* \_\_\_\_\_

Total Income \_\_\_\_\_

Annual Salary from this Business Last Year \_\_\_\_\_

Other Household Income/Source\* \_\_\_\_\_

Total Income \_\_\_\_\_

**Personal Financial Statement**

**Personal Financial Statement**

Cash & Equivalents \_\_\_\_\_  
Other Assets (house, cars etc.) + \_\_\_\_\_  
Total Assets = \_\_\_\_\_  
Total Liabilities (mortgage, credit cards etc.) - \_\_\_\_\_  
Net Worth = \_\_\_\_\_

Cash & Equivalents \_\_\_\_\_  
Other Assets (house, cars etc.) + \_\_\_\_\_  
Total Assets = \_\_\_\_\_  
Total Liabilities (mortgage, credit cards etc.) - \_\_\_\_\_  
Net Worth = \_\_\_\_\_

\*Please describe source of other income. Alimony, child support or separate maintenance income need not be revealed if you do not wish to have it considered.

**Personal Information:** Please provide the following information on all guarantors. Information must be provided on all owners who own 20% or more of the business.

**Collateral Available to Harris** Please select and complete all that apply

**Providing collateral may enable Harris to approve your application or grant you additional credit. Please describe the collateral in which you are willing to grant Harris a security interest.**

**All Business Assets:** (includes Accounts Receivable, Inventory Assets and Equipment Assets) including but not limited to:

Accounts Receivable Value \_\_\_\_\_ Date \_\_\_\_\_ Inventory Assets Value \_\_\_\_\_ Date \_\_\_\_\_ Net Equipment Assets Value \_\_\_\_\_ Date \_\_\_\_\_

**Vehicle:** (Please provide copy of invoice)  New  Used  Purchase  Refinance

Year \_\_\_\_\_ Make \_\_\_\_\_ Model \_\_\_\_\_ Purchase Price \$ \_\_\_\_\_ In whose name is title held? \_\_\_\_\_

**Equipment:** (Please provide copy of invoice)  New  Used  Purchase  Refinance

Year \_\_\_\_\_ Make \_\_\_\_\_ Model \_\_\_\_\_ Purchase Price \$ \_\_\_\_\_ Year \_\_\_\_\_ Make \_\_\_\_\_ Model \_\_\_\_\_ Purchase Price \$ \_\_\_\_\_

**Real Estate:** (Please provide copy of invoice) Primary Residence  Yes  No Do you have a mortgage on the property?  Yes  No

If yes, name of mortgage holder(s) \_\_\_\_\_

Purchase Date	Purchase Price	Outstanding Balance	Monthly Payment	Principal & Interest	Taxes & Insurance	Assoc. Fees	Estimated Current Value
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Address _____				City _____	State _____	Zip _____	
R/E PIN # _____	In Whose Name is Title Held _____			Your Relationship to Title Holder _____			

**Harris Certificates of Deposit and Savings Accounts:** (A security interest will be taken in all Harris Deposit Accounts)

Name of Registered Owner \_\_\_\_\_ Value \$ \_\_\_\_\_ Date \_\_\_\_\_ Harris Account # \_\_\_\_\_

**Marketable Securities and Stock:** (Retirement Accounts are not eligible)

Name of Security or Stock \_\_\_\_\_ Name of Registered Owner \_\_\_\_\_  
Number of Shares \_\_\_\_\_ Value \$ \_\_\_\_\_ Date \_\_\_\_\_ Investment Account # \_\_\_\_\_ Account Maintained by \_\_\_\_\_

**Loan Proceeds Disbursement and Payment Method**

1. If requesting a line of credit, do you want this linked to Harris Checking Account to provide overdraft protection?

Yes  No If yes, please provide Harris Checking Account # \_\_\_\_\_

2. Harris Checking Account # to deposit loan proceeds: (applicable for term loans only)

Account Number \_\_\_\_\_

3. Requested monthly payment due date (from the 1st through 28th) (For lines of credit, the 15th of the month is the only available date)

4. Automatic payments:  Yes  No\* If yes, please provide: \_\_\_\_\_

Depository Bank Name \_\_\_\_\_

Account Number \_\_\_\_\_ Routing Number (please provide a voided check or deposit slip) \_\_\_\_\_

\*Interest Rates on loans without automatic payment are priced at a higher rate.

**By signing, the Business hereby authorizes Harris to initiate a debit to the Business' checking/savings at the depository financial institution named above and to obtain funds for credit to the Business' requested Harris loan.**

# Insurance Coverage Agreement



**To be completed if real estate, vehicles, equipment or business assets are to be used as collateral for this loan application. Please select all that apply.**

Customer hereby acknowledges that insurance is required on the following collateral (in the amount set forth in the Terms and Conditions), in connection with Customer's Loan with Harris:

**All Business Assets**

**Vehicles or Equipment:**

Year	Make	Model	Purchase Price
			\$
Year	Make	Model	Purchase Price
			\$
Year	Make	Model	Purchase Price
			\$

**Real Estate** Property Address \_\_\_\_\_ Owner of Record \_\_\_\_\_

Insurance Company	Insurance Agent's Name
Address	
Phone ( )	

Customer authorizes Harris to provide any information regarding Customer, the collateral or the Credit Agreement that Harris deems necessary or appropriate to any third party including any insurance agent or carrier for the purpose of obtaining or verifying coverage on the collateral.

Customer authorizes and directs its insurance agent or carrier to respond to any inquiries that such insurance carrier or agent may receive from Harris with respect to the Customer and any (past or present) insurance policies of Customer.

Business Name	
Applicant's Signature	Print Name
Title	Date



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## Agreements of Borrower

"You" and "your" refer to the authorized person(s) signing this Application on behalf of the Business. "Business" refers to the business entity applying for a Harris Loan and/or Line of Credit. "Harris" and "Bank" refers to Harris N.A. or its affiliated bank that reviews the Application and offers a Loan and/or Line of Credit to a qualified Business. "Account" refers to the Loan and/or Line of Credit approved by Harris. On behalf of your Business and its owners/officers/partners, you represent and warrant that by signing this Application (1) you are an authorized representative of the Business with authority to enter into contracts on behalf of the Business; (2) you are authorized to enter into a Credit Agreement with Harris and to borrow money as described in the Credit Agreement; and (3) if approved, each Loan will be for a business or commercial purpose only. You certify that the information provided on the Application is accurate and complete and Harris may consider this information as accurate and complete until you provide Harris with a written notice of change. You authorize Harris to verify the information in the Application and obtain other information from credit reporting agencies and other third parties including information about you, personally, and the Business which Harris deems appropriate in considering this Application and subsequently in the course of review or collection of any credit extended. You agree that any such information obtained by Harris will remain the property of Harris whether or not credit is extended. The Account Agreement attached to this application does not apply if your account will be secured in whole or in part by real estate and/or marketable securities. If your Account is approved by Harris and your Account will be secured in whole or in part by real estate and/or marketable securities you will receive the Account Agreement, Security Agreement and Terms and Conditions which govern your Account with your approval. The Account Agreement is not binding until your application is approved and the Account Agreement is provided to you and executed on behalf of the Business. The Account Agreement attached to this application applies if your account will be unsecured or secured solely by business assets, accounts receivable and inventory assets, equipment, vehicles, Harris certificates of deposit and/or Harris Savings Accounts. If your Account is approved by Harris and your Account is unsecured or secured solely by business assets, accounts receivable and inventory assets, equipment, vehicles, Harris certificates of deposit and/or Harris savings accounts you will receive Terms and Conditions which govern your account with your approval. You have received and read the attached Account Agreement. You agree to be liable for and pay all amounts due under the Account Agreement in accordance with the Account Agreement and the Terms and Conditions (which will be provided to you) which apply to your Account. This Account Agreement is not binding until your application is approved by Harris and you receive the Terms and Conditions which apply to your Account. You agree that the Application may be considered by Harris for other Harris business credit products at Harris' discretion. If you qualify, you will be notified and the Credit Agreement and the Terms and Conditions for that credit product will be provided to you.

### Borrowers Signatures Required

Applicant's Signature	Title
x	
Print Name	Date

Co-Applicant's Signature	Title
x	
Print Name	Date

**For Sole Proprietors that are Wisconsin Married Residents Only:** The borrower who signs below represents that this obligation is incurred in the interest of his or her marriage or family.

Borrower's Signature
x

### Personal Guaranty *A personal guaranty must be signed by each owner*

The undersigned guarantor(s) agrees to personally guaranty to Harris the payment and performance of all obligations of the Business to Harris entered into pursuant to this application. I/we as guarantor(s) of the Business authorize Harris to make whatever credit inquiries or verification of information that it deems necessary in connection with this application in the course of review or collection of any extension of credit.

The undersigned acknowledges and agrees that if the Business is approved for an Account that is unsecured or secured solely by business assets, accounts receivable and inventory assets, equipment, vehicles, Harris certificates of deposit and/or Harris savings accounts, the attached Harris Loan and/or Line of Credit Agreement and Personal Guaranty applies to the guarantor's obligation. Each guarantor has read and received a copy of the Harris Loan and/or Line of Credit Agreement and Personal Guaranty and agrees to all of the above terms.

The undersigned acknowledges and agrees that if the Business is approved for an Account secured in whole or in part by real estate and/or marketable securities, the attached Harris Loan and/or Line of Credit Agreement and Personal Guaranty will not apply and the guarantor will receive and execute a separate Account Agreement and Guaranty.

### Guarantor Signatures Required

Guarantor's Signature	
x	
Print Name	Date

Guarantor's Signature	
x	
Print Name	Date

**For For Wisconsin Married Residents Only:** Each Guarantor who signs below represents that this obligation is incurred in the interest of his or her marriage or family.

Guarantor's Signature
x

Guarantor's Signature
x

### Important Information About Procedures for Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.



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The Business referred to in the Application has applied for a business credit loan and/or line of credit account with Harris N.A., Chicago, IL, The Harris Bank N.A., Scottsdale Arizona, or one of its affiliated banks ("Bank" or "Harris" as defined below). If approved for an unsecured Business Credit Loan or Line of Credit Account (as defined below) or a Business Credit Loan or Line of Credit Account secured solely by business assets, accounts receivable, inventory assets, equipment, vehicles, Harris certificates of deposit and/or Harris savings accounts (which approval may be given or denied in the Bank's sole discretion), the Bank will provide the Business with notification of its approval and other terms and conditions which apply to the Business Credit Loan or Line of Credit Account as the case may be. This Credit Agreement does not apply to Business Credit Loans or Line of Credit Accounts secured in whole or in part by real estate and/or marketable securities.

## SECTION 1. DEFINITIONS.

The following definitions apply to this Credit Agreement: "**Bank**" means Harris N.A., The Harris Bank N.A. and/or one of its affiliated banks that extends credit under this Credit Agreement. "**Business Credit Loan**" means the closed-end loan provided to the Customer under this Credit Agreement. "**Credit Agreement**" means this Harris Business Credit Loan and/or Line of Credit Agreement and those Terms and Conditions provided to the Customer by the Bank with its notification of approval which apply to the Business Credit Loan or Line of Credit Account. "**Customer**" means the business entity named in the Application who is responsible for this Credit Agreement. "**Customer Account**" means the Customer's account at the Bank designated in the Terms and Conditions as the account to be debited by the Bank for payments due under this Credit Agreement. "**Deposit Account**" means the Customer's deposit account at the Bank designated in the Terms and Conditions as the deposit account to be credited with Loan proceeds under this Credit Agreement. "**Guarantor**" means the person (or persons) who sign(s) the Guaranty on behalf of the Customer and is responsible for this Credit Agreement. "**Line of Credit Account**" means the revolving Line of Credit Account provided to the Customer under this Credit Agreement. "**Loan**" and "**Loans**" means the closed-end Business Credit Loan or advances from the Line of Credit Account made by the Bank under this Credit Agreement. "**Terms and Conditions**" means the written document provided to the Customer with notification of approval of the Application which includes the amount of the loan, interest rate, repayment terms, insurance requirements, if any, and other terms that shall govern extensions of credit to the Customer under the Business Credit Loan or Line of Credit Account, as the case may be, from the Bank.

## SECTION 2. USING THE LOAN AND/OR LINE OF CREDIT ACCOUNT.

Submitting an Application and use of the Business Credit Loan or Line of Credit Account shall constitute an agreement between the Customer and the Bank as described in the Credit Agreement. The Company agrees to pay the Bank for all credit extended by the Bank in connection with the Credit Agreement, together with all applicable interest, fees, and charges as set forth in this Credit Agreement.

## SECTION 3. OBTAINING A LOAN.

(a) For a Business Credit Loan, the Customer shall obtain a Loan by (i) requesting a check for the Loan proceeds from the Bank; or (ii) requesting the Bank deposit the Loan proceeds in the Customer's Deposit Account. (b) For a Line of Credit Account, the Customer may obtain a Loan by (i) writing a check on the Line of Credit Account for the Loan proceeds; (ii) writing a check on the Customer's Deposit Account at the Bank that exceeds the balance of the Account or (iii) other methods offered by the Bank from time to time, as agreed by Bank and Customer. The amount of each Loan requested shall be at least the minimum amount disclosed in the Terms and Conditions, and the Bank shall have the right to refuse to honor any Loan requested by the

Customer which is less than that minimum amount, even if the Bank has previously honored a Loan request for less than the minimum amount. The Customer will not attempt to obtain Loans which when taken together with Loans then outstanding, would exceed the maximum credit disclosed in the Terms and Conditions as may be changed by the Bank from time to time. If the Bank elects to make any Loan which exceed the maximum credit, the Customer will immediately and without demand pay such excess and an Overlimit Fee to the Bank as described in Section 8.4.

## SECTION 4. BUSINESS PURPOSE.

The Customer agrees that Loans provided by the Bank under this Credit Agreement are solely for business or commercial purposes and not for personal, family or household purposes.

## SECTION 5. TYPE OF LOAN.

Each Loan is either (i) an advance on a Line of Credit Account; or (ii) a Business Credit Loan, as disclosed in the Terms and Conditions provided to the Customer. The Customer must repay principal and interest, fees and charges, subject to the terms of the Credit Agreement. Section 5.1. Line of Credit Account. If the Loan is an advance on a Line of Credit Account, and the principal is repaid, the Customer may reborrow, subject to the terms of the Credit Agreement. The Customer agrees not to take an advance or Loan from the Line of Credit to pay the Bank for any amounts due under this Credit Agreement. (a) The Bank has the right to cancel this Credit Agreement as it relates to future Loans at any time without notice and demand payment upon ten (10) days advance notice to the Customer in accordance with Section 12. The Customer agrees to cease using the Line of Credit Account upon any notice of such cancellation and demand. The Bank retains all rights under this Credit Agreement and cancellation of the Line of Credit Account does not affect (i) the terms of this Credit Agreement which remain in effect until the Loans are paid in full, or (ii) the Customer's liability for payment of amounts owed on the Line of Credit Account according to the terms of this Credit Agreement. The Customer agrees that the Bank may demand payment at any time prior to payment in full and for any reason (including but not limited to reasons unrelated to the Customer's ability to pay the Loan). (b) If no notice of cancellation and demand is provided and until ten (10) days after such notice is provided, if ever, monthly payments of at least the periodic payment provided in Section 9.1 and the Terms and Conditions shall be made. (c) Regardless of whether a notice of cancellation and demand is provided, the amounts owed on the Line of Credit Account shall become immediately due and payable, without demand or notice by or any action taken by the Bank, upon the occurrence of an Event of Default contained in Section 17. (d) The Customer may terminate this Line of Credit Account and the Credit Agreement at any time by notifying the Bank at least five (5) days prior to termination and paying all sums due under this Credit Agreement. The bank shall charge an Early Cancellation Fee if the Customer terminates or cancels the Line of Credit Account prior to the Account's first anniversary date. Section 5.2. Business Credit Loan. If the Loan is a Business Credit Loan, the Loan is payable as follows: (a) Ten (10) days after a demand for payment made in accordance with Section 12. The Customer agrees that the Bank may demand payment at any time prior to payment in full (including but not limited to any time after the monthly payments provided for in 5.2(b) have begun) and for any reason (including but not limited to reasons unrelated to Customer's ability to pay the Loan). (b) If no demand is made under Section 5.2(a), and until ten (10) days after demand is made, if ever, monthly payments of at least the minimum amount provided in Section 9.1 and the Terms and Conditions shall be made. (c) Regardless of whether a demand is made under Section 5.2(a) or periodic payments have begun under Section 5.2(b) the Loan shall become immediately due and payable, without any demand or notice by or any action taken by the Bank, upon the occurrence of any Event of Default contained in Section 17 and shall at the

Bank's option become immediately due and payable upon the occurrence of any Event of Default contained in Section 17. (d) The Business Credit Loan has a maturity date as disclosed in the Terms and Conditions. If no demand is made and no Event of Default has occurred prior to the maturity date, the Business Credit Loan is due and payable on the maturity date.

#### **SECTION 6. INTEREST RATE.**

Interest on the Line of Credit Account Loans will be a variable rate, as disclosed in the Terms and Conditions. Interest on Business Credit Loans will either be (i) a variable rate; or (ii) a fixed rate, as disclosed in the Terms and Conditions. Loans will continue to accrue interest as provided in the Credit Agreement until paid in full. Section 6.1. Variable Rate. If interest is variable, the interest rate will be based on the prime rate in the "Money Rates" Section of The Wall Street Journal, plus a margin disclosed in the Terms and Conditions ("Interest Rate"). If more than one rate is published, the Bank will use the lowest rate. The Variable Rate Interest calculation has a floor. The variable annual percentage Interest Rate will never be less than 4.50%. (a) For a Line of Credit Account, the Interest is determined for each monthly billing period by applying a daily periodic rate to each day's ending Loan balance ("Daily Loan Balance," as described below). The daily periodic rate is 1/360th of the Interest Rate (rounded five decimal places) (the "daily periodic rate"). The daily periodic rate may vary daily based on changes in the Wall Street Journal prime rate. Any change in the Interest Rate will be effective on the date of the change in the Wall Street Journal prime rate. The Daily Loan Balance will be computed by taking the principal balance of Loans at the beginning of each day, adding any Loans posted to the Line of Credit Account that day, and subtracting any principal payments posted to the Line of Credit Account as of that day. The Daily Loan Balance excludes interest, fees and charges. Interest begins to accrue on the date a Loan is posted to the Line of Credit Account. (b) For a Business Credit Loan, interest will be computed by applying the ratio of the annual Interest Rate over a year of 360 days multiplied by the outstanding principal balance multiplied by the actual number of days the principal balance is outstanding. Any change in the Interest Rate will be effective on the date of the change in the Wall Street Journal prime rate. Section 6.2. Fixed Rate. For Business Credit Loans, if interest is fixed rate, the annual fixed Interest Rate will be disclosed in the Terms and Conditions. Interest shall be computed by applying the ratio of the annual Interest Rate over a year of 360 days multiplied by the outstanding principal balance multiplied by the actual number of days the principal balance is outstanding.

#### **SECTION 7. DEFAULT INTEREST.**

The principal balance of Loans which remains unpaid past the date the Bank demands payment in full, will bear interest until paid in full at a rate of 5% per annum above the Interest Rate otherwise applicable to the Loans (determined as described in Section 6 above). The Interest Rate payable under this Credit Agreement shall never exceed the highest rate that the Customer may contract to pay under applicable law.

#### **SECTION 8. OTHER FEES.**

The Customer agrees to pay the following fees. The amount of each Fee is disclosed in the Terms and Conditions. Section 8.1. Annual Fee. For a Line of Credit Account, a nonrefundable annual line of credit account fee shall be charged on each annual Line of Credit Account anniversary date. The annual fee is waived for the first year. The annual fee is not refundable if the Line of Credit Account is cancelled or terminated for any reason. Section 8.2. Late Payment Fee. Each time the Customer fails to make the periodic payment within ten (10) days after by the payment due date, the Customer shall be charged a late payment fee. Section 8.3. Returned Payment Fee. If the Customer makes a payment that is returned unpaid for any reason, the Customer shall be charged a returned payment fee. At its option, the Bank may assess this fee the first time the payment is not honored, even if it is paid upon resubmission. Section 8.4. Overlimit Fee. For a Line of Credit Account, an overlimit fee shall be charged each time the Customer requests a Loan that exceeds the maximum credit limit currently in effect. Section 8.5.

Stop Payment Fee. If before a check drawn on the Customer's Line of Credit Account is honored, the Customer notifies the Bank not to pay the check, the Bank will stop payment on the check. The Customer must send the Bank a written, signed stop payment order which states the check number, payee, amount and the date of the check on which payment is to be stopped. The Bank may disregard any such order six (6) months after receipt unless the Customer renews it, in writing. A stop payment fee shall be charged each time the Customer requests the Bank stop payment on a check. Section 8.6. Early Cancellation Fee. For a Line of Credit Account, an Early Cancellation Fee shall be charged if the Customer cancels or terminates the Line of Credit prior to the first anniversary date of the Line of Credit Account. Section 8.7. A non refundable Closing Fee shall be charged to establish the Business Credit Loan/Line of Credit Account. The Closing Fee is not refundable if the Loan/Line of Credit Account is cancelled or terminated for any reason or paid in full. Section 8.8. Prepayment Penalty. For a Loan, if the Customer pays the balance in full prior to the first anniversary date of the Loan, the Customer will be charged a prepayment penalty.

#### **SECTION 9. PAYMENTS.**

The Customer must pay the amounts due under his Credit Agreement on demand, or if no demand is made, the Customer is required to make periodic payments on the same day each month, as disclosed in the Terms and Conditions. The Customer authorizes the Bank to deduct or withdraw funds from the Customer Account with the Bank, designated in the Terms and Conditions, to satisfy amounts owing under this Credit Agreement. Section 9.1. Periodic Payments. The periodic payment will equal (i) interest, as computed under Section 6; (ii) fees and charges, if any, (iii) past due amounts, if any, and (iv) a portion of the principal, as disclosed in the Terms and Conditions. The Customer must make at least the periodic payment by the payment due date as disclosed in the Terms and Conditions and as shown on the billing statement. Section 9.2. Payments Made. Payments are due at the Bank's principal office in Chicago, Illinois, paid to the order of the Bank, and made by (i) debit to Customer's Account; or (ii) by check, as disclosed in the Terms and Conditions. Section 9.3. Prepayment. The Customer may pay the entire balance of the Loans at any time; provided, however, if the loan is paid in full prior to the first anniversary date a prepayment penalty will be assessed as described in Section 8.8. Section 9.4. Disputed Payments. The Customer agrees not to send payments marked "paid in full," "without recourse," or similar language. If the Customer sends such a payment, the Bank may accept it without losing any of the Bank's rights under this Credit Agreement and the Customer will remain obligated to pay all amounts owed to the Bank. All written communication concerning disputed amounts including any check that indicates that the payment constitutes "payment in full" of the amount owed as full satisfaction of the disputed amount shall be mailed or delivered to Harris Loan Servicing, 311 West Monroe St., 14th Floor, Chicago, IL 60690. If the Customer pays more than the minimum payment, the Customer is still required to make future minimum payments.

#### **SECTION 10. CREDITING PAYMENTS.**

Payments received by the Bank shall be applied first to accrued interest, then to principal and then to other fees and charges, provided that during the existence of any Event of Default all payments received may be applied in such order and manner as the Bank shall determine. If any payment from the Customer becomes due on a Saturday, Sunday or a day which is a legal holiday for banks in the State of Illinois, such payment shall be made on the next Bank business day and any such extension shall be included in computing interest under this Credit Agreement.

#### **SECTION 11. PERIODIC STATEMENTS.**

The Bank will furnish the Customer with a statement for each monthly billing period which has any transaction or balance greater than one dollar (\$1). The statement contains important information and should be carefully read and reviewed each time a statement is received. Unless the Customer notifies the Bank within sixty (60) days of receipt of a statement, the statement will be conclusively deemed to be correct.

## **SECTION 12. PAYMENT DEMAND.**

Any demand for payment shall be made in writing and shall be deemed made on the earlier of: (a) the date the demand is sent, if properly sent by U.S. Mail to Customer at the address in Bank's records; or (b) the date of actual receipt of written demand by the Customer.

## **SECTION 13. CUSTOMER FINANCIAL STATEMENT AND OTHER OBLIGATIONS.**

The Customer agrees to furnish such information respecting the business, assets, and financial condition of the Customer as the Bank may reasonably request from time to time. The Customer shall furnish such information as soon as possible, but in any event within thirty (30) days after request. The Customer agrees to notify the Bank promptly, in writing, if the Customer's (i) financial condition materially changes; (ii) principals change; or (iii) address changes. The Customer agrees that the Bank in its discretion may obtain a credit bureau report on the Customer and the Guarantor in order to evaluate the Customer's eligibility for a Line of Credit Account or a Business Credit Loan. The Customer also agrees that the Bank may exchange information about the Customer and the Guarantor and their obligations under this Credit Agreement with Customer references, other businesses (including affiliates of the Bank), or any Guarantor, and credit reporting agencies and may confirm any information provided by the Customer.

## **SECTION 14. REPRESENTATION AND WARRANTIES.**

In consideration of establishing and maintaining the Credit Agreement, the Customer hereby represents and warrants to the Bank that: (a) the Customer is a business entity (a corporation, partnership, sole proprietorship, LLP or limited liability company, limited liability partnership, S corporation or non profit, as indicated on the Application), duly organized, validly existing, and in good standing under the laws of its state of its organization; (b) the execution, delivery, and performance by the Customer of this Credit Agreement are within its corporate, organizational, LLP, limited liability company or partnership powers, as applicable, have been duly authorized by all necessary corporate, limited liability company, organizational, LLP or partnership action, as applicable, and do not contravene the Customer's charter, articles of incorporation or by-laws (if a corporation), articles of association or operating agreement (if a limited liability company or LLP or unincorporated organization) or partnership agreement (if a partnership) or any law or contractual restriction binding on or affecting the Customer; (c) no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the Customer's due execution, delivery, and performance of this Credit Agreement; (d) this Credit Agreement is, when the Application is signed and the Customer uses the Business Credit Loan or Line of Credit Account, the Customer's legal, valid, and binding obligation enforceable against the Customer in accordance with its terms; (e) the Customer is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of the Loan will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock; (f) the Application and, if furnished to the Bank, the Customer's most recent balance sheet and the related statements of income and retained earnings, fairly present the Customer's financial condition as of such date and result of the operations, all in accordance with generally accepted accounting principles consistently applied, and since the Application date there has been no material adverse change in the Customer's condition or operations; and (g) the Customer's taxes are current, the Customer is not in default with any other creditors and there is no pending or threatened action or proceeding affecting the Customer before any court, governmental agency or arbitrator, which may materially adversely affect the Customer's financial condition or operations or which purports to affect the legality, validity or enforceability of this Credit Agreement.

## **SECTION 15. SECURITY.**

(a) This Credit Agreement and the Loans (both for principal and interest) are secured by the property, described in the Terms and Conditions and

all proceeds of such property. The Customer authorizes the Bank, at the Customer's expense, to cause this Credit Agreement, or any statement or other instrument in respect of this Credit Agreement showing the interest of the Bank in the property, including Uniform Commercial Code financing statements, to be filed or recorded and grants the Bank and its agents the right to sign the Customer's name thereto. The Customer agrees to execute and deliver any statement or instrument requested by the Bank for such purpose and agrees to pay or reimburse the Bank for any searches, filings, recordings, stamp fees or taxes related to the filing or recording of an such instrument or statement. The Customer will at its expense protect and defend the Bank's interest in the collateral against persons claiming against or through the Customer, at all times keeping the property free from any legal process, lien or encumbrance and shall give the Bank immediate written notice of any claim as to the foregoing and will indemnify the Bank from any loss caused thereby. The Customer will, upon the Bank's request, execute or obtain from third parties and deliver to the Bank such further instruments and assurances as the Bank deems necessary or advisable for the confirmation or perfection of the Bank's rights hereunder. The Customer agrees to provide the Bank access to the Customer's office(s), upon reasonable advance notice by the Bank, in order for the Bank to conduct an audit or inspect any collateral securing the Loans. The Bank shall have the right to call for additional security satisfactory to the Bank should the value of the collateral decline or be deemed by the Bank inadequate or unsatisfactory. (b) The Loans (both principal and interest) are also secured by collateral that secures other indebtedness that the Customer may have outstanding from the Bank at the present time or in the future. (c) To secure the payment of the Loans (both for principal and interest) and any and all other liabilities of the Customer to the Bank, whether now existing or hereafter arising and howsoever evidenced or acquired, whether absolute or contingent (including indebtedness of others guaranteed by the Customer) and whether several, joint, or joint and several, the Customer hereby grants a security interest to the Bank in all cash, deposits, investment property, and all other property of the Customer of any kind or description, now or at any time hereafter transferred or delivered to or left in or coming into the possession, control or custody of the Bank or its affiliates by or for the account of the Customer, whether expressly as collateral security or for any other purpose, and all interest, income, dividends, distributions, and sums distributable or payable from, upon, or in respect of any such property, and all other rights and privileges incident to such property, and all proceeds of the foregoing. The Customer agrees to deliver to the Bank, upon its request, any such interest, income, dividends, distributions and sums that may at any time come into the possession of the Customer. The Customer also agrees that each affiliate of the Bank which holds any Customer's deposit account is irrevocably authorized and directed to honor all instructions and directions from the Bank regarding such account(s) and the balances on deposit therein from time to time without further consent of the Customer and the Customer further agrees on request of the Bank to execute a written agreement with each such depository to confirm the Bank's power and authority regarding such accounts. (d) The Bank shall have full power and authority at any time or times after all or any part of the Loans (whether for principal or interest) are past due or the occurrence of an Event of Default to exercise all or any one or more of the rights and remedies of a secured party under the Uniform Commercial Code of Illinois as in effect from time to time (the "UCC") with respect to any such collateral. Any requirement of the UCC for reasonable notice shall be met if such notice is mailed, postage prepaid, to the Customer at least five (5) days prior to the time of the event giving rise to the requirement of notice. Notice shall be mailed to the address of the Customer as shown on the records of the Bank for the Loans. The Bank shall have no responsibility for the collection or protection of the collateral or any part thereof or to exercise (or give notice to the Customer of) any option, privilege or right with respect to the collateral, all of which are waived by the Customer. The Bank at its option may transfer or register all or any part of the collateral into its or its nominee's name without any indication of

security interest, without notice and either before or after the maturity of the Loans. The Bank may transfer the Loans and deliver the collateral to the transferee, and the transferee shall become vested with all powers and rights given to the Bank with respect to the collateral.

#### **SECTION 16. INSURANCE REQUIREMENTS.**

(a) Customer agrees to keep the collateral described in the Terms and Conditions insured against all risks including fire, theft and liability. The insurance will be maintained in the amount specified in the Terms and Conditions, or such other amount as specified by Bank from time to time. Customer will maintain insurance coverage on the collateral until the Loan is paid in full. The insurance carrier providing the insurance will be chosen by Customer subject to Bank's right to disapprove Customer's choice, which will not be exercised unreasonably. (b) Customer agrees to provide Bank with proof of insurance coverage at the address indicated in the Terms and Conditions with an effective date no later than the date indicated in the Terms and Conditions. (c) If Customer fails to maintain insurance coverage, Bank may obtain insurance coverage at Bank's option and Customer's expense. Bank is under no obligation to purchase any particular type or amount of insurance coverage. As a result, such insurance coverage may not protect Customer, Customer's equity in the collateral or the contents of the property against any risk, hazard or liability, may not provide any public liability or property damage indemnification, may not meet the requirements of any financial responsibility laws and may provide greater or lesser coverage than was previously in effect. Customer acknowledges that the cost of such insurance may significantly exceed the cost of insurance that Customer could have obtained. Any amounts paid by Bank under this Section 16 will become additional debt of Customer under this Credit Agreement. (d) Customer authorizes Bank to provide any information regarding Customer, the collateral or the Credit Agreement that Bank deems necessary or appropriate to any third party including any insurance agent or carrier for the purpose of obtaining insurance coverage on the collateral.

#### **SECTION 17. RIGHT OF SETOFF.**

To the extent permitted by applicable law, whether or not an Event of Default exists and whether or not the Loan is then due or payable, the Bank reserves a right of setoff in all the Customer's accounts with Bank (whether checking, savings or some other account). This includes all accounts the Customer may open in the future. The Customer authorizes the Bank to the extent permitted by applicable law, to charge and set off all amounts owing under this Credit Agreement against all such accounts, and at Bank's option, to administratively freeze all such accounts to allow Bank to protect Bank's set off rights provided in this section.

#### **SECTION 18. EVENTS OF DEFAULTS.**

The occurrence of any of the following shall be an "Event of Default": (a) non-payment when due of any amount payable under this Credit Agreement, or non-payment when due of any other indebtedness or liabilities of the Customer or Guarantor owing to the Bank or any other lender; (b) failure of the Customer to furnish the Bank with any financial information on the Customer within thirty (30) days after request therefore as provided in Section 13; (c) breach of any term or condition of any agreement which secures or guaranties the Loans or sets forth any terms or conditions relating to the Loans, or any representation made by the Customer or any Guarantor in any such agreement is untrue in any material respect; (d) failure of the Customer to notify the Bank of a change of address; (e) closing the Customer Account or Customer's Deposit Account with the Bank; (f) dissolution, termination, insolvency or death of any principal of the Customer or of the Guarantor of the Loans; (g) the institution by or against the Customer or Guarantor of the Loans of any bankruptcy or similar proceeding for the relief of debtors or the appointment of any receiver for any such party or any of its property; (h) the making of an assignment for the benefit of creditors by the Customer or Guarantor of the Loans; (i) the service of any warrant of attachment, garnishment, or the existence of any tax lien, levy or similar process on or with respect to any property of the Customer or Guarantor of the Loans; or

(j) a change in which the Bank in good faith deems material and adverse occurs in the condition (financial or otherwise) or operating results of the Customer or Guarantor of the Loans or in the value of any collateral for the Loans. (k) failure to keep the collateral insured as provided in Section 16.

#### **SECTION 19. BANK'S RIGHTS UPON DEFAULT.**

Upon the occurrence of any Event of Default, (a) unless the Bank elects otherwise in writing, the entire unpaid balance of the Loans under this Credit Agreement including interest and other fees and charges shall be immediately due and payable by the Customer without notice or demand; (b) if the Credit Agreement and Loans are secured by property, as described in the Terms and Conditions, the Bank may exercise all of the rights and remedies of a secured party under the UCC; (c) the obligation of the Bank to extend further credit shall immediately terminate; (d) the Bank may change the terms of the Credit Agreement; and (e) the Bank shall have the right, at any time after the occurrence of an Event of Default, to set-off the balance of any account that the Customer may at any time maintain with the Bank (including its affiliates) against any amounts at any time owing under this Credit Agreement, whether or not the balance of Loans under this Credit Agreement is then due as described in Section 17.

#### **SECTION 20. WAIVER.**

No delay by the Bank in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude any other or further exercise thereof or the exercise of any other right or remedy. The Customer and any Guarantors waive the rights to presentment, notice of dishonor and protest.

#### **SECTION 21. TERMINATION.**

The Customer may terminate this Credit Agreement at any time effective upon receipt by the Bank of at least five (5) days prior written notice and paying the Bank all sums due under this Credit Agreement. No termination under this paragraph shall affect the Bank's rights or the Customer's obligations regarding payment or default under this Credit Agreement. Such termination shall not affect the Customer's obligation to pay all Loans, fees and charges, and the interest accrued through the date of final payment. If a Line of Credit Account, the Bank may also elect to honor Loan requests after termination of this Credit Agreement, and the Customer agrees that any such payment by the Bank shall constitute a Loan to the Customer under this Credit Agreement.

#### **SECTION 22. NOTICES.**

The Bank may rely on instructions from the Customer with respect to any matters relating to this Credit Agreement, the Business Credit Loan or the Line of Credit Account, including telephone loan requests which are made by a person whom the Bank believes to be the Customer or its designated representative. All notices and statements to be furnished by the Bank shall be sufficient if delivered to any such person at the billing address for the Customer shown on the records of the Bank. All notices from the Customer shall be sent to the Bank: Harris Loan Servicing, 311 West Monroe Street, 14th Floor, Chicago, IL 60690. The Customer waives presentment and notice of dishonor. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby. No amendment or waiver of any provision of this Credit Agreement, nor consent to any departure by the Customer therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank.

#### **SECTION 23. CONSENT TO JURISDICTION.**

The Customer submits to the jurisdiction of the Federal and State Courts where the branch office that opened this Credit Agreement is located for purposes of all legal proceedings arising out of or relating to this Credit Agreement.

#### **SECTION 24. JURY TRIAL WAIVER.**

THE CUSTOMER AND THE BANK WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS CREDIT AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

## **SECTION 25. GOVERNING LAW.**

This Credit Agreement will be governed by and construed in accordance with federal law and to the extent not preempted by federal law, by the law of the state where the branch that maintains your [Business Credit Loan or Line of Credit Account] or [Credit Agreement] is located. If any part of this Credit Agreement is unenforceable, that will not make any other part unenforceable.

## **SECTION 26. ATTORNEY'S FEES; EXPENSES.**

The Bank may hire a third party to help collect amounts due under this Credit Agreement, if the Customer does not pay. The Customer will pay the Bank that amount including, subject to any limits under applicable law, the Bank's attorney's fees, legal expenses, whether or not a lawsuit is instituted and including attorney's fees and expenses for bankruptcy proceedings and appeals. If not prohibited by applicable law, the Customer will also pay court costs, in addition to all other amounts permitted by law.

## **SECTION 27. AMENDMENT.**

The Bank may amend this Agreement, including the Terms and Conditions by written notice to the Customer. Any amendment to this Agreement shall be effective thirty (30) days after notice of such Amendment is sent to the Customer.

## **SECTION 28. ASSIGNMENT.**

This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective legal representatives, successors and assigns, but not for the benefit of any other person, and no person shall have right here under against either party to this Agreement. The Customer may not assign this Agreement without the Bank's prior written consent.

## **GUARANTY.**

(a) As an inducement to Bank to enter into this Credit Agreement, the business principal or other person that signs this Guaranty agrees to guarantee the obligations of the Customer (the "Guarantor"), agrees to pay to Bank promptly when due, or upon demand, without deduction for any claim of setoff or counterclaim of the Customer or any other defense, the full amount of all indebtedness due to Bank from the Customer, including applicable fees and finance charges, together with all expenses of collection and reasonable attorney fees incurred by Bank by reason of the default of the Customer. (b) The Guarantor agrees that the Bank in its discretion may obtain a credit bureau report on the Guarantor in order to evaluate the Customer's eligibility for Loans under this Credit Agreement. The Guarantor also agrees that the Bank may exchange information about the Guarantor and his/her obligations under this Credit Agreement with Customer references, other businesses (including affiliates of the Bank), and credit reporting agencies and may confirm any information provided by or about the Guarantor. (c) The Guarantor waives notice of acceptance, and notice of all Loans to the Customer and of the settlement or adjustment of defaults or disputes. The Guarantor, without affecting his/her liability in any respect, consents to and waives notice of all changes of terms, the withdrawal or extension of credit or time to pay, the release of the whole or any part of the indebtedness, the settlement or compromise of differences, the acceptance or release of security, the acceptance of notes, trade acceptances or any other form of obligation for the Customer's indebtedness, and the demand, protest and notice of protest of such instruments or their endorsements. The Guarantor also consents to and waives notice of any arrangements or settlements made in or out of court in the event of receivership, liquidations, readjustment, bankruptcy, reorganization, arrangement or assignment for the benefit of creditors of the Customer, and anything whatsoever, whether or not herein specified, which may be done or waived by or between Bank

and the Customer. (d) The obligation of the Guarantor is a primary and unconditional obligation, and covers all existing and future indebtedness of the Customer to Bank. This obligation shall be enforceable before or after proceeding against the Customer or against any security held by Bank and shall be effective regardless of the solvency or insolvency of the Customer at any time, the extension or modification of the indebtedness of the Customer by operation of law, or the subsequent incorporation, reorganization, merger, or consolidation of the Customer, or any other change in the Customer. (e) The Guaranty will take effect when Bank approves the Loan Account and will remain in force until all indebtedness is paid in full. (f) All liabilities of the Customer and of the Guarantor shall mature immediately upon the insolvency of the Customer, the inability of the Customer to meet its obligations as they become due, the appointment of a receiver, custodian or trustee for the Customer or any of its property, the filing of a voluntary or involuntary petition for relief in bankruptcy, reorganization, or arrangement, the making of an assignment for the benefit of creditors, or the calling of a meeting of creditors by the Customer, or if any of these events occur with respect to the Guarantor. (g) Nothing herein shall be construed as an obligation on Bank's part to extend credit to the Customer, or as an obligation to continue to extend credit. Bank's records showing the Loan Account between Bank and the Customer shall be admissible in evidence in any action or proceeding involving this Guaranty, and the records shall be prima facie proof of the items therein set forth. This Guaranty shall for all purposes be deemed to be made in and shall be governed by the laws of the State of Illinois. (h) This Guaranty shall be binding upon the Guarantor his or her legal representatives, and assigns, and shall ensure to the benefit of Bank and its successors and assigns.

## **SHARING AND USE OF INFORMATION WITHIN THE HARRIS FAMILY OF COMPANIES.**

We may share within the Harris family information about your transactions or experiences with us, information you supply on your account applications, and information we receive from third parties. As an individual, you have the right to instruct us not to share among our banks and affiliated financial service companies certain information (other than information about our transactions and experiences with you) from your account applications or information we receive from third parties. Federal law also gives an individual the right to limit some but not all marketing from the Harris family of companies. You may limit our affiliates within the Harris family of companies, such as our banks, brokerage, insurance or investment advisory affiliates, from marketing their products or services to you based on personal information about you that they may receive from other companies within the Harris family of companies. This information includes your income, your account history and your credit score. Your choice to limit marketing will apply until you tell us to change your choice. To inform us that you do not want us to share certain information about you or to limit marketing offers, please contact us at 1-888-489-2265, visit any Harris location, or write to the Harris Privacy Office at 111 W. Monroe St., Chicago, IL 60603. If two or more customers jointly own an account or obtain a service, the request not to share information or limit marketing will apply only to the customer making the request unless otherwise directed by you. Please note that this does not prohibit the companies within the Harris family of companies with whom you have established a business relationship from marketing their products and services to you unless you have requested that your name, address, email address and phone number be excluded from marketing lists. The Harris Family of Companies means your Harris bank and all other banks and non-bank companies affiliated with the bank by common ownership or control.



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