

**SAMPLE LOAN TERMS**  
**UNSECURED BUSINESS REVOLVING LINE OF CREDIT**

You have been approved for a line of credit with the following terms (the “Loan”):

<b>Lender:</b>	<b>First Interstate Bank</b>
<b>Borrower:</b>	[XXXXX]
<b>Guarantor:</b>	[XXXXX] [XXXXX]
<b>Maximum Credit Amount:</b>	\$(XXXXX)
<b>Interest Rate:</b>	[XXXXX]%
<b>Date of Loan:</b>	[XXXXX]
<b>Term:</b>	<b>ON DEMAND</b>
<b>Annual Fee:</b>	<b>\$150 annually, after first year</b>

**PAYMENT.** All principal or so much as may be outstanding on this Loan, together with interest on the unpaid outstanding principal balance is payable **ON DEMAND**. Bank shall provide Borrower and Guarantor with 30 days’ written notice of its intent to make demand for payment of this Loan. Notwithstanding the foregoing, until demand by Bank, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning [XXXXX], with all subsequent interest payment to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied to accrued interest first, then to principal, then to escrow if applicable, then to accrued and unpaid loan fees. All payments must be made by check, automatic account debit, electronic funds transfer, money order, or other instrument in U.S. dollars and must be received by us at the Lender’s address. Payments received at that address prior to close of business on any business day will be credited to your loan as of the date received.

**VARIABLE INTEREST RATE.** The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the Prime Rate published in the ‘Money Rates’ section of the Wall Street Journal (the “Index”). The Index is not necessarily the lowest rate charged by Lender on its loans. Lender will tell Borrower the current Index rate upon Borrower’s request. The interest rate change will not occur more often than each day during the term of the Note. The Adjusted interest rate will be equal to the Index on the date of the adjustment plus the same percentage points over the Index as described herein. Borrower understands that Lender may make loans based on other rates as well. **The Index currently is**

[XXXXX]% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of [XXXXX] percentage points over the Index (the "Margin"), resulting in an initial rate of [XXXXX]% per annum. If Lender determines, in its sole discretion, that the Index has become unavailable or unreliable, either temporarily, indefinitely, or permanently, during the term of this Note, Lender may amend this Note by designating a substantially similar substitute index. Lender may also amend and adjust the Margin to accompany the substitute index. The change to the Margin may be a positive or negative value, or zero. In making these amendments, Lender may take into consideration any then-prevailing market convention for selecting a substitute index and margin for the specific Index that is unavailable or unreliable. Such an amendment to the terms of this note will become effective and bind Borrower ten (10) business days after Lender gives written notice to Borrower without any action or consent of the Borrower.

**NOTICE:** Under no circumstances will the interest rate on this Loan be less than 5.00% per annum or more than the maximum rate allowed by applicable law.

**INTEREST CALCULATION METHOD.** Interest on this Loan is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Loan is computed using this method.

**PREPAYMENT.** All loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Loan, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: First Interstate Bank, Great West Center, PO Box 30918 Billings, MT 59116-0918.

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$15.00, whichever is greater.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon demand, the interest rate on this Loan shall be increased by adding an additional 5.000 percentage

point margin ("Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding interest rate change that would have applied had there been no default. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

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

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

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Loan 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 Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor 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 Loan or perform Borrower's obligations under this Loan or any of the related documents.

**Environmental Default.** Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with any loan.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Loan or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Death or Insolvency.** The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower

as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Loan.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Loan is impaired.

**Insecurity and Draw Activity.** Lender in good faith believes itself insecure, the Borrower has exceeded its draw capacity under the Loan, or the Borrower fails to exercise its draw rights pursuant to the Loan for a period of more than 365 days.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Loan and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Loan if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, paralegal fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Loan will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Montana without regard to its conflicts of law provisions. This Loan has been accepted by Lender in the State of Montana.

**CHOICE OF VENUE.** If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Yellowstone County, State of Montana.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or

some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**LINE OF CREDIT.** This Loan evidences a revolving line of credit. Advances under this Note may be requested orally by Borrower or as provided in this paragraph. All oral requests shall be confirmed in writing on the day of the request. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office at 855-342-3400. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person; or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

**TRANSFER OR ASSIGNMENT.** Lender reserves the right to sell or transfer this Loan and related documents and Lender's rights and obligations under this Loan to another lender, entity, or person without prior notice or approval from Borrower or Guarantor(s). Upon any such sale or transfer, Lender shall have no further obligation to provide Borrower, Authorized Parties, or Guarantor(s) with credit advances or to perform any other obligation under this Loan or related documents. Borrower's rights under this Loan belong to Borrower only and may not be transferred or assigned without Lender's prior written consent.

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

**NOTICES.** Any notice required to be given under this Loan shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the address shown near the beginning of this Loan. Any person may change his or her address for notices under this Loan by giving formal written notice to the other person or persons, specifying that the purpose of the notice is to change the person's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers. It will be Borrower's responsibility to tell the others of the notice from the Lender.

**GENERAL PROVISIONS.** If any part of this Loan cannot be enforced, this fact will not affect the rest of the Loan. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Montana (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Loan without losing them. Borrower and any other person who signs, guarantees or endorses this Loan, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Loan, and unless otherwise expressly stated in writing, no party who signs this Loan, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Loan are joint and several as to the borrower and all guarantors.

**BORROWER AND GUARANTOR ACKNOWLEDGE THAT THIS LOAN IS A DEMAND LOAN AND THE RIGHT OF THE BANK TO DEMAND PAYMENT OF THIS LOAN IN WHOLE OR IN PART AT ANY TIME FOLLOWING 30 DAYS' WRITTEN NOTICE TO BORROWER AND GUARANTOR, SHALL BE ABSOLUTE, UNCONDITIONAL, AND IN THE SOLE DISCRETION OF THE BANK. THE INCLUSION OF EVENTS OF DEFAULT AND COVENANTS OUTLINED HEREIN OR IN THE LOAN APPLICATION AND AGREEMENT, OR OTHER LOAN DOCUMENTS BETWEEN BANK AND BORROWER OR GUARANTOR OR OTHER PARTY SHALL NOT IN ANY WAY LIMIT THE DEMAND NATURE OF THIS NOTE AND THE BANK MAY MAKE DEMAND FOR PAYMENT AT ANY TIME, FOLLOWING 30 DAYS' WRITTEN NOTICE TO BORROWER AND GUARANTOR, FOR ANY OR NO REASON, WHETHER OR NOT AN EVENT OF DEFAULT HAS OCCURRED UNDER ANY SUCH LOAN DOCUMENTS.**

**PURSUANT TO THE BUSINESS LOAN APPLICATION AND AGREEMENT ELECTRONICALLY SUBMITTED BY BORROWER AND GUARANTOR TO LENDER ON [XXXXX], FOR GOOD AND VALUABLE CONSIDERATION AND UPON THE FIRST REQUEST FOR AN ADVANCE OF LOAN PROCEEDS, BORROWER AND GUARANTOR AGREE TO, AND SHALL BE BOUND BY, THE TERMS AND CONDITIONS OUTLINED HEREIN.**

**State Statutory Notices.**

**OREGON: UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY BANK CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY BANK TO BE ENFORCEABLE.**

**WASHINGTON: ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

**MISSOURI: ORAL OR UNEXECUTED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE, REGARDLESS OF THE LEGAL THEORY UPON WHICH IT IS BASED THAT IS IN ANY WAY RELATED TO THE CREDIT AGREEMENT. TO PROTECT YOU (BORROWER) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING AND THE LOAN & SECURITY AGREEMENT THAT ACCOMPANIED THE SMALL BUSINESS LOAN APPLICATION, WHICH COLLECTIVELY MAKE UP THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.**

**FIRST INTERSTATE BANK**

**X{Banker Signature} \_\_\_\_\_ Date: {Approval Date}  
{Bank Officer Name}, {Banker Title}**