

Chapter 3:

Business Credit and Continuing Security Agreement

The Business Credit and Continuing Security Agreement (BCCSA) is the contract between the borrower and the credit union that consummates the business loan plan. It states that the credit union will grant the loan(s) to the borrower with the specific conditions outlined in this agreement and take a security interest in collateral offered to secure the loan(s).

The BCCSA is an overall agreement between the borrower and the credit union and contains the general terms and conditions that will govern all loan transactions. A Business Credit Agreement Rider can be used to modify or amend this agreement. A Business Loan Receipt is used to provide specific terms and conditions for each loan transaction. The Business Credit Agreement Rider and Business Loan Receipt will be discussed in detail in the following chapters.

Document Description

When used:	When you have approved a business member for a non-real estate borrowing relationship. This document need only be completed once and will apply to all future non-real estate loans.
Purpose:	It is the master agreement governing the terms and conditions that will be applied to each loan transaction. It defines the business terms and conditions that will be repeated in each loan transaction.
Document number:	BXB10*
How distributed:	Borrower(s) sign the agreement. Borrower and credit union retain a copy of the document Credit union staff should be familiar with the content of this document because it may impact credit union policies and procedures. This document is kept with your credit union's file.
Imprinting:	This document allows an imprint of your credit union's name, address, phone number and logo. If the imprinting option is not selected, be sure to add your credit union name while processing the document.
Number of pages	Five
State specific versions:	None

*Indicates spaceholder for version number

Page one sample

Use the numbers provided to locate the corresponding instructions on the next page.



BUSINESS CREDIT AND CONTINUING SECURITY AGREEMENT

This Business Credit and Continuing Security Agreement ("Agreement") includes this Agreement and may include a Business Credit Agreement Rider and Business Loan Receipt. "You", "you", "your" and "borrower" mean the person(s) or entity(ies) designated as a "Borrower" in the Signature section of this agreement. "Credit Union", "we", "our" and "us" mean the Credit Union whose name appears on the Agreement or anyone to whom the Credit Union transfers its rights under the Agreement.

NOTICE TO COSIGNER: YOUR SIGNATURE ON THIS NOTE MEANS THAT YOU ARE EQUALLY LIABLE FOR PAYMENT OF THIS LOAN. IF THE BORROWER DOES NOT PAY, THE LENDER HAS A LEGAL RIGHT TO COLLECT FROM YOU.

1. **HOW THIS AGREEMENT WORKS.** This is an agreement to advance funds to you or on your behalf now or in the future. We anticipate that, from time to time, you will borrow money (called "Loans") under the Agreement. We are not required to make Loans to you under the Agreement and can refuse a request for a Loan at any time, unless we have expressly agreed on the Business Loan Receipt, to make obligatory advances.
2. **CREDIT LIMIT.** We may, but do not have to, establish a credit limit for certain Loans. If a credit limit is set, 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.
3. **REPAYMENT.** You (jointly, severally and in solido if more than one) promise to repay all amounts advanced to you or on your behalf along with other charges and interest. You will be advised of the required payment terms for a Loan on the Business Loan Receipt. Payments for a Loan will be due on the dates indicated in the Business Loan Receipt or on demand on or after the due date stated on the Receipt. Payments must include any amount past due and any amount by which you have exceeded any credit limit you have been given. 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. Unless otherwise required by law, payments will be applied to amounts owed under the Agreement, in the manner the Credit Union chooses.
4. **INTEREST AND OTHER CHARGES.** Interest will be computed separately for each separate Loan under the Agreement. To compute interest charges, the unpaid balance for each day since your last payment (or since a Loan if you have not yet made a payment) is multiplied by the applicable daily periodic rate as established by the Credit Union and stated on the Business Loan Receipt for that Loan. The sum of these amounts is the interest owed. The balance used to compute interest charges 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 charges which are disclosed on the Business Loan Receipt and in other sections of this Agreement. If the interest rate is a variable interest rate, the Business Loan Receipt explains how the variable interest rate works. The interest payable by you under this Agreement shall never exceed the amount permitted by law. If it would exceed that amount because of the way interest is described in the Business Loan Receipt or Rider to this Agreement, the amount of interest payable by you will be considered reduced to the maximum permitted by law and any amount you pay in excess of that amount shall reduce the principal amount of the Loan.
5. **POWERS, PURPOSE AND AUTHORITY; COMMERCIAL PURPOSE.** You agree and warrant that if you are an entity you are duly and validly organized under the name of and in the form indicated in the Signatures section of this Agreement. You promise that each Loan made to you under this Agreement will only be used for commercial or business purposes, and not for the purchase or improvement of residential real estate or for personal, family, or household purposes. You promise that unless you have disclosed otherwise to us, in writing, you have not in the past or present operated or held property under any other name. You also promise that you have the authority and all due authorization to enter into and to agree to all provisions of this Agreement and to agree to all provisions of the documents related to this Agreement.
6. **FINANCIAL CONDITION.** You promise and warrant that the financial information you have provided to us accurately and completely reflects your financial condition and you understand that the Credit Union in advancing funds has relied upon the information provided by you. You promise to promptly provide us with written notice of any material change in your financial condition. Unless already disclosed to us, in writing, you promise and warrant that you are not the subject of any pending litigation, outstanding claims, any investigations or proceedings, or that you have any outstanding tax liabilities or any other outstanding unpaid obligations.
7. **BORROWER'S PROMISES**
 - a. **Access to records, promises, and collateral.** Upon reasonable advance written notice, you promise to promptly provide us or our representatives access to and permit them to examine, inspect and copy all or any part of your books and records wherever such books and records may be located or stored. If requested, you will make them available at your main office. You promise to promptly provide us or our representatives access to, and allow us or them to inspect your premises and collateral.
 - b. **Additional indebtedness.** Other than your indebtedness to us, you agree not to incur, guaranty or become obligated on any additional indebtedness, except as we may expressly permit in advance, in writing, and except in the case of accounts payable as necessary in the ordinary course of your business.
 - c. **Execution of additional documents.** You agree to execute and deliver any document or agreement we may request in order to document or secure a Loan. You grant us an irrevocable power of attorney coupled with an interest, to sign or otherwise act on your behalf in order to secure a Loan or facilitate the repossession of property securing a Loan.
 - d. **Updating credit information.** You promise that you will promptly give us written notice if there is a material change in your financial condition, if you become the subject of litigation, a claim, an investigation or proceeding or if any action against you arises that may materially affect your financial condition. You promise to promptly give us written notice if you change your name, there is a change in your ownership or form of organization, or if any other information you provided to us changes. Upon our request, you also agree to promptly provide us updated financial information or any other information we may request.

EXB106 (LASER)

Page one instructions

Instructions are given for each section of the document. Please refer to the corresponding number on the sample document to determine each section's relative position on the document.

1. **How this agreement works.** This section describes in general terms how the agreement works for loans now and in the future.
2. **Credit limit.** This section explains that the agreement may or may not include a credit limit. It also explains what the borrower's responsibilities are if the agreement includes a credit limit.
3. **Repayment.** This section explains in general terms the borrower's responsibilities for repaying the loan including charges and interest. Specific repayment terms for each loan are given in the Business Loan Receipt.
4. **Interest and other charges.** This section explains how interest and other charges will be addressed under the agreement. Specific terms regarding the interest rate and fees for each loan are given in the Business Loan Receipt.
5. **Powers, purpose and authority; commercial purpose.** This section explains to the borrower that all loans made under this agreement must be for a business purpose and that the borrower must be authorized to enter into this agreement.
6. **Financial condition.** This section explains that the borrower promises that all financial information given is accurate and reflects his/her current financial condition.
7. **Borrower's promises.** This section explains the borrower's responsibilities under this agreement.
 - Provide access to records, premises, and collateral as needed
 - Refrain from additional indebtedness except as permitted by the credit union
 - Provide for any required execution of additional documents as needed to secure a loan or to facilitate the repossession of property used for securing the loan
 - Update any material change in his/her credit information
 - Provide prior notification for any change in name, location, state residence, or bulk sale of assets

Page two sample

Use the numbers provided to locate the corresponding instructions on the next page.

e. **Notification prior to change of name, change of location, change of State of residence or bulk sale of assets.** Except for the sale of assets in the ordinary course of business to buyers who qualify as buyers in the ordinary course of business, you agree to give us sixty (60) days advance written notice before you sell, lease, transfer or in any other way dispose of all or a material portion of your assets. You also agree to give us sixty (60) days advance written notice before you move the location of your principal offices, change your state of residence, change the state whose laws you are organized under or change your organizational name.

f. **Compliance with laws.** You promise that you are in compliance with and will continue to comply with all laws and obligations applicable to you and to your property. You may in good faith dispute any law and refuse to comply with it pending the outcome of your challenge and any appeals provided that you are following appropriate procedures for challenging the law and you have set aside adequate reserves to pay all losses, costs and expenses.

8. **SALE OF LOANS.** You agree that we may sell all or part of any Loan made under this Agreement and that we may share any information about you in order to facilitate such a sale. You waive any right to notice of sale or resale. You waive any right of set-off or counterclaim that you may have against us or any purchaser of an interest in a Loan. You agree that any purchaser of an interest in a Loan may enforce its interest in a Loan against you regardless of any personal claims and defenses you may have against us.

9. **PLEDGE OF SHARES/STATUTORY LIEN.** You pledge and grant as security for the Agreement and all other obligations you may have now or in the future all shares and dividends and, if any, all deposits and interest in all accounts you have with us now and in the future. If a specific dollar amount is pledged for a Loan, as agreed on a Business Loan Receipt, we will freeze shares in that account to the extent of the outstanding balance of the Loan or, if greater, the amount of the pledge if the Loan is a revolving loan. If we do not apply your shares to satisfy your obligation, we reserve the right to place an administrative freeze on your share accounts in order to protect our statutory lien rights against your accounts and we may apply them to the amount you owe us at a later time, if we choose. Otherwise, your pledged shares may be withdrawn unless you are in default. In addition to your pledge of shares, we may also have what is known as a statutory lien on all individual and joint accounts you have with us. A statutory lien means we have the right under federal law and many state laws to claim an interest in your accounts. We can enforce a statutory lien against your shares and dividends, and if any, interest and deposits, in all individual and joint accounts you have with us to satisfy any outstanding financial obligation that is due and payable to us. We may exercise our right to enforce this lien without further notice to you, to the extent permitted by law. **For all borrowers: 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.

10. **THE SECURITY FOR THE AGREEMENT.** You give us a security interest in all property described in a Business Loan Receipt, issued to you when you receive a Loan, wherever the property is located and whether you presently own the property or acquire it at a later time. This property, along with the items mentioned below, is sometimes referred to as "collateral". The security interest you give includes, with respect to the collateral:

- All accessions. Accessions are things which are attached to or installed in the property now or in the future.
- All replacements for the property.
- All additions to the property.
- All Proceeds. Proceeds include, but are not limited to, any money you receive from selling the property or from dividends or stock splits, from insurance you have on the property, or from other third parties and insurers who are responsible for damage or destruction to the property.

If the value of the property declines, you promise to give us more property in an amount or value determined in our sole judgment to be suitable as security, if asked to do so.

11. **WHAT THE SECURITY INTEREST COVERS/CROSS COLLATERALIZATION.** The security interest in property you give as security will secure all amounts owed under this Agreement, and under any receipt, voucher or any other document you receive at the time of the Loan including any extensions, renewals or refinancings and all other loans and obligations you have with us now or in the future, including overdrafts, except any loan which was secured by your principal residence. Property securing other loans you have with us will also secure the Agreement if the security agreement given to secure that loan covers future obligations.

12. **DISCLAIMER OF CERTAIN SECURITY INTERESTS.** We disclaim any security interest in household goods in which we are forbidden by law from taking a security interest.

13. **DEFAULT.** You will be in default if you do not make a payment of the amount required when it is due or, if payment is subject to demand, when demanded. You will be in default if you break any promise you made under the Agreement or if anyone is in default under any security agreement made in connection with a Loan under the Agreement. You will be in default if you, a Guarantor, a partner or a majority owner dies, files for bankruptcy or similar proceeding, or becomes insolvent. You will be in default, if you or a Guarantor make any false or misleading statements in any credit application, financial statement or similar document or if any statement becomes misleading due to a change in circumstance and you fail to correct that statement, or if you merge, dissolve, reorganize, or your legal existence is terminated. You will be in default if the value of your property is impaired or substantially declines in value or if something happens that we believe may substantially reduce your ability to repay what you owe or if we otherwise reasonably believe that we are insecure. You will be in default if for any reason we are unable to perfect our security interest in any collateral you have given us as security for a Loan. You will be in default if any of your property is repossessed, confiscated, forfeited or used in such a manner or for a purpose so as to make it subject to forfeiture or confiscation. You will also be in default under the Agreement if you are in default under any other loan agreement with us.

14. **ACTIONS AFTER DEFAULT.** When you are in default and after any notice of default and expiration of any right you may have under applicable state law to cure your default, we can require immediate payment (acceleration) of the entire unpaid balance under the Agreement. When you are in default any commitment or obligation we may have under this Agreement or any related document shall immediately terminate, including any obligation to advance additional funds. You waive any right you have to demand for payment, notice of dishonor, notice of intent to accelerate, and notice of acceleration or notice of demand for payment.

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 Business Credit Agreement Rider or Business Loan Receipt. 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 called PLEDGE OF SHARES/STATUTORY LIEN. We can also exercise any other legal rights we may have when you are in default.

EXH105 (LASER)

Page two instructions

Instructions are given for each section of the document. Please refer to the corresponding number on the sample document to determine each section's relative position on the document.

8. **Sale of loans.** This section discloses to the borrower the credit union's right under the agreement for selling the loan.
9. **Pledge of shares/statutory lien.** This section explains to the borrower that any shares and dividends and any deposit and interest they have with the credit union both now and in the future will be used as security for the agreement. It also explains the legality of statutory liens for both state and federally chartered credit unions.
10. **The security for the agreement.** This section explains the rules associated with collateral used to secure the loan. It also explains the borrower's responsibility to provide more collateral if the value of the property declines.
11. **What the security interest covers/cross collateralization.** This section explains that property given as security will secure the agreement and any loan applied to the agreement. It also explains that the property may serve as security for present as well as future loans.
12. **Disclaimer of certain security interests.** This section explains that the credit union disclaims any right to household goods in which they are forbidden by law from taking a security interest.
13. **Default.** This section explains to the borrower what constitutes loan default. Examples of conditions that lead to default include:
 - Late payment
 - Broken promise associated with the agreement
 - Signer dies, files for bankruptcy, or becomes insolvent (Note: the signer includes either the borrower or the guarantor)
 - Making false or misleading statements in any credit application
14. **Actions after default.** This section explains the actions the credit union may take after a default. Examples of action after default may include:
 - Borrower curing the default
 - Credit union may require immediate payment (acceleration)
 - Borrower's shares and deposits can be applied against outstanding loan balance(s)
 - Borrower must continue to pay interest on what is owed
 - Credit union may repossess any property used as security
 - Borrower may pay any amount owed when the disposition of the collateral does not cover the outstanding debt

Page three sample

Use the numbers provided to locate the corresponding instructions on the next page.

You agree that we have the right to the extent permitted by applicable law to take possession of any property given as security for any Loan or this Agreement, 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. If the property is a motor vehicle or boat, you agree that we may obtain a key or other device necessary to unlock and operate it, when you are in default. 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 such property. We will make a reasonable effort to return that property to you or make it available for you to claim if you timely demonstrate that we hold property which is not subject to our security interest. We will not have any obligation to hold or maintain any such property for more than fifteen (15) days from the date that we take possession of any collateral upon which we hold a security interest and may thereafter liquidate such property and/or dispose of such property that appears to be of little monetary value. The proceeds, if any, from any such liquidation/disposal shall be paid into your share or other Credit Union accounts.

After we have possession of the property, we can sell it and apply the money to any amounts you owe us. Unless the property is perishable, is subject to rapid decline in value or is regularly sold on a recognized market, we will give you at least ten (10) days advance notice of any public disposition or the date after which a private disposition will be held unless you have waived this right after you are in default. Unless we are required to by law, we are not subject to any marshaling requirement in the sale of collateral or election of remedies. You agree we may use our judgment as to what is a reasonable means for disposing of the property so long as we act in good faith.

Our expenses for taking possession of and selling the property and enforcing your obligations under this Agreement will be deducted from the money received from the sale. Those costs may include, but are not limited to, the cost of storing the property, preparing it for sale, marketing costs, attorney's fees, the cost of collection, and any court costs and other fees and commissions that we may be required to pay public officials 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 Agreement and other loans and obligations owed to us.

You must pay any amount that remains unpaid after the sale proceeds, net of our costs and expenses, have been applied to any unpaid balance under this Agreement and other loans and obligations owed to us. You agree to pay interest on that remaining amount at the highest rate of interest of any Loan under this Agreement or, if applicable, at the default rate stated on the Business Credit Agreement Rider or Business Loan Receipt, until the remaining amount has been paid. Unless otherwise required by law, we will continue to have the right to apply amounts received to any amounts owed to us under this Agreement in the manner the Credit Union chooses.

You further agree that, to the extent permitted by applicable law, we may appoint a receiver or request the appointment of a receiver, who may be our employee or an agent, to take possession of part or all of the property in order to protect, preserve and maintain the property pending disposition. The receiver may collect rents, payments and other proceeds from the property and pay it to us to reduce your obligation to us under this Agreement. The costs of receivership shall become part of amounts obligated under this Agreement and may at our option be added to the balance of any Loan. If permitted by applicable law, the receiver may serve without bond.

We may direct account debtors and obligors on any property consisting of account, chattel paper, general intangibles or other similar property to make payment directly to us. We may also demand, foreclose, settle and do whatever is necessary to realize on the property.

15. OWNERSHIP, CONTROL AND LOCATION OF THE PROPERTY. You promise and warrant that you own all property you give as security or if the Loan is to buy the property, you promise and warrant you will use the Loan for that purpose. You promise and warrant that no one else has any interest in or claim against the property that you have not already disclosed to us in writing. Except for inventory sold in the ordinary course of your business, you promise not to sell, lease, transfer or otherwise dispose of the property. Unless you are in default, you may sell your inventory in the ordinary course of your business, but only to buyers who are buyers in the ordinary course of your business. A "bulk sale" of assets is a sale, lease or other transfer of a material portion of your assets which is not a sale in the ordinary course of your business and you may not conduct a bulk sale without our prior written consent, except as limited by applicable law. You may not transfer the property to satisfy all or part of a debt. You promise not to use the property as security for a loan with another creditor until the Loans are repaid or allow any other security interest or lien to attach to the property either by your actions or by operation of law. Unless we have agreed otherwise in writing, you promise that all of the property (or records of the property in the case of accounts, chattel paper and general intangibles) shall be located at your principal place of business as shown in our records. If property is in the possession of a third party pursuant to the terms of a written agreement between you and us, you agree to join with us in notifying the third party of our security interest in the property and obtaining an acknowledgement from the third party that it is holding the property for our benefit. You agree to cooperate with us in obtaining control of any of the following types of collateral: (i) deposit accounts held by you with a third party; (ii) investment property; (iii) letter-of-credit rights; and (iv) electronic chattel paper.

16. ACCOUNTS, CHATTEL PAPER AND GENERAL INTANGIBLES. You promise that you know of no impediments to the enforceability of the obligations in the property given as security consisting of accounts, chattel paper and general intangibles. You promise not to settle or extend payment for any account without our permission except for normal settlements or extensions made in the ordinary course of business. You also agree not to agree to an offset of an obligation owed to you that is property you have given as security.

17. INSURANCE, TAXES AND FEES. You promise to obtain and maintain from insurers, in amounts acceptable to us, any insurance we may require, or as may be required by applicable law, including but not limited to hazard insurance for property damage, public liability, worker's compensation, business interruption, rent loss and, subject to applicable law life and disability insurance for designated individuals. Upon our request, you agree to assign or pledge to us such insurance and to name us as a loss payee or beneficiary. Upon our request, you promise to promptly provide us with proof of coverage or authorize your insurers to release information to us concerning such coverages. If you do not purchase the required insurance, we may purchase it and charge you for any premiums for the insurance. You also promise to require your insurer to provide us with ten (10) days advance written notice prior to canceling or changing any such insurance. If you cancel any insurance that we require and get a refund, we have a right to the refund and can apply it towards what you owe. If property given as security for this Agreement is lost or damaged, we can use the insurance settlement to repair the property or apply it towards what you owe. We may receive payments in connection with the insurance from a company that provides the insurance. 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 (such as registration fees) due on property securing this Agreement.

EXB106 (LASER)

Page three instructions

Instructions are given for each section of the document. Please refer to the corresponding number on the sample document to determine each section's relative position on the document.

15. **Ownership, control, and location of the property.** This section explains terms and conditions associated with ownership, control and location of the property to the borrower. Examples of terms and conditions include:
 - Borrower must own the property offered as security
 - If the loan is to purchase specific property, the loan must be used to purchase the specific property
 - The borrower promises that no one else has claim to property used as security other than documented with the credit union
 - The borrower promises not to sell, lease, transfer, or dispose of property used as security
 - The borrower may sell inventory as part of doing business unless they are in default
 - **NOTE:** State of Montana; Provisions in the agreement state that bulk sales do not apply to borrowers in the state of Montana.

16. **Accounts, chattel paper, and general intangibles.** This section explains to the borrower that they must agree that:
 - No impediments exist to the enforceability of the obligations in the property given as security consisting of accounts, chattel paper and general intangibles
 - Not to settle or extend payment for any account without permission except settlements or extensions made in the ordinary course of business
 - Not to agree to an offset of an obligation that is property securing the loan

17. **Insurance, taxes and fees.** This section explains to the borrower that they must:
 - Obtain and maintain hazard insurance for property damage, public liability, worker's compensation, business interruption, rent, loss and life and disability insurance for designated individuals
 - Assign or pledge to the credit union such insurance and name the credit union as beneficiary
 - Provide the credit union with proof of coverage
 - Provide the credit union with 10 days advance written notice prior to canceling or changing any insurance
 - Pay for any insurance obtained by the credit union for the property if the borrower fails to obtain insurance
 - Allow the credit union to receive any refund received from canceled insurance, so the credit union can either repair damage to property or apply the refund towards what was owed
 - Pay all taxes and fees (such as registration fees) due on property securing this agreement
 - **NOTE:** State of South Dakota; South Dakota residents cannot be required to purchase credit insurance.

Page four sample

Use the numbers provided to locate the corresponding instructions on the next page.

18. RECOVERY OF EXPENSES. We may monitor Loans for the purpose of determining whether you and other borrowers have complied with all of the requirements of this Agreement and other related documents, or we may engage others to do so on our behalf. If you do not pay all taxes and fees on property securing this Agreement when due or keep it insured, we may pay these obligations, but we are not required to do so. We may charge to you the cost of determining compliance with insurance requirements. While we are under no obligation to do so, we also may make any payment or incur any costs or expenses on your behalf in order to insure, maintain and preserve any collateral, and prevent claims against you or against any collateral securing this Agreement. Any payment so made may at our option be added to the balance of any Loan made under this Agreement. We may at any time demand payment for such costs or may require repayment by increasing the amount of the periodic payment for the Loan, increasing the number of payments for the Loan or by requiring a balloon payment of the amount plus accrued interest on the final payment date of a Loan.

19. PROTECTING THE SECURITY INTEREST. If your state issues a title for the property securing this Agreement, you promise to have our security interest shown in a first position on the title. We may have to file what is called a financing statement (including any amendments or modifications thereof) to protect our security interest from the claims of others and you authorize us to file any financing statements we feel appropriate. You also promise to do whatever we think is necessary to protect our security interest in the property.

Borrower hereby irrevocably authorizes the Lender to execute (on behalf of the Borrower), if applicable, and file against the Borrower one or more financing, continuation or amendment statements pursuant to the UCC in form satisfactory to the Lender, and the Borrower will pay the cost of preparing and filing the same in all jurisdictions in which such filing is deemed by the Lender to be necessary or desirable in order to perfect, preserve and protect its security interests.

20. 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 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.

21. COLLECTION COSTS AND ATTORNEY'S FEES. Subject to applicable law, you agree to pay all our costs and expenses, including collection agency charges and attorney's fees, incurred in collecting, enforcing and protecting our rights under this Agreement, including attorney's fees incurred at trial, in any bankruptcy proceedings (including efforts to modify any automatic stay or injunction or object to any proposed plan), and any appellate proceedings. For borrowers in South Carolina, in addition to the aforementioned costs and expenses, you agree to pay attorney's fees of 20% of the unpaid balance of all loans in default or such greater amount as may be reasonable. All expenses so incurred shall be secured by the collateral securing this Agreement.

22. CHANGE IN TERMS AND TERMINATION. We have the right to change the terms of this Agreement after giving you ninety (90) days advance written notice. We can terminate all or any part of our obligations to extend credit, if any, at any time. You may terminate this Agreement at any time by giving us reasonable advance written notice. However, your obligations under this Agreement continue whether we have terminated our obligation to extend credit under this Agreement or you have terminated this Agreement. Your termination of this Agreement will terminate any commitment we have made to extend credit to you.

23. DELAY IN ENFORCING RIGHTS AND CHANGES IN THE AGREEMENT. We can delay enforcing any of our rights under this Agreement any number of times without losing the ability to exercise our rights later. We can enforce this Agreement against your estate, legal representatives, successors or assigns. If we change any term of this Agreement, you agree that the remaining terms of this Agreement will continue to apply.

24. HEIRS, SUCCESSORS AND ASSIGNS. You may not assign any rights under this Agreement without prior written permission from us which we may withhold in our sole discretion if we choose. Your heirs, successors and assigns as permitted by us, and our successors and assigns are subject to the respective duties and obligations imposed by this Agreement.

25. PROMPT PERFORMANCE. Time is of the essence in the performance of all duties and obligations of this Agreement.

26. INTEGRATION AND SEVERABILITY. This Agreement is a final expression of the agreement between you and the Credit Union. This Agreement may not be contradicted by evidence of any oral agreement. If any provision of this Agreement or any related document is found to be for whatever reason unenforceable, this Agreement or related document shall be construed such that the violating provision shall be made enforceable. If this Agreement or related document cannot be so construed, the violating provision shall be considered stricken. In any case, the unenforceability of any particular provision shall not render unenforceable any other part of this Agreement, and the remaining obligations of the Agreement shall be binding and fully enforceable.

27. NOTICE ABOUT UNENFORCEABLE ORAL PROMISES. No oral agreements or commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt, including oral promises to renew or extend such a debt, can be made by any representative of the Credit Union, and such promises may be unenforceable under the laws of the state where the Loan is made.

28. WAIVER OF EXEMPTIONS FROM SEIZURE. To the maximum extent permitted by law, you waive all exemptions provided under the laws of the state in which you reside, have your place of business or where your property may be located at the time of or following your default, that exempt such property from seizure.

29. WAIVER OF JURY TRIAL. In the event of any action to enforce the terms of this agreement, you consent to the jurisdiction of the state or federal court where the credit union brings the action. You also waive any trial by jury and waive any objection to venue of any action instituted under this agreement and consent to the granting of any legal or equitable relief as is deemed appropriate by the court.

30. USE OF ACCOUNT -- You promise to use your account for consumer (personal, family or household) purposes, unless the credit union gives you written permission to use the account also for agricultural or commercial purposes.

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Page four instructions

Instructions are given for each section of the document. Please refer to the corresponding number on the sample document to determine each section's relative position on the document.

18. **Recovery of expenses.** This section informs the borrower about facts regarding recovery of expenses:
 - The credit union or others may monitor loans to check for agreement compliance
 - If the borrower does not pay taxes or fees on secured property when due, the credit union may pay these obligations and apply the expenses to the loan balance
19. **Protecting the security interest.** This section discloses to the borrower what they must promise regarding protecting the credit union's security interest in the property. Example: If the state issues a title for the secured property, the borrower promises to have the credit union's security interest shown on the title.
20. **Use of property.** This section discloses to the borrower what they must promise regarding use of the property. Example: The borrower will not use the property for any unlawful purpose.
21. **Collection costs and attorney fees.** This section discloses what the borrower promises to pay regarding collection costs and attorney fees.
22. **Change in terms and termination.** This section discloses what the borrower must promise regarding change in terms and termination.
 - The credit union has the right to change the terms of this agreement
 - The credit union may terminate any obligation to extend credit at any time
23. **Delay in enforcing rights and changes in the agreement.** This section discloses to the borrower that the credit union may delay enforcing its rights under the agreement and make changes to the agreement.
24. **Heirs, successors and assigns.** This section discloses to the borrower that the agreement is enforceable against heirs, successors and assigns.
25. **Prompt performance.** This section discloses to the borrower that all obligations under the agreement must be performed promptly.
26. **Integration and severability.** This section discloses to the borrower that each provision in the agreement is binding and enforceable and if one section is deemed unenforceable the other sections remain enforceable.
27. **Notice about unenforceable oral promises.** This section discloses to the borrower what they must know regarding oral promises. No oral agreements or commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt, including oral promises to renew or extend such a debt, can be made by any credit union representative and such promises may be unenforceable under the laws of the state where the Loan is made.
28. **Waiver of Exemptions from Seizure.** This section explains that the borrower is waiving their exemptions to seizure of the property which may be provided under their respective state laws.

Page five sample

Use the numbers provided to locate the corresponding instructions on the next page.

Signatures

The undersigned personally or on behalf of the Borrower(s), as applicable, acknowledge(s) and expressly confirms that the Borrower(s):

1. Have received and read the Business Credit and Continuing Security Agreement.
2. Grant the Credit Union a security interest in all individual and joint share and/or deposit accounts of the Borrower(s) now and in the future to secure any amounts owed to the Credit Union. When the Borrower(s) is in default, the Credit Union is authorized to apply the balance of these accounts to any amounts due. 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, if clearly identified, are not subject to the security interest given in Borrower's shares and deposits.
3. Agree that any security interest granted in collateral shall secure all present loans the Credit Union has made to the Borrower(s) as well as all future loans made to the Borrower(s).
4. Have executed this Agreement under seal as of the date shown below.

Obligated only as owner of collateral*

Borrower _____

Form of Organization (if applicable) _____

Borrower _____

Form of Organization (if applicable) _____

Borrower _____

Form of Organization (if applicable) _____

Borrower _____

Form of Organization (if applicable) _____

* A Borrower designated as "obligated only as owner of collateral" agrees to grant us a security interest in the collateral given as security for this Agreement, but is not personally liable for repayment of Loans and credit extended under this Agreement. All property you give as security will secure all amounts owed under this Agreement, and all other loans and obligations you have with us now or in the future, including overdrafts, whether or not made under this Agreement, except any loan which was secured by your principal residence. Property securing other loans you have with us will also secure the Agreement if that security covered future obligations.

Agreed to by or on behalf of above Borrower(s):

By: X _____ (Seal)
 Printed Name: _____
 Title: _____ Date: _____

By: X _____ (Seal)
 Printed Name: _____
 Title: _____ Date: _____

By: X _____ (Seal)
 Printed Name: _____
 Title: _____ Date: _____

By: X _____ (Seal)
 Printed Name: _____
 Title: _____ Date: _____

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1. Read signature confirmation
2. Print/type name of borrower
3. Print/type form of organization
4. Check limit of obligation
5. Record borrower(s) signature(s)
6. Print/type name
7. Print/type title/date

Page five instructions

Instructions are given for each section of the document. Please refer to the corresponding number on the sample document to determine each section's relative position on the document.

1. **Read signature confirmation.** This section confirms that the borrower:
 - Has received and read the agreement
 - Grants the credit union a general security interest in deposits
 - Agrees that the security for any piece of collateral serves present and future loans
 - Executed the agreement on the specified date
2. **Print/type name of borrower.** This section provides a place to record each borrower's name. The name of the borrower (person or business) must be printed/typed in this area.
3. **Print/type form of organization.** This section provides a place to record the form of the organization. Examples of organization forms include:
 - Individual
 - Sole proprietorship
 - Partnership
 - Corporation
 - LLC
 - Association
4. **Check limit of obligation.** This section provides a checkbox to check whenever the signer will be obligated only as owner of collateral. A detailed explanation is provided below this section for the signer to read.
5. **Record borrower(s) signature(s) .** This line provides a place to record the signature of the signer. The signature of the person printed above or the person representing the business above is required here.
6. **Print/type name.** This section provides a place to record the person's printed name.
7. **Print/type title/date.** This line provides a place to record both the signatory's business title and the date the document was signed.

