

This BECU Small Business Line of Credit Agreement (“Agreement”) contains the terms and conditions that govern your BECU Small Business Line of Credit (“LOC”). References to the use of the “LOC” below relate to any use of the Account, whether online, in-person or through any other means of access, viewing or transacting on the Account that BECU may make available from time to time. This Agreement may be supplemented by information in other documents we issue (such as the Application, BECU Business Lending Rates and periodic billing statements), which we identify as supplementing or making amendments to the terms of this Agreement. By signing the Application, you automatically accept and agree to the terms of this Agreement as it may be amended from time to time, and each Business Owner/Guarantor or any other individual authorized to access the Small Business Line of Credit automatically accepts and agrees to the terms of this Agreement, as it may be amended from time to time, by signing the Application or by requesting an advance or withdrawal of funds, accessing or viewing the Account online or in person, or otherwise by using or authorizing use of the Account. You should read this Agreement carefully and keep it for your records.

## **1. Responsibility/Definitions**

In this Agreement, the words "We," "Us," "Our," "Credit Union," or "BECU" mean Boeing Employees' Credit Union, its successors or assigns. The Borrower, individually and collectively, is sometimes referred to as "You" or "Your." "Application" means the BECU Small Business Line of Credit Application and Agreement completed in order to open the Account. "Business" means the sole proprietorship, partnership, corporation, limited liability company, or other business entity which is liable to us as Borrower and identified on the Application as the entity with respect to which Business Owner/Guarantors or other will engage in business purpose transactions using the Account. Business also means any of the Business's successors and assigns. "Guarantor(s)" shall mean those individuals and/or entities whose names appear on the signature lines of the Application and identified as "Business Owner/Guarantors," or any individual who may now or later sign a separate guaranty. "Users" means all Guarantors, Authorized Signers, Agents, Non-Authorized Agents and any other individuals authorized to access the Line of Credit designated as such on the Application or Business Relationship Change form. By accepting, signing, using, or authorizing the use of the Account you, individually and on behalf of the Borrower, (a) represent that the individual(s) opening the Account is an authorized representative of the Borrower with the authority to legally bind that Borrower; (b) request that an Account be opened for the Borrower; (c) authorize the levels of access and/or other authorization for Users as set forth on the Application or in subsequent requests to BECU; (d) authorize the receipt, reporting and exchange of credit information about you and credit or financial information about the Borrower; (e) agree to be and are bound by the terms of this Agreement as it may be amended from time to time; (f) represent and agree that the Account and all transactions or funds from the Account will be used only for business purposes, including commercial, industrial, professional purposes, and will not be used for personal, family or household purposes.

## **2. Promise to Pay**

You, as the Borrower or a Guarantor, unconditionally promise to pay us the total amount of all advances, Insufficient funds (NSF)/Overdraft Protection transfers, cash advances, cashier's checks, internal funds transfers, and other transactions charged to the Account, plus finance charges, fees and other charges incurred in connection with the Account, and all amounts due under this Agreement (the "Obligations"). Your liability for the Obligations is joint, several, and personal.

Each Guarantor agrees that to induce us to lend money or give credit to the Borrower, each Guarantor absolutely and unconditionally guarantees prompt and full payment of the Obligations. Each Guarantor waives any and all suretyship defenses. All Guarantors are each jointly, severally and personally liable for all amounts due under this Agreement and each Guarantor understands that "personal liability" means an individual obligation which must be paid by the Guarantor even if the Borrower becomes insolvent, inactive or ceases to exist or otherwise fails to pay us or the Guarantor discontinues his/her employment or other connection with the Business. Each Guarantor agrees to be personally responsible to pay the Obligations regardless of whether such Guarantor personally receives any goods, services, or money from the advance.

We can demand a Guarantor pay, even though we do not try to collect from the Borrower and without enforcing any security interest the Borrower or any Guarantor has given us. The obligation of each Guarantor hereunder is independent of the obligations of the Borrower, and a separate action or actions may be brought against any Guarantor on any guaranteed indebtedness. This guaranty is a continuing guaranty; any payment by a Guarantor, the Borrower, or any other person shall not reduce the maximum principal amount of any Guarantor's obligations

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hereunder. Any Guarantor (other than a principal owner) may revoke his or her guaranty effective upon our receipt of written notice as provided herein; provided that (a) revocation shall be effective at the close of our business day when the notice is actually received; (b) revocation will not affect any Guarantor's obligation with respect to any indebtedness existing or incurred before such revocation is effective; (c) revocation will not affect any other Guarantor's guaranty; and (d) Guarantor is removed from the Account and any rights to access the Account or incur further indebtedness on the Account. Any Guarantor who remains a principal owner of the Borrower may not revoke his or her guaranty while the Account remains open. If a Guarantor executes more than one guaranty of any indebtedness of the Borrower to us, the limits of liability with respect to all the guaranties such Guarantor has executed will be cumulative. Each Guarantor agrees to pay or reimburse us for all costs and expenses under the terms of the Agreement including reasonable attorneys' fees and legal expenses incurred by us in connection with the protection, defense, or enforcement of his or her guaranty in any litigation, bankruptcy, or insolvency proceedings. Each Guarantor understands that if such Guarantor leaves the employment of the Business or ceases to have any ownership interest in the Borrower, such Guarantor will continue to be responsible for the Obligations already incurred and any subsequent Obligations incurred until his or her guaranty is effectively revoked.

The liability of the Borrower and the Guarantors for the Obligations includes liability for all transactions and charges made by any person or entity whom the Borrower, a Guarantor, or any other User allows to use the Account. We may collect from or bring a legal claim against any individual Guarantor and/or against the Borrower, without giving up any of our rights against any other person or entity. Improper or negligent acts, including acts of omission, with respect to handling any username, passwords, personal identification number or other means of access to the Account may result in liability to you and to the Borrower. Additionally, you may be liable for the loss, theft, or unauthorized use of the Account as well as for losses resulting from negligent actions by You, Guarantors, or any other Users provided access to the Account. If two or more persons or entities are responsible to pay any outstanding balance, we may refuse to release any of them from liability until all of the Obligations are paid in full.

### **3. Interest**

You will be charged interest on the unpaid principal until the full amount of principal has been paid. All interest and fees will be computed on a 360-day year for the actual number of days elapsed. To compute interest charges, the unpaid principal balance is the amount outstanding at the close of each business day after payments and credits to that balance have been subtracted and any additions to the balance have been made. The interest rate you will pay may change in accordance with the following terms:

The interest rate on this Agreement is based on the Prime Rate published by the Wall Street Journal ("Index") plus a margin ("Margin"). The interest rate on this Agreement is subject to change and may change on the first business day following a change in the Index ("Change Date"). On the Change Date, we will calculate the new interest rate by adding the Margin to the current Index and this will be your interest rate until the next Change Date. If the Index is no longer available, we will choose a comparable prime rate and will give you notice of the choice. The new interest rate will then be used to calculate your payment amount beginning with the first payment after the Change Date. Under no circumstances will the interest rate on this Agreement be more than the maximum rate allowed by applicable law.

Your initial interest rate will be disclosed on the letter confirming the opening of your Account ("Confirmation Letter").

**You may also be charged a default rate of interest if you are in default under terms of this Agreement.**

### **4. Payment Terms**

- a. Payments:** Your payment will be due on the 15th day of each month ("Payment Date"). We will debit your designated BECU Auto Payment Account on the Payment Date for the amount that you indicated on your Application form or any subsequent business relationship change form. You promise to maintain a balance in Your Business Account to pay each payment and any fees and charges as they become due. If there are insufficient funds to make the Payment from your BECU Auto Payment Account, the Auto Payment will not be made, but You will be responsible for making all monthly payments by the due date. You will be charged a Late Payment Charge for all payments made after the due date. You will make your payments every month until you have paid the entire principal and interest and any other charges described below that you may owe under this Agreement. Unless otherwise required by law, application of payment amounts to the various components of the Obligations will be at our discretion, and may include, (among other things), application of payments to fees, or to finance charges before principal amounts and to components bearing lower interest rates before components bearing higher interest rates, and may vary from time to time. Payments are credited nightly.

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- b. New Ending Balance and Minimum Payment:** The outstanding principal balance owing on your account at the end of the billing cycle statement period (which begins on the second day of the month and ends on the first day of the following month) will be reflected on your periodic statement as the New Balance. Your Ending Balance will be calculated as your New Balance plus interest plus all fees and costs then charged to your account, but excluding any late payment fees charges. If you elect not to pay your Ending Balance in full, you must make at least a minimum payment according to the following schedule, plus any amount that is past due ("Minimum Payment") within 25 days after the closing date of each billing cycle as shown on your statement:
- If the Ending Balance is less than \$25, your minimum payment will be the full Ending Balance;
  - If your Ending Balance is \$25 to \$1,250, your minimum payment will be \$25;
  - If your Ending Balance is more than \$1,250, your minimum payment will be 2% of your Ending Balance rounded down to the nearest whole dollar.

When credit availability is suspended or terminated, the Minimum Payment amount will be calculated as 2% of the remaining principal balance, but all interest and fees then due at the time of the suspension or termination and this Minimum Payment shall remain fixed at that amount until the Obligations are paid in full.

- c. Past Due and Overlimit Amounts:** In addition to the above, the Minimum Payment will also include the greater of any amount past due or any amount by which the Ending Balance exceeds the approved credit limit for the Account, plus any late payment charges assessed on your Account ("Past Due/Overlimit Portion"). If your Account is past due, and/or over limit, **the Past Due/Overlimit Portion of the Minimum Payment is immediately due.**
- d. Payment in Full:** The payment of the Ending Balance in full will not reduce your Minimum Payment for the next billing cycle if there are new transactions on the Account.
- e. Pre-payment and Irregular Payments:** You may pay all or part of your Account balance early, at any time, without paying any premium or penalty. However, payments in excess of your Minimum Payment will not relieve you of your obligation to make your subsequent Minimum Payments on the dates when due. Instead, a prepayment or early payment will reduce the principal amounts owing on your Account. We may accept late payments, partial payments, and payments marked "payment in full" or other restrictive endorsements without losing our rights under this Agreement. ALL COMMUNICATIONS CONCERNING ANY DISPUTED DEBTS, INCLUDING ANY CHECK OR INSTRUMENT TENDERED AS FULL SATISFACTION OF A DEBT, SHALL BE SENT ONLY TO THE ATTENTION OF: Risk Management Representative – Account Dispute, P.O. Box 97050, Seattle, WA 98124-9750.

### 5. Other Fees and Charges

You may be charged additional transaction-related fees. Noted below is a current list of fees we may impose. These fees may change from time to time. We will provide notice to you prior to implementing any new fees.

The amount of certain fees noted below is initially disclosed in the BECU Business Lending Rates. The amount of these fees may change at any time without any prior written or verbal notice.

- a. Annual Fee:** An Annual Fee will be assessed on the Account at the time your Account is established and every year thereafter on the anniversary of the date your Account was established. The amount of the fee will be disclosed in the Confirmation Letter.
- b. Copy Request Charge:** A charge may be imposed for copies of each document that you request in connection with this Account, other than those provided in response to notice of a billing error.
- c. Late Payment Charge:** A charge will be imposed when Minimum Payments are not paid when due.
- d. Attorneys' Fees and Collection Costs:** You agree to pay BECU's internal and external costs, collection, and other expenses such as repossession fees, expert witnesses, debt collectors, court costs, and reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees in any arbitration or mediation, on appeal, in any bankruptcy (or state receivership or other insolvency proceeding) and in any forfeiture or other proceeding. All of these costs and expenses may be added to your present debt and a finance charge may be imposed on them at the highest rate applied to your Account balances.

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### **6. Access to Revolving Credit**

You authorize the following individuals to access your Account and perform transactions, including transferring or withdrawing available funds, if such transactions are permitted for the role assigned: You, Guarantors and any individual noted as an Authorized Signor or Agent on the Application or the Business Relationship Change form. Guarantors and Authorized Signers are allowed to transfer or withdraw available funds from the Account. Available funds on the Account can be accessed by transferring funds to a BECU checking or savings account through a BECU teller, a BECU Neighborhood Financial Center (NFC) consultant, a BECU Contact Center agent, an ATM, BECU's automated phone system, through BECU's Online Banking (subject to enrollment and Online Banking requirements) or through BECU's Mobile Banking application (subject to enrollment and mobile banking requirements). Additionally, any Guarantors and Authorized Signers may withdraw available funds directly from the Account using a teller at a BECU Financial Center or may initiate a wire transfer with a BECU NFC consultant or a Contact Center agent or online (subject to enrollment in Business Online Banking Online Wire service). Agents are allowed to transfer funds from the Account to any of Borrower's BECU checking and savings accounts. Non-authorized Agents may only have access to your Account to view periodic statements, account balances and other account information. **If you have linked your Account for NSF/Overdraft Protection, any individual with rights to withdraw funds from the linked checking account may authorize transactions that cause NSF/Overdraft Protection advances from this Account.**

### **7. Default**

You will be in default under this Agreement if any of the following happens on the LOC: (a) you do not make a payment as required by this Agreement on or before the Payment Date; (b) you or any User exceeds your LOC credit limit without our permission; (c) any User violates or fails to comply with any other term of this Agreement, (d) you become subject to bankruptcy, incompetency or insolvency proceedings; (e) you or any User, make any untrue statements or omissions or provide false signatures on any application or financial statement furnished to BECU or fail to provide us financial information we request; (f) any payment item is returned unsatisfied by the payor bank or other issuing financial institution for any reason; (g) if we believe (in good faith but in our sole discretion) that there has been an adverse change in your financial condition or the financial condition of any Guarantor; (h) you or any Guarantor violate or fail to comply with any term of any other agreement you have with BECU; (i) you or any Guarantor no longer qualify for BECU membership; (j) you or any Guarantor become generally unable to pay your debts, or you cease doing business as a going concern; (k) we determine, in our sole discretion, that you present a risk of future nonpayment of your LOC obligations, (l) any User uses, or attempts to use, the LOC for any transaction which, if completed, would constitute fraud or a violation of law, or (m) any Guarantor revokes or disputes the validity of, or liability under, any guaranty of the Obligations.

Upon the occurrence of any event of default under this Agreement, BECU, at its option, may do any or all of the following:

- a. Charge default interest at the rate of 18% on all LOC balances.
- a. Terminate or suspend your credit privileges under this Agreement.
- b. Change the terms of your LOC and this Agreement.
- c. Demand that you immediately pay the Obligations in full.

If you are assessed a default interest rate on the LOC due to your failure to make Minimum Payments when due, we may subsequently reduce the default interest rate in our sole discretion if we determine that no subsequent late payments have been received in the preceding 12-month period starting from the event of default and your other accounts with BECU are in good standing (current and non-negative). Any increase to or reduction of the default interest rate shall be effective beginning on the first day of the next billing cycle following BECU's determination to change the rate.

**Default on any loan, account, or other obligation that you or any Guarantor has with us, including loans which are not part of the Agreement, will constitute default under this Agreement.**

### **8. Credit/Financial Information**

Borrower(s) and Guarantor(s) agree and warrant: (a) that neither you nor any Guarantor is in default on any obligation for borrowed money, any purchase money obligation or any material lease, commitment, contract, instrument, or obligation, and that all financial information you have supplied to us is accurate and complete; (b) that at any time upon our request and to the extent we deem necessary, to immediately furnish us or allow us access to your Business

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premises to inspect, make and remove copies, of any books and records pertaining to financial or other transactions of the Borrower(s) and Guarantor(s), including but not limited to financial statements, journals, ledgers, operating statements, rent rolls and tax returns; and (c) that there is no lawsuit, tax claim or other dispute pending or threatened against you, which if lost, would impair your financial condition or that of your Business, or would impair your ability to repay this loan, except as have been disclosed in writing to us. Borrower and each Guarantor agrees to notify us immediately of any such lawsuit, tax claim or other dispute pending or threatened against you or any Guarantor or any other material change in or condition of your circumstances that may affect the repayment of your obligation under the terms of this Agreement. Borrower and each Guarantor agrees we may obtain or have obtained credit reports or investigative inquiries on you or such Guarantor at any time, at our sole option and expense, for any reason, including but not limited to determining whether there has been an adverse change in your or a Guarantor's financial condition. Borrower and each Guarantor promises 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 have provided us changes.

### 9. Miscellaneous

The following additional provisions apply to this Agreement:

- a. **Notices.** All notices by you to us pertaining to this Agreement shall be given in writing and delivered by certified mail, first class, postage prepaid, return receipt requested, addressed to us. We may give you notice in a manner reasonably calculated to provide you actual notice, including, but not limited to, by electronic email or certified U.S. mail. If your address and/or phone number change, you are required to notify us in writing. To the extent permitted by law, if there is more than one Borrower, notice to any Borrower will constitute notice to all Borrowers. You agree to keep us informed at all times of your current address. Borrower and each Guarantor agree that notice to Borrower shall also constitute notice to each Guarantor.
- b. **Change in Terms and Termination.** Subject to applicable law, we may change or terminate any term of this Agreement or add new terms at any time, including without limitation adding or increasing fees, increasing your minimum payment, increasing the rate or amount of finance charge, and increasing the rate as provided in this Agreement, or changing the method of computing the balance upon which finance charges are assessed. Prior written notice will be provided to you when required by applicable law. Changes may apply to both new and outstanding balances. Any notice of change in terms required by law will be sent to the last address appearing on the BECU's records, unless you notify us of the change in your address within a reasonable time prior to the notice being sent.
- c. **Delay in Enforcement.** We do not lose our rights under this or any related agreement if we delay enforcing them, fail to enforce them, or elect not to enforce a particular right. We can accept late payments, partial payments, or any other payment even if they are marked "paid in full" without losing any of our rights under this Agreement. If any provision of this or any related agreement is determined to be unenforceable or invalid, all other provisions remain in full force and effect.
- d. **Subordination.** The indebtedness of the Borrower or any endorser, co-signer, other guarantor, or other person liable on any indebtedness now or hereafter owed to you is hereby subordinated to the indebtedness subject to the obligations under this Agreement and any Guaranty. Any such indebtedness owed to you shall, if we so request, be collected, enforced, and received by you as trustee for us and be paid over to us on account of the guaranteed indebtedness, but without reducing or affecting in any manner your liability described in this Agreement. Should you fail to collect the proceeds of any such indebtedness and pay the proceeds to us, we, as your attorney-in-fact, may do such acts and sign such documents in your name as we consider necessary to effect such collection.
- e. **Reformation.** If any fee or charge, or any portion of any fee or charge, including but not limited to a finance charge or method of computing a finance charge, would but for this sentence be unlawful, the language of this Agreement shall be automatically reformed to eliminate any excessive or unlawful portion of such fee or charge. In no event shall the fees charged under this Agreement exceed the maximum allowed under applicable state or federal law. In its sole discretion, BECU may charge and collect a lesser amount than that specified in this Agreement, or forego any other rights under this Agreement.
- f. **No Waiver.** A waiver of any provision of this Agreement shall not be deemed a waiver of such rights in the future.
- g. **Parties Bound.** This Agreement shall be binding upon and inure to the benefit of the parties thereto, their respective heirs, executors, administrators, legal representatives, and successors.

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- h. Attorney Fees and Collection Costs.** Subject to applicable law, you agree to pay all costs incurred by us in collecting sums due under this Agreement after a default, including reasonable attorneys' fees and legal expenses, internal and external collection costs and expenses, whether or not suit is brought. All of these fees, costs and expenses may be added to your present debt and interest will be imposed on them. The Security provision in this Agreement also secures payment of all these amounts. If we sue to enforce this Agreement or obtain a declaration of its rights hereunder, the prevailing party in any such proceedings, including those incurred in any bankruptcy proceeding or appeal from the non-prevailing party.
- i. Governing Law/Venue.** This Agreement is governed by and construed according to the laws of the State of Washington and at our option, the venue for any lawsuit shall be in King County, State of Washington. BECU may start a collection action in the county in which BECU is located or where you reside if you live outside of the State of Washington
- j. Entire Agreement.** This Agreement represents the sum of the understanding and agreements between us and you and replaces any prior verbal or written agreements concerning this loan. This Agreement is intended by you and us as the final, complete, and exclusive statement of the terms agreed to.

**10. Borrowing Resolution** This provision applies when the Borrower is a corporation, partnership, limited partnership, limited liability company, or other entity separate or distinct from its owners. The Guarantors, and each of them, certify that, by Resolution or otherwise, duly adopted in accordance with the Borrower's charter, bylaws, operating agreement, and applicable law, is authorized to enter into this Agreement, borrow money, obtain credit from us, and to take all other action and steps reasonable or necessary to do so, including, but not limited to, to pledge, transfer, grant to, mortgage or otherwise hypothecate to us any property belonging to the Borrower, and execute and deliver any notes, instruments, agreements or other loan documents.

Any action hereto taken by the Borrower with respect to any matters stated above is hereby ratified and confirmed. Unless or until we are given written notice otherwise, any one of the Guarantors shall have full power and authority to act on behalf of the Borrower. It shall not be necessary for us to inquire further into the powers of the Borrowers or its officers, directors, partners, managers, members, or agents or purporting to act on the Borrower's behalf.

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