

BORROWER INFORMATION

Individual Legal Name or Borrowing Entity (Individual Name must be the same as driver's license or State ID Card)	Type of Business	Marital Status	Social Security # or Tax ID #	Date of Birth	Year Began Farming
Borrower:	<input type="checkbox"/> Individual/Proprietor <input type="checkbox"/> LLC <input type="checkbox"/> Corporation <input type="checkbox"/> Other <input type="checkbox"/> Partnership	<input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed			
Co-Borrower:	<input type="checkbox"/> Individual/Proprietor <input type="checkbox"/> LLC <input type="checkbox"/> Corporation <input type="checkbox"/> Other <input type="checkbox"/> Partnership	<input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed			
Co-Borrower:	<input type="checkbox"/> Individual/Proprietor <input type="checkbox"/> LLC <input type="checkbox"/> Corporation <input type="checkbox"/> Other <input type="checkbox"/> Partnership	<input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed			
Co-Borrower:	<input type="checkbox"/> Individual/Proprietor <input type="checkbox"/> LLC <input type="checkbox"/> Corporation <input type="checkbox"/> Other <input type="checkbox"/> Partnership	<input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed			
Co-Borrower:	<input type="checkbox"/> Individual/Proprietor <input type="checkbox"/> LLC <input type="checkbox"/> Corporation <input type="checkbox"/> Other <input type="checkbox"/> Partnership	<input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed			
Primary Address:		P.O. Box:			
City:	State:	Zip:	Primary State of Farmland:	Primary County of Farmland:	
Phone:	Cell Phone:	Email Address:			

BORROWER FINANCIAL AND INCOME INFORMATION

Statement Date:	Total Assets	Total Liabilities
Balance Sheet	\$	\$
	Gross Farm (Schedule F)	Non-Farm
Income (Annual)	\$	\$

MASTER NOTE AND SECURITY AGREEMENT

The parties intend to develop a lending relationship in which at the discretion of _____ ("Company"), the undersigned borrower ("Borrower") will be extended a line of credit from time to time pursuant to the terms of this Note and Master Security Agreement ("NSA"). Borrower's use of this line of credit constitutes acceptance of the terms of this NSA. Each loan will be set forth in a commitment to loan provided by the Company ("Loan Commitment") which are all incorporated herein by reference. Each month Borrower will receive a monthly statement ("Monthly Statement") which are all incorporated herein and which will set forth the loan number, total commitment, loan purpose, principal balance, interest balance and total amount owed. The Monthly Statement will also set forth the beginning balance, the monthly interest accrual, the penalty interest accrual, the ending balance and the interest rate. Borrower may request a change to the amount of the various loan commitments, and in such an event the Monthly Statement shall reflect this change. In the event of a conflict among this NSA, the Loan Commitment and the Monthly Statement, the terms of the Monthly Statement shall control, and the Loan Commitment shall control as to this NSA. Company retains the right to reduce or terminate the Loan Amount (as defined herein), and to terminate Borrower's right to purchase goods and services from Company, with or without credit, at any time, without prior notice, except as otherwise required by law. Company's loan to Borrower as set forth in the Loan Commitment does not constitute approval of the Loan Amount sought herein. In the event Company, in its sole discretion, elects to loan Borrower amounts in excess of the Loan Amount set forth in the Loan Commitment, the same shall not bind Company to loan to Borrower to that extent in the future. This NSA shall remain in effect in the event Borrower's loan balance is reduced to zero from time to time.

Upon receipt of this NSA, and from time to time during the term of this NSA as determined to be appropriate by Company, Borrower hereby authorizes Company to investigate Borrower's credit as necessary to act on or verify information contained herein through all available means, including without limitation, contacting financial institutions, business references, grantors of credit to Borrower and any other person (collectively "Credit References"), and sharing Company's credit decision, credit experience and any credit report with potential or actual assignees (including without limitation, the Assignee), or any entity participating in a loan under this NSA with the Company. Borrower authorizes Company to provide a copy of this NSA to the Credit References or to any consumer reporting agency at any time after Borrower's execution of this NSA and at the sole discretion of Company. Borrower authorizes and directs any person or consumer reporting agency to compile and furnish to Company any information it may have or obtain in response to such credit inquiries from Company, and Borrower agrees that such information and this NSA are the property of Company whether or not a loan is extended to Borrower. Borrower shall provide copies of its financial statements to Company on an annual basis. Borrower shall notify Company of any material change in Borrower's financial condition and any material changes in Borrower's ownership or business entity. Borrower shall be required to update the information contained in this NSA upon request from Company.

On completion of its credit investigation, Company will grant or deny this application for loan pursuant to the terms of this NSA by separate letter issued by Company or its representatives or assigns, and Company may permit Borrower to obtain goods and services up to such Loan Amount. If Borrower's loan is denied this NSA shall without further action be null and void and will be returned to Borrower upon Borrower's written request.

Borrower hereby applies for a loan of \$ _____ ("Loan Amount") from Company, for the purchase of goods, services and other credit extensions from Company, solely for use in Borrower's farming operations pursuant to the terms and conditions of this NSA. Where there is more than one signature below it is the intent of all to apply for joint credit.

Interest may be based upon a 360 or 365 day year as Company or its assignee may determine. Interest shall be charged as follows (check (a) or (b) as only one shall apply):

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| (a) <input type="checkbox"/> ADJUSTABLE RATE PRIME BASED which is not to exceed the prime rate (as quoted in the Wall Street Journal) plus 15%. The index for adjustments is the prime rate reported on the tenth day of the month preceding the interest rate change date by the <u>Wall Street Journal</u> in its daily listing of money rates, defined therein as "the base rate on corporate loans posted by at least 70% of the 10 largest U. S. banks." If a prime rate is not reported on the tenth day of a month, the prime rate reported on the first business day preceding the tenth day of the month will be used. If this index is no longer available, Lender will select a new index which is based upon comparable information. Specifics on the interest rate are contained in the Loan Commitment. |
| (b) <input type="checkbox"/> FIXED RATE not to exceed 20% per annum fixed. The fixed interest rate will not be increased or decreased except in the event of default when permitted by law. Specifics on the interest rate are contained in the Loan Commitment. |

- 1. PAYMENT OBLIGATION:** For value received, Borrower promises to pay to the order of Company so much as may be advanced from time to time in loans and be outstanding as evidenced by the books and records of the Company, plus interest thereon from the date of each advance as set forth in the Loan Commitment. Payment of principal and interest shall be due as stated in the Loan Commitment, or on demand if not covered by the Loan Commitment. Payments and collections will be applied first to expenses, second to accrued interest and third to principal. When permitted by law, ten (10) days after maturity, including maturity by acceleration, six percentage points (6%) will be added to the interest that would otherwise be in effect for the loans under this NSA. Borrower shall not be required to pay the interest in excess of the amount permitted by applicable law and the final amount due under this NSA shall be adjusted so that the total interest actually paid will equal the maximum amount that may be lawfully collected.
- 2. SECURITY:** To secure the performance of all agreements contained herein and the payment of any and all of Borrower's indebtedness to Company, whether under this NSA or otherwise (the "Indebtedness"), Borrower hereby grants Company a security interest in and to all personal property of Borrower, including without limitation, all accounts, documents, inventory, crops, livestock, farm products, machinery, equipment, seed, fertilizer, harvested and stored grain, milk and other supplies or products produced or used in the Borrower's farming operation, and all products and proceeds thereof, whether now owned or hereafter acquired (collectively, the "Collateral"). Except as provided herein, Borrower will not sell, offer to sell, or otherwise dispose of the Collateral. Borrower will provide Company with crop descriptions when requested by Company. Borrower hereby authorizes and grants to Company on Borrower's behalf an irrevocable power of attorney to execute and file such financing statements and other instruments as Company deems necessary to establish and maintain a valid security interest in the Collateral. Borrower shall provide Company with a full and complete list of the only persons or businesses to whom the Borrower intends to sell, transfer or otherwise dispose of Collateral. Borrower acknowledges that it is unlawful under the Federal Food Security Act for the Borrower to sell, transfer or otherwise dispose of any of the crops or livestock to a person, entity, or organization not included on such list. Borrower hereby authorizes Company to notify potential buyers of the crops and livestock of the existence of this NSA and the security interests granted hereunder and to require that such potential buyers issue payment for any crops or livestock jointly in the name of both Borrower and Company.
- 3. DEFAULT/REMEDIES:** Occurrence of any of the following shall, at Company's option, and without notice or demand on the Borrower, constitute a default: (a) the failure to make any payment secured hereunder or any other payment due Company on or before its due date under this NSA or under any other arrangement with Company; (b) breach of any representation or covenant of this NSA, including all schedules attached hereto; (c) attachment, seizure, foreclosure, forfeiture or levy of any portion of Borrower's property; (d) a default by Borrower under any other promissory note executed by the Borrower payable to the Company; (e) default by Borrower if any statement or report furnished by the Borrower to the Company is false in any material respect; (f) if any Collateral is lost, stolen, substantially damaged, destroyed or without the Company's prior written consent, is sold or encumbered; (g) if Borrower dies, is dissolved or its existence is terminated, declares insolvency, is the subject of any proceeding under any bankruptcy or insolvency law, or is the subject of any proceeding under any state or federal farm or agricultural debt mediation law; (h) any failure by Borrower to plant, cultivate and harvest Borrower's crops in due season and in a good and farmer like manner, or to properly care for or protect any of the Collateral; and (i) Company, in good faith, deems itself insecure or determines that the prospect of Borrower's payment of amounts due under this NSA, or the prospect of Borrower's performance of this or any other instrument securing the amounts owed under this NSA or relating to it is impaired. Upon the occurrence of any one or more events of default, at Company's option, all unpaid indebtedness of Borrower to Company whether under this NSA or any other arrangement with Company (collectively, the "Indebtedness") shall become immediately due and payable, without notice to or demand upon Borrower and Company shall have all remedies available to it at law or equity, and Company may terminate this NSA and reduce or terminate the Loan Amount. Borrower's obligations with respect to the Indebtedness shall be absolute, irrevocable and unconditional, irrespective of the legality, validity, regularity or enforceability of any of the Indebtedness or any related agreements or instruments or any Collateral in respect of any of the foregoing and shall not be subject to any counterclaim, setoff, deduction or defense based upon any claim Borrower may have against the Company or any other person and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by, any circumstance or condition whatsoever (whether or not such assignee shall have any knowledge or notice thereof), including, without limitation any event or circumstance that would constitute a defense or legal or equitable discharge, except payment in full of the Indebtedness.
- 4. LOAN ADVANCES:** A loan will be considered advanced hereunder as of the date on which the Borrower purchases goods, merchandise or services from the Company as indicated on the Company sales invoice/ticket or monthly billing statement. Interest will begin to accrue when said purchases are made and shall continue until all amounts are paid in full. Loan advances hereunder will be made until the total of all amounts so advanced and outstanding, as evidenced by the books and records of the Company, equals or exceeds the face amount of the loans approved herein, upon the occurrence of any default or at any time at the Company's sole discretion.
- 5. EXPENSES:** Except where prohibited by law, in the event of a default, the Borrower promises to pay all expenses reasonably incurred by Company in collecting the Indebtedness, including but not limited to, reasonable attorney's fees, whether or not suit is filed with respect thereto.
- 6. WAIVER AND RELEASE:** Except to the extent prohibited by law, Borrower waives demand, presentment for payment, and notice of dishonor with respect to all Indebtedness at any time upon which Borrower is in any way liable, notice of nonpayment at maturity of any and all Indebtedness, and except where required by law, notice of all action taken by Company; and, consents to release, compromise, settlement, extensions and renewals of the Indebtedness. Borrower releases Company from all claims for loss or damage caused by any failure to collect or enforce any Indebtedness, or caused by any act or omission on the part of Company, its assignee, their officers, agents or employees, except willful misconduct. Exercise or failure to exercise any right of Company shall not affect any other subsequent right of Company to exercise the same, and no default shall be waived by Company except in writing and no waiver of any default shall operate as a waiver of any other default or of the same default on a future occasion.
- 7. SEVERABILITY:** If any provision(s) of this NSA are prohibited or are otherwise unenforceable, that shall not affect the enforceability or validity of any other provisions of this NSA and all other provisions shall remain valid and enforceable.
- 8. GENERAL:** Any notice required or contemplated by any term or provision of this NSA shall be deemed to have been given when mailed, with first class postage fully prepaid, to Company at the address specified herein and to Borrower at the address specified herein or at such other address of Borrower as may from time to time be shown on Company's records. The headings of the several paragraphs hereof are for convenience only and shall not be construed as part of this NSA. This NSA shall be construed in accordance with the laws of the State of Illinois.
- 9. ASSIGNMENT:** Upon execution of this NSA, Company's rights hereunder shall be automatically, and without further notice to Borrower, assigned to FS Financial Services, LLC ("Assignee"). Upon assignment, all loans by Company to Borrower shall nevertheless continue to be covered by this NSA. On Assignee's written request, Borrower will make all payments due hereunder directly to Assignee. Assignee may reassign or sell this NSA without notice to Borrower. Each assignee shall have all of the rights but none of the obligations of Company under this NSA. If Borrower defaults, Assignee's rights hereunder shall be automatically, and without further notice to Borrower, assigned back to Company. Subject to the foregoing, this NSA inures to the benefit of and is binding upon the legal representatives and successors of the parties hereto.

NOTICE

- A. DO NOT SIGN THIS NSA BEFORE YOU READ IT EVEN IF OTHERWISE ADVISED, OR IF IT CONTAINS ANY BLANK SPACES. ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS NSA ONLY BY ANOTHER WRITTEN AGREEMENT.
- B. YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN WITH OR FOR THE COMPANY.
- C. YOU MAY PREPAY THE UNPAID BALANCE AT ANY TIME WITHOUT PENALTY AND YOU MAY BE ENTITLED TO A PARTIAL REFUND OF THE INTEREST.
- D. ANYONE WHO CO-SIGNS THIS NSA WILL BE JOINTLY AND SEVERALLY LIABLE FOR ALL INDEBTEDNESS OF BORROWER TO COMPANY.

Date: _____

Entity Name: _____

Borrower Signature

By: _____

Borrower Printed Name

Title: _____

Co-Borrower Signature

By: _____

Co-Borrower Printed Name

Title: _____

Co-Borrower Signature

By: _____

Co-Borrower Printed Name

Title: _____

Co-Borrower Signature

By: _____

Co-Borrower Printed Name

Title: _____

Co-Borrower Signature

Co-Borrower Printed Name

REPRESENTATIONS AND ACKNOWLEDGMENTS:

Transmission of this application/note as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws, or facsimile transmission of this application/note containing a facsimile of my signature, shall be as effective, enforceable and valid as if a paper version of this application/note were delivered containing my original written signature. This application/note shall also be effective as a transferable record and the method used herein reliably establishes the identity of the Lender as a holder in due course and the person entitled to control the transfer of this electronic application/note.