

**SMALL BUSINESS BOOST  
LOAN AGREEMENT**

This Loan Agreement (this "Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between \_\_\_\_\_, a \_\_\_\_\_, \_\_\_\_\_, and having a place of business at \_\_\_\_\_, \_\_\_\_\_, ("Lender") and \_\_\_\_\_, a \_\_\_\_\_, \_\_\_\_\_, and having a place of business at \_\_\_\_\_ ("Borrower").

**Background**

Federal Home Loan Bank of Dallas ("FHLB Dallas") has established the Small Business Boost Program (the "Program") to provide funds to its members to assist with the growth and development of small businesses.

Lender has agreed to participate in the Program, and FHLB Dallas has provided funds ("Program Funds") to Member to be used for the purposes of the Program.

Lender has used the Program Funds to make a loan to Borrower as described in this Agreement. As a condition of receiving the Program Funds to make such loan to Borrower, the Lender is required to (i) provide financing to Borrower (the "Lender Loan"), separate from the Program Funds and (ii) execute this Agreement with Borrower.

**Operative Provisions**

In consideration of the foregoing and the mutual covenants contained in this Agreement, and for further good and valuable consideration, Lender and Borrower agree as follows:

1. For value received, Borrower hereby promises to pay to the order of Lender the principal sum of \_\_\_\_\_ Dollars (U.S.\$\_\_\_\_\_) (the "Program Loan"), together with interest until paid in full at the rates and at the times set forth below. Principal and interest shall be paid as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Payments of both principal and interest shall be made without setoff, counterclaim, or other deduction of any nature at the office of Lender located at \_\_\_\_\_ (or, if required by FHLB Dallas, to the FHLB Dallas as it directs), in U.S. Dollars in immediately available funds.

2. If for any reason the Borrower prepays the Lender Loan, Borrower shall also prepay the Program Loan. Any partial prepayments of the Lender Loan shall be applied to the Lender Loan and the Program Loan on a pro rata basis (based on the ratio of the amount of each loan to the combined amount of the Program Loan and the Lender Loan).
3. Borrower hereby authorizes Lender to record on its books and records funds advanced to Borrower, principal payments made on the Program Loan, and the computation and payment of interest hereunder. The books and records of Lender shall be conclusive and binding upon Borrower, absent manifest error.
4. Lender and Borrower hereby acknowledge that the Program Loan has been funded by the Program Funds received by Lender from FHLB Dallas under the Program. Borrower shall notify Lender immediately (i) if the proceeds of the Program Loan are used for any purpose not previously disclosed to Lender, (ii) if there is any material change in the business operations of Borrower, (iii) upon the occurrence of certain stated events in any documents between Borrower and Lender, evidencing any obligations of Borrower to Lender, which would accelerate the maturity of any such obligations, or (iv) if the Borrower is the subject of any Bankruptcy Event. For purposes of this Agreement “Bankruptcy Event” means (a) any involuntary proceeding commenced or an involuntary petition filed seeking (i) liquidation, reorganization or other relief in respect of Borrower or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Borrower or any subsidiary or for a substantial part of its assets; or (b) (i) any voluntary proceeding commenced or any petition filed by Borrower seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent by Borrower to the institution of, or failure by Borrower to contest in a timely and appropriate manner, any proceeding or petition described in paragraph (a) of this definition, (iii) application by Borrower for, or consent by Borrower to, the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Borrower or for a substantial part of its assets, (iv) Borrower filing an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) Borrower making a general assignment for the benefit of its creditors, or (vi) Borrower taking any action for the purpose of effecting any of the foregoing.
5. In furtherance of the purposes of the Program, Borrower shall provide to Lender and FHLB Dallas any information or documents regarding the Program Loan or Borrower’s business reasonably requested by Lender or FHLB Dallas.
6. Borrower shall permit Lender, or its designees (as used in this Agreement, “designees” shall include, without limitation, FHLB Dallas), to make reasonable visits to Borrower’s place of business during normal business hours to (i) examine the books and records of Borrower and make copies thereof, as Lender, or its designees, deem reasonably necessary, and (ii) discuss the business affairs of Borrower with its officers, employees and independent accountants. In furtherance of the foregoing, Borrower hereby authorizes its officers, employees and independent accountants to discuss the business affairs of Borrower with Lender, or its designees.

7. Borrower's obligations under this Agreement shall be and become immediately due and payable, without any demand or notice whatsoever, upon the occurrence of any of the following described events:
  - (a) Borrower fails to make any payment of principal or interest in accordance with the terms set forth in this Agreement;
  - (b) Borrower otherwise defaults under the terms hereof or under any documents related to this Agreement between Borrower and Lender;
  - (c) Borrower is the subject of any Bankruptcy Event;
  - (d) Borrower has committed fraud in obtaining, or otherwise in relationship to, the Loan;
  - (e) Borrower is no longer eligible to receive funds under the Program, or Borrower uses the Program Loan for an ineligible purpose under the Program; or
  - (f) Borrower refinances the Lender Loan with another financial institution or otherwise prepays the Lender Loan.
8. Borrower hereby waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Agreement.
9. Borrower shall practice the principles of equal employment opportunity and non-discrimination in all its business activities.
10. Each party to this Agreement represents and warrants to and covenants with, the other party to this Agreement as follows:
  - (a) Existence and Power. The execution and delivery of this Agreement and compliance by such party with all provisions of this Agreement (i) are within the power and authority of such party, and (ii) have been duly authorized by all requisite corporate proceedings. This Agreement has been duly executed and delivered by such party and constitutes a valid and binding agreement of such party, enforceable in accordance with its terms, except as such enforceability may be limited by laws affecting the rights of creditors generally or by principles of equity.
  - (b) Authority. The execution and delivery of this Agreement shall not conflict with or result in a breach of the terms, conditions or provisions of, give rise to a right of termination under, constitute a default under, or result in any violation of its Articles of Incorporation or Association, bylaws, or similar instruments or any mortgage, agreement, contract, instrument, order, judgment, decree, or current statute, law, rule or regulation to which such party or any of its respective assets is subject.
  - (c) Notices. Any notice required under this Agreement shall be in writing and deemed sufficiently delivered when: (i) deposited in the registered mail, postage paid, return receipt requested, (ii) delivered in person, (iii) sent by fax, or (iv) sent via email, and, if not otherwise specified, shall be directed by Lender or Borrower at the addresses set forth below:

If to Lender:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_

Fax: ( ) \_\_\_\_\_

email: \_\_\_\_\_

If to Borrower:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_

Fax: ( ) \_\_\_\_\_

email: \_\_\_\_\_

Either party to this Agreement may change the individual(s) or addresses listed hereinabove from time to time by written notice from an authorized individual of such party to the other party.

- (d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of each of the parties to this Agreement.
- (e) Governing Law. The parties acknowledge that FHLB Dallas shall be providing services to, or on behalf of, Lender pursuant to the Program, and as a result, this Agreement will be performed at least in part in the State of Texas. The validity, interpretation, enforcement, and effect of this Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Texas without giving effect to conflict of laws principles.
- (f) Amendments. The parties to this Agreement agree that any agreement amending, modifying, supplementing or changing the rights or obligations of either party under this Agreement must be approved in writing by FHLB Dallas.
- (g) Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed an original, but all of which taken together shall be one and the same instrument.
- (h) Execution in Counterparts; Electronic Execution Permitted. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement. The counterparts of this Agreement may be executed and delivered by fax, email, or other electronic means by any of the parties to any other party and the receiving party may rely on the receipt of

such document so executed and delivered by fax, email, or other electronic means as if the original had been received.

- (i) Waivers. No waiver of any provision of this Agreement shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.
- (j) Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.
- (k) Assignment. Neither party may assign this Agreement nor assign or delegate any right or obligation provided for under this Agreement, without the express prior written consent of the other party and FHLB Dallas. Any and all purported assignments without said written consent shall be null and void ab initio.
- (l) Entire Agreement. This Agreement constitutes the entire agreement between the parties to this Agreement and supersedes any and all prior agreements or understandings, verbal or written, between the parties with respect to the subject matter of this Agreement.
- (m) Headings. The headings appearing at the beginning of each subparagraph of this Paragraph are for convenience only and shall not in any way affect the meaning or interpretation of this Agreement.

The parties to this Agreement have caused this Agreement to be executed by their duly authorized representatives as of the date and year first above written.

\_\_\_\_\_  
(Lender)

\_\_\_\_\_  
(Borrower)

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_