



SMALL BUSINESS CREDIT APPLICATION

If this is an application for joint credit, Borrower and Co-Borrower each agree that we intend to apply for joint credit (sign below):

Borrower's Signature

Co-Borrower's Signature

I. TYPE AND TERMS OF LOAN

Loan Amount: \$ Interest Rate: % Amortization Term: months Balloon Term: months Loan Type: [] Small Business Loan [] Small Business Line of Credit [] Small Business Loan/Line Renewal #

II. COLLATERAL DESCRIPTION AND PURPOSE OF LOAN (Describe collateral available to Merchants Bank as security and provide valuation)

Collateral Description & Type, i.e. Equipment/ Inventory, etc.: Loan Purpose: Value (indicate Book or Market): Location of Collateral: If loan proceeds will be used for a purchase transaction, purchase price:\$

III. BORROWER INFORMATION

Borrower Name (s): Legal Business Name (If not the same as borrower): [] Individual/Proprietorship [] Not for Profit [] General Partnership [] Corporation [] S-Corporation [] Limited Liability Corp. [] Other: Resolution Required - Evidence of Legal Status May Be Required

Address: City: State: Zip Code:

Mailing Address (If different): City: State: Zip Code:

Business phone number: Federal Tax ID #: Date Business Established: Description of Business: Number of locations: Contact Name: Current owner since:

Number of Employees: Gross Annual Revenues: Does business vary seasonally? If yes, how?

IV. CURRENT BUSINESS LOANS/DEBT - Attach an additional page if necessary.

Table with 6 columns: Name of Financial Institution, Account Number, Monthly Payment, Current Balance, Maturity Date, Collateral

V. CURRENT BUSINESS DEPOSIT ACCOUNT (S)

Table with 5 columns: Name of Financial Institution, Account Number, Account Type, Current Balance, Average Balance

VI. PRINCIPAL OWNERS

List all individuals with a 25% or more ownership interest.

Individuals with less than 25% ownership interest who intend to apply as guarantors on the subject loan must sign a separate Notice of Intent to Guarantee.

Table with 6 columns: Name, % Ownership, Social Security #, Date of Birth, Home Address, Home Phone

VII. OTHER INFORMATION

1. Is the business involved in any claim or lawsuit? 2. Are there any taxes not currently paid or in dispute? 3. Is the business liable for any amounts via leases, guaranties, commitments, or other contingency agreements? 4. Has the business ever been declared bankrupt or had a judgment against it? 5. Is any collateral offered to Merchants Bank currently pledged to other creditors? 6. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee? If you answer "yes" to any question, please explain:

VIII. PRINCIPAL OWNER (S) / GUARANTOR (S) / BORROWER (S) DECLARATIONS

Please initial 1. Have you been declared bankrupt within the past 7 years? 2. Do you have any judgments against you or are you are party to a lawsuit? 3. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee? 4. Are you a co-maker or endorser on a note? 5. Are you obligated to pay monthly alimony/child support or separate maintenance? 6. Are you a U.S. Citizen? 7. Are you a permanent resident alien? If you answer "yes" to questions 1 - 5, please use an additional sheet for explanation.

IX. ACKNOWLEDGMENT AND AGREEMENT

The information contained in this statement is provided to induce you to extend or to continue the extension of credit to the undersigned or to others upon the guaranty of the undersigned. The undersigned acknowledges and understands that you are relying on the information provided herein in deciding to grant or continue credit or to accept guaranty thereof. The undersigned represents, warrants, and certifies that (1) the information provided herein is true, correct and complete and gives a correct and complete showing of the financial condition of the undersigned, (2) the undersigned has no liabilities direct, indirect or contingent except as set forth in this statement, (3) legal and equitable title to all assets listed herein is in the undersigned's sole name, except as may be herein otherwise noted, and (4) that all loan proceeds are to be used exclusively for business related purposes. The undersigned agrees to notify you immediately and in writing of any change in name, address, or employment and of any material adverse change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of the undersigned to perform its obligations to you. In the absence of such notice or new and full written statement, this should be considered as a continuing statement and substantially correct. You are authorized to make all inquiries you deem necessary to verify the accuracy of the information contained herein, and to determine the credit-worthiness of the undersigned and the undersigned hereby authorizes all persons of whom you make such inquiries to respond thereto in full. The undersigned authorizes you to answer questions about your credit experience with the undersigned.

By (Authorized Signature) Title Date

X. BANK USE ONLY

Officer Signature: Date Received: Telephone Number:

CREDIT BUREAU REPORTING & PRIVACY POLICY NOTICE

CREDIT BUREAU REPORTING NOTICE

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

PRIVACY NOTICE

Protecting the privacy of all of our customers is important to Merchants Bank and our employees. We want you to understand what information we collect and how we use it. In order to provide our customers with a broad range of financial products and services as effectively and conveniently as possible, we use technology to manage and maintain customer information. The following policy serves as a standard for all Merchants Bank employees for collection, use, retention, and security of nonpublic personal information about all of our customers, including consumers, businesses, governmental units, and nonprofit organizations.

"Customer" means one who has a continuing relationship with Merchants Bank under which Merchants Bank provides one or more financial products or services to the customer.

What Information We Collect

We may collect "nonpublic personal information" about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us or others;
- Information we receive from third parties such as consumer and other credit reporting bureaus; and
- Information we obtain when verifying information you provide to us on applications or other forms; this may be obtained from your current or past employers, for example, or from other institutions where you conduct financial transactions.

"Nonpublic personal information" is nonpublic information about you that we obtain in connection with providing a financial product or service to you. For example, nonpublic personal information includes information regarding your account balance, payment history, and overdraft history.

What Information We Disclose

We are permitted under law to disclose nonpublic personal information about you to "nonaffiliated third parties" (i.e., third parties that are not members of our corporate family) in certain circumstances. For example, we may disclose nonpublic personal information about you to government entities in response to subpoenas and to credit bureaus. We may disclose nonpublic personal information about you to third parties to assist us in servicing your loan or account with us. We may also disclose a customer's name and contact and experience information to a nonaffiliated third party financial institution to provide financial services under a joint marketing agreement. It is Merchants Bank's policy to require such nonaffiliated third parties to agree to maintain confidentiality protections and to limit the use of information we provide to authorized purposes. We do not disclose any nonpublic personal information about you to anyone else without your authorization, except as permitted by law.

If you decide to close your account(s) or become an inactive customer, we will continue to adhere to the privacy policies and practices described in this notice.

Our Security Procedures

We also take steps to safeguard customer information. We maintain policies that require restrictions on access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. Our policies provide that employees who violate these standards are subject to disciplinary measures. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

If you have questions or concerns with this Privacy Notice or your privacy rights, please stop by or call any of our banking offices or call us toll free: Merchants Bank at 800-322-5222.

Safeguarding of Customer Information and Information Privacy Tips

- Don't give your social security number or personal credit information over the phone unless you initiate the call.
- Tear up receipts, bank statements and unused credit card offers before throwing them away.
- Keep an eye out for any missing mail.
- Don't mail bills from your own mailbox.
- Review your monthly account statements regularly for any unauthorized charges.
- Order copies of your credit bureau report once a year to ensure accuracy
In Vermont, contact Experian (TRW) Consumer Assistance @ 1-888-397-3742
- Choose to do business with companies you know are reputable, particularly online.
- When conducting business online make sure your browser's padlock or key icon is active.
- Don't open e-mail from unknown sources and use virus detection software.
- Protect your PINs (don't carry them in your wallet!) and passwords – use a combination of letters and numbers for your passwords and change periodically.
- Report any suspected fraud to your bank and the fraud units of the three credit reporting agencies immediately. The fraud unit numbers are:

Trans Union	(800) 680-7289
Experian (TRW)	(888) 397-3742; option 2, then option 3
Equifax	(888) 766-0008

IS IT POSSIBLE TO PREVENT INFORMATION SHARING WITH THIRD PARTIES?

You may request that the Direct Marketing Association delete your name from telephone, mailing and e-mail lists used by their members in marketing products and services to you. Information on these lists is normally obtained from public sources. Your requests last for five years and include all versions of your name in which you currently receive information, your address and your telephone number. Requests for deletion can now be e-mailed to each of the following:

- **Mail Preference Service** at <https://www.dmchoice.org/>
Or mail to: Mail Preference Service, Direct Marketing Association, Attn: Dept 27069984, P.O. Box 282 Carmel NY 10512, or call 1-888-567-8688, option 1, then option 1.
- **Phone Preference Service** - Contact the Federal Trade Commission's "Do Not Call" list at 888-382-1222, toll free, or the web site at <http://www.donotcall.gov/>
- **E-mail Preference Service** at <http://www.dmchoice.org/>

CUSTOMER IDENTIFICATION PROGRAM NOTICE

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.