

CAPITAL RESERVE LINE CREDIT APPLICATION, PROMISSORY NOTE AND PERSONAL ENDORSEMENT

Branch _____

Line Amount Requested \$ _____

Date _____

SECTION I. BUSINESS INFORMATION

Name of Business _____

Address _____

Phone # _____ Tax ID # _____

Kind of Business _____

Year Established _____ # of Employees _____ Own Lease Monthly Pmt \$ _____ Maturity Date _____

Business Checking Account(s): Bank Name _____ Acct. # _____

Check One:

Corporation Limited Partnership

Proprietorship General Partnership

S-Corporation

Other _____

State of Formation _____

Banks or Loan Companies from whom Business is Borrowing or has Borrowed:

COMPANY NAME	ADDRESS	CONTACT NAME	CONTACT PHONE	ACCOUNT NUMBER

Product or Service? _____ Trade Area? _____ Types of Customers? _____

SECTION II. OWNER & ENDORSER INFORMATION

<p>1.</p> <p>SSN# _____ Birthdate _____</p> <p>Name _____</p> <p>Home Address _____</p> <p>Percentage Ownership in Business: _____ %</p>	<p>2.</p> <p>SSN# _____ Birthdate _____</p> <p>Name _____</p> <p>Home Address _____</p> <p>Percentage Ownership in Business: _____ %</p>
<p>3.</p> <p>SSN# _____ Birthdate _____</p> <p>Name _____</p> <p>Home Address _____</p> <p>Percentage Ownership in Business: _____ %</p>	<p>4.</p> <p>SSN# _____ Birthdate _____</p> <p>Name _____</p> <p>Home Address _____</p> <p>Percentage Ownership in Business: _____ %</p>

SECTION III. DOCUMENTATION

Please provide the following information to the bank along with this completed application form:

1. Business balance sheets and income statements for last two years and current interim statements, if available.
2. Personal financial statement of owner(s)/endorser(s) and copies of last two years federal tax returns.

SECTION IV. OTHER INFORMATION

Are there any outstanding judgments, tax liens, garnishments or other legal proceedings against the Business, Owner(s) or Endorser(s)?

Yes No

Has Business, Owner(s) or Endorser(s) ever filed for Bankruptcy? (If Yes, please describe) Yes No

Has Business, Owner(s), or Endorser(s) ever borrowed from or been co-makers for loans at this Bank? (If Yes, please describe)

Do you own or have an interest in any other business?

SECTION V. PROMISSORY NOTE WITH PERSONAL ENDORSEMENT

For value received, the undersigned Business and Owners, jointly and severally (hereinafter referred to, individually and collectively, as the "Borrower"), promises to pay to Capital Bank ("Bank"), or order, in lawful money of the United States of America, the principal amount stated below as the MAXIMUM PRINCIPAL AMOUNT or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance. Borrower will pay this loan on demand, or if no demand is made, in thirty-six (36) installments of outstanding principal plus all accrued unpaid interest beginning on the FIRST PAYMENT DUE DATE as stated below. Interest on this Note is computed on a 365/360 simple interest basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Bank at Bank's address of One Church St., Ste. 300 Rockville, MD 20850 or another such place as Bank may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges. The interest rate on this Note is subject to change from time to time based on changes in an index which is the Wall Street Journal Prime Rate (the "Index"). As used herein "Prime Rate" refers to an index listed from time to time in the WALL STREET JOURNAL listing of Money Rates and shall be the higher of all such rates in effect at any one time. Bank will tell Borrower the current Index rate upon Borrower's request. Borrower understands that Bank may make loans based on other rates as well. The interest rate change will not occur more often than each day. The Index currently is the CURRENT WSJ PRIME INDEX VALUE as stated below. The interest rate to be applied to the unpaid principal balance of this Note will be a rate of 3.00 percentage points over the Index, resulting in an initial rate as stated below as the TOTAL INTEREST RATE, per annum. Under no circumstances will the interest rate on this Note be more than the maximum rate allowed by applicable law.

Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date hereof and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all

or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to be Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, they will reduce the principal balance due.

If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$5.00, whichever is greater. Borrower will be in default if any of the following happens: (a) Borrower fails to make any payment when due. (b) Borrower breaks a promise Borrower has made to Bank, or Borrower fails to perform any required action promptly at the time and strictly in the manner provided in this Note or an agreement related to this Note, or in any other agreement or loan Borrower has with Bank, ("Related Documents"). (c) Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this note or perform Borrower's obligations under this Note or any of the Related Documents. (d) Any representation or statement made or furnished to Bank by Borrower or on Borrower's behalf is false or misleading in any material respect. (d) Borrower becomes insolvent, a receiver is appointed for any part of Borrower's property, Borrower makes an assignment for the benefit of creditors, or any proceeding is commenced either by Borrower or against Borrower under any bankruptcy or insolvency laws. (e) Any creditor tries to take any of the Borrower's property on or in which Bank has lien or security interest. This includes a garnishment of any of Borrower's accounts with Bank. (f) Any of the events described in this default section occurs with respect to any endorser of this Note. (g) Bank in good faith deems itself insecure. Upon default, Bank may declare the entire unpaid principal balance and all accrued unpaid interest, together with all other applicable fees, costs and charges, if any, immediately due and payable, without notice. Furthermore, subject to any limits under applicable law, upon default, Borrower also agrees to pay Bank's reasonable attorneys' fees, and all of Bank's other collection expenses, whether or not there is a lawsuit and including without limitation legal expenses for bankruptcy proceedings. This Note shall be governed by, construed and enforced in accordance with the laws of the State of Maryland. Bank and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either party against the other.

Borrower grants to Bank a contractual possessory security interest in, and hereby assigns, conveys, delivers, pledges, and transfers to Bank all Borrower's right, title and interest in and to, Borrower's accounts with Bank (whether checking, savings, or some other account), including without limitation all accounts held jointly with someone else and all accounts Borrower may open in the future, excluding however all IRA, Keogh, and trust accounts. Borrower authorizes Bank, to the extent permitted by applicable law, to charge or setoff all sums owing against any and all such accounts.

This Note evidences a revolving line of credit. Advances under this Note may be requested orally by Borrower, by preparing and signing an advance check. The Bank shall have no obligation to verify the validity of the signatures presented on advance checks for payment, nor assume any liability for any advances signed or requested by unauthorized persons. Borrower agrees to be liable for all sums either: (a) advanced in accordance with the instructions of a person who has signed an advance check or (b) credited to any of Borrower's accounts with Bank. The unpaid principal balance owing at any time may be evidenced by endorsements on this Note or by Bank's internal records, including daily computer print-outs. Bank will have no obligation to advance funds under this Note if: (a) Borrower or any endorser is in default under the terms of this Note or any agreement that Borrower or any endorser has with Bank, including any agreement made in connection with the signing of this Note; (b) Borrower or any endorser ceases doing business or is insolvent; (c) any endorser seeks, claims or otherwise attempts to limit, modify or revoke such endorsement of this Note or any other loan with Bank, or (d) Borrower has applied funds provided pursuant to this Note for purposes other than those authorized by Bank.

THIS NOTE IS PAYABLE ON DEMAND. The inclusion of specific default provisions or rights of Bank shall not preclude Bank's right to demand payment at any time. Bank may delay or forgo enforcing any of its rights or remedies under the Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand or payment, protest and notice of dishonor. Upon any charge in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, accommodation maker or endorser, shall be released from liability. All such parties agree that Bank may renew or extend (repeatedly and for any length of time) this loan, or release any party or endorser or collateral; or impair, fail to realize upon or perfect Bank's security interest in the collateral; and take any other action deemed necessary by Bank without the consent of or notice to anyone. All such parties also agree that Bank may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made.

CONFESED JUDGMENT Upon the occurrence of a default, Borrower hereby authorizes any attorney designated by Lender or any clerk of any court of record to appear for borrower in any court of record and confess judgment without prior hearing against Borrower in favor of Lender for, and in the amount of, the unpaid balance of the Principal amount of this Note, all interest accrued and unpaid thereon, all other amounts payable by Borrower to Lender under the terms of this Note or any other agreement, documents, instrument evidencing, securing or guarantying the obligations evidenced by the Note, costs of suit, and attorney's fees of fifteen percent (15%) of the unpaid balance of the principal amount of this note and interest then due hereunder.

JURY WAIVER. Lender and Borrower each hereby waive trial by jury in any action or proceeding to which Lender or Borrower may be parties, arising out of, or in any way pertaining to this Note. This waiver is knowingly, willingly and voluntarily made by Lender and Borrower. Borrower represents that Borrower has been represented in the signing of this Note and in the making of this waiver by independent legal counsel, selected of Borrower's own free will, and that Borrower has had the opportunity to discuss this waiver with counsel.

This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Maryland without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Maryland. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Montgomery County, State of Maryland.

By signing below, I (meaning each person who signs this Application/Personal Endorsement) (1) warrant to the Bank that all of the information set forth in this application is true, accurate and complete; (2) warrant that this line of credit, if approved, will be used only for business or commercial purposes and not for personal, family or household purposes; (3) authorize the Bank to obtain credit reports and make other inquires to check my individual credit and the business credit of the business applicant; (4) acknowledges receipt of a copy of this Application/Endorsement form, (5) agrees to be bound by and comply with the terms and conditions of any Capital Reserve Account approved, the Borrowing Resolution (if applicable) and this Promissory Note and Personal Endorsement.

Each person signing this Application and Personal Endorsement understands that the Bank will be relying primarily on their personal creditworthiness (and secondarily the business) in extending this line of credit. ACCORDINGLY, EACH PERSON SIGNING THIS APPLICATION AND PERSONAL ENDORSEMENT AGREES TO INDIVIDUAL AND PERSONAL LIABILITY FOR THIS CAPITAL RESERVE LINE OF CREDIT, AND ACKNOWLEDGES TO HAVE CAREFULLY READ THE ABOVE PROMISSORY NOTE BEFORE SIGNING BELOW.

Print Name Of Business: _____ Date _____

By: _____
Authorized Signer Print Name and Title

By: _____
Authorized Signer Print Name and Title

<p>1. _____ Personal Endorsement</p> <p>_____ Date _____ Print Name</p>	<p>2. _____ Personal Endorsement</p> <p>_____ Date _____ Print Name</p>
<p>3. _____ Personal Endorsement</p> <p>_____ Date _____ Print Name</p>	<p>4. _____ Personal Endorsement</p> <p>_____ Date _____ Print Name</p>

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal Agency that administers compliance with this law concerning this credit is: the Comptroller of the Currency, 1114 Avenue of the Americas, Suite 3900, New York, NY 10036.

If your application for business credit is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement, please send a letter to the Loan Operations Officer at Capital Bank, One Church St., #300, Rockville, MD 20850, or call (301) 468-8848 within 60 days from the date you are notified of our decision. We will send you a written statement of reasons for the denial within 30 days of receiving your request for the statement.

FOR BANK USE ONLY

ACCOUNT #

MAXIMUM PRINCIPAL AMOUNT	FIRST PAYMENT DUE DATE	MATURITY DATE	CURRENT WSJ PRIME INDEX VALUE	TOTAL CURRENT INTEREST RATE
\$			%	%

Declined Approved By: _____ Date: _____