SHAREHOLDER LOAN AGREEMENT

This Shareholder Loan Agreement (this "Agreement") is made on _____ (the "Effective Date") between _____, a _____ corporation (the "Company"), and _____ (the "Shareholder"), a shareholder of the Company.

Company address: _____. Shareholder address: _____. Shares owned by the Shareholder: _____.

Check one: [ ] The Shareholder lends to the Company. The Shareholder is the "Lender" and the Company is the "Borrower." [ ] The Company lends to the Shareholder. The Company is the "Lender" and the Shareholder is the "Borrower."

1. THE LOAN

The Lender will lend the Borrower $_____ (the "Loan") and will deliver it on _____ (the "Funding Date") by check, bank transfer or another method the parties agree on. The Borrower will use the Loan only for: _____. The Lender will keep a record of the advance and every payment.

2. INTEREST

Check one: [ ] Interest accrues on the unpaid principal from the Funding Date at a fixed rate of _____% per year, as simple interest on a 365-day year. [ ] The Loan bears no interest.

Nothing in this Agreement requires the Borrower to pay interest or charges above the highest amount the law allows; any excess is applied to principal or refunded.

3. REPAYMENT

Check one: [ ] The Borrower will repay all unpaid principal and any accrued interest in one payment on _____ (the "Maturity Date"). Interest is paid [ ] with the principal [ ] monthly [ ] quarterly [ ] yearly. [ ] The Borrower will pay installments of $_____ each [ ] monthly [ ] quarterly [ ] yearly, starting on _____, until _____ (the "Maturity Date"), when everything still owed is due. [ ] The Loan is payable within _____ days after the Lender's written demand, and in any case by _____.

Late charge: $_____ for any payment not made within _____ days after it is due. Payments are applied to late charges, then accrued interest, then principal. The Borrower may prepay all or part of the Loan at any time without penalty after _____ days' written notice.

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4. NATURE OF THE LOAN

If the Shareholder lends: the Loan is a debt of the Company, not a contribution to capital, and does not change the Shareholder's ownership. If the Company lends: the Loan must be repaid and is not a dividend, distribution, salary or bonus. [ ] Check if the Company may apply dividends or distributions payable to the Shareholder (never wages) toward any past-due amount.

5. SECURITY AND SUBORDINATION

Check one: [ ] The Loan is unsecured. [ ] To secure the Loan, the Borrower grants the Lender a security interest in the following property and its proceeds (the "Collateral"): _____. The Borrower will keep the Collateral in good condition and insured, will not sell or encumber it without the Lender's consent, and authorizes the Lender to file financing statements. When the Loan is paid, the Lender will file a termination statement and return any Collateral within 20 days.

[ ] Check if the Shareholder lends and the Loan is subordinate to the Company's debt for borrowed money owed to _____ (the "Senior Debt"). While a Senior Debt default continues after notice to the Lender, the Company will not pay and the Lender will not accept payment without the senior lender's written consent.

6. CORPORATE APPROVAL

Check one: [ ] The Company's board of directors approved this Agreement on _____. [ ] The board and the shareholders approved this Agreement, the later on _____. [ ] Approval is pending; the Lender need not advance the Loan until the board approves it. If the Shareholder is a director or officer, the material facts of the Shareholder's interest were disclosed before approval.

7. DEFAULT AND GENERAL TERMS

Events of Default: the Borrower does not pay any amount, or keep any other promise, within _____ days after written notice; or the Borrower becomes insolvent or is in bankruptcy. After an Event of Default, the Lender may declare everything owed immediately due, use any rights of a secured party, and recover reasonable collection costs, including attorney fees, as the law allows.

The laws of the State of _____ govern this Agreement. Lawsuits will be brought in the courts serving _____. This Agreement is the entire agreement about the Loan, can be changed only in a signed writing, binds the parties' heirs, successors and permitted assigns, and may be signed electronically and in counterparts. If any part is unenforceable, the rest stays in effect.

Additional terms: _____

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SIGNATURES

Company (by authorized officer, with title)

Signature: _____ Date: _____

Printed Name: _____

Shareholder

Signature: _____ Date: _____

Printed Name: _____

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