

Information

Effective Date

May 18, 2007

Use

The *Commercial Note (Maryland)* (Form 630106M) is used for all **commercial and business purpose** loans governed by Maryland law, except for:

- any loan in the amount of \$15,000 or less to a non-corporate Borrower, or
- any loan in the amount of \$75,000 or less to a non-corporate Borrower secured by the Owner-occupied residential real estate.

Note: In these two (2) types of transactions noted above, the *Consumer and Small Business Note – Maryland* (Form 630116M)) **must** be used.

The *Commercial Note (Maryland)* (Form 630106M) may be used for any commercial loan to a **corporation**, in any amount, whether or not it is secured by Owner occupied residential real estate.

Instructions

The table below shows section names and descriptions for the items required in the *Commercial Note (Maryland)* (Form 630106M).

Section	Description				
Borrower	<p><i>Complete legal name</i> of the Borrower and any Co-Borrowers.</p> <p>Note: For entities, the name must agree exactly with the name on the Borrowing Resolution and name confirmation documentation, Certificate of Good Standing.</p>				
Date	<i>Date</i> the note is to be effective.				
Borrower's Address	<i>Physical Address</i> of the Borrower and any Co-Borrowers. Do not use a P.O. Box address.				
Loan Amount	<i>Dollar amount</i> (written and numeric) of the note.				
Account No.	<i>Account Number</i> .				
Note No.	<i>Note Number</i> .				
Officer	<i>Name and officer number</i> of the Loan Officer.				
Note Type and Repayment Terms	<p>Check the appropriate box to designate the type of loan.</p> <p>Note: Only one (1) type of loan may be designated.</p> <p>The table below shows names and descriptions for the types of note.</p> <table border="1"> <thead> <tr> <th>Note Type</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Demand Note</td> <td> <p>Accrued interest should be collected on all demand loans. Indicate the <i>frequency</i> and <i>interest begin date</i>.</p> <p><u>Example:</u></p> <ul style="list-style-type: none"> • Accrued interest will be payable on the first day of each month beginning May 1, 2003. • Interest will be due on 15th day of each calendar quarter </td> </tr> </tbody> </table>	Note Type	Description	Demand Note	<p>Accrued interest should be collected on all demand loans. Indicate the <i>frequency</i> and <i>interest begin date</i>.</p> <p><u>Example:</u></p> <ul style="list-style-type: none"> • Accrued interest will be payable on the first day of each month beginning May 1, 2003. • Interest will be due on 15th day of each calendar quarter
Note Type	Description				
Demand Note	<p>Accrued interest should be collected on all demand loans. Indicate the <i>frequency</i> and <i>interest begin date</i>.</p> <p><u>Example:</u></p> <ul style="list-style-type: none"> • Accrued interest will be payable on the first day of each month beginning May 1, 2003. • Interest will be due on 15th day of each calendar quarter 				

	beginning April 15, 2003.
Time Note	<p>One (1) of the following:</p> <ul style="list-style-type: none"> • Check the first box if all principal and interest will be due at maturity. Enter the <i>maturity date</i>. • Check the second box if accrued interest will be routinely billed prior to maturity. Enter the <i>interest payment frequency</i> and <i>begin date</i>; enter the <i>maturity date</i>. <p><u>Example:</u> Accrued interest will be payable on the 15th day of each month beginning on May 15, 2003. Principal plus any accrued and unpaid interest and any other amounts owed will be due and payable on August 15, 2003.</p>
<p>Fixed Payment Term Note</p> <p>Note: Fixed Payment includes principal and interest.</p>	<p>Indicate the following:</p> <ul style="list-style-type: none"> • <i>Number</i> of payments less the last payment. <p><u>Example:</u> Loan term is 36 months, 36 – 1 (last payment) = 35.</p> <ul style="list-style-type: none"> • <i>Frequency</i> of payments. Payments may be: <ul style="list-style-type: none"> • Monthly, • Quarterly, • Semi-annual, or • Annual. • <i>Amount</i> of each regular fixed payment (principal and interest included). <p>Note: The amount of the final payment is equal to the unpaid balance. It may be a balloon payment.</p> <ul style="list-style-type: none"> • <i>Day</i> the payment is due in each payment period. • <i>Payment period.</i> Payment periods may be: <ul style="list-style-type: none"> • Month, • Quarter, • Semi-annual, or <p>Note: If semi-annual, designate specific months.</p> <p><u>Example:</u> January and July.</p> <ul style="list-style-type: none"> • Annual. <p>Note: If annual, designate the specific month for payment.</p> <ul style="list-style-type: none"> • <i>Date</i> the first payment is due. • <i>Date</i> the final payment is due. The note will be paid in full on that day.
Variable Payment Term Note	<p>Indicate the following:</p> <ul style="list-style-type: none"> • <i>Number</i> of payments less the last payment. <p><u>Example:</u> Loan term is 24 months, 24 – 1 (last payment) = 23.</p> <ul style="list-style-type: none"> • <i>Frequency</i> of payments. Payments may be: <ul style="list-style-type: none"> • Monthly,

	<ul style="list-style-type: none"> • Quarterly, • Semi-annual, or • Annual. • <i>Amount</i> of each principal payment (except the last payment). • <i>Day</i> the payment is due in each payment period. • <i>Payment period.</i> Payment periods may be: <ul style="list-style-type: none"> • Month, • Quarter, • Semi-annual, or <p style="text-align: center;">Note: If semi-annual, designate specific months for payments.</p> <p style="text-align: center;"><u>Example:</u> January and July.</p> <ul style="list-style-type: none"> • Annual. <p style="text-align: center;">Note: If annual, designate the specific month for payment.</p> <ul style="list-style-type: none"> • <i>Date</i> the first payment is due. • <i>Principal amount</i> of the final payment. • <i>Date</i> the final payment is due. The note will be paid in full on that day.
Revolving Master Borrowing Note with Maturity Date	<p>Check this box for a revolving line with interest due periodically and all principal due at the maturity date.</p> <ul style="list-style-type: none"> • maturity date • interest frequency schedule <p><u>Example:</u> on the first day of each month beginning April 1, 2006</p> <p>Note: this option allows for the loan to be renewed with notice to the borrower, instead of obtaining a renewal note.</p>
Revolving Master Borrowing Note Payable on Demand	<p>Check this box for a revolving line payable on demand</p> <ul style="list-style-type: none"> • interest frequency schedule <p><u>Example:</u> on the first day of each month beginning April 1, 2006</p>
Closed End Master Borrowing Note with Maturity Date	<p>Check this box for a closed end, multiple advance loan with interest due periodically and all principal due at the maturity date. (<u>Example:</u> construction loan)</p> <ul style="list-style-type: none"> • maturity date • interest frequency schedule <p><u>Example:</u> on the first day of each month beginning April 1, 2006</p>
Closed End Master Borrowing Note Payable on Demand	<p>Check this box for a closed end, multiple advance loan payable on demand</p> <ul style="list-style-type: none"> • interest frequency schedule <p><u>Example:</u> on the first day of each month beginning April</p>

	<table border="1"> <tr> <td>Demand</td> <td>1, 2006</td> </tr> </table>	Demand	1, 2006
Demand	1, 2006		
Payout Requirement	Check this box to add a 30 day payout requirement for a revolving line of credit.		
Additional Terms and Conditions	<ul style="list-style-type: none"> • Check this box if there is an outside agreement with the Borrower that contains additional terms or conditions governing the transaction and such terms and conditions are to be incorporated in the Note. • Indicate the <i>type of agreement</i>. <p><u>Example:</u> Loan agreement.</p> <ul style="list-style-type: none"> • Describe the agreement by indicating the <i>date</i> of the agreement. 		
Interest	<ul style="list-style-type: none"> • Indicate the accrual method applicable. <p><u>Examples:</u></p> <ul style="list-style-type: none"> • Interest will accrue on a 30/360 basis (calculated on the premise that there are 360 days in each year and 30 days in each month). • Interest will accrue on an actual/360 basis (calculated on the actual number of days elapsed over a year of 360 days). • Interest will accrue on an actual/actual basis (calculated on the actual number of days elapsed over a years of 365 days, or 364 on a leap year). • Interest will accrue on an actual/365 basis (on the actual number of days elapsed over a year of 365 days). <ul style="list-style-type: none"> • Check the appropriate box to indicate if the loan is a fixed or variable rate transaction. <ul style="list-style-type: none"> • If a fixed rate, enter the <i>annual rate</i>. <p><u>Example:</u> 6.250%.</p> • If a floating rate: <ul style="list-style-type: none"> • Check one (1) of the three (3) pre-printed Index options or a custom index description may be entered. <p><u>Notes:</u></p> <ul style="list-style-type: none"> • LIBOR One Month Index: For transactions using LIBOR as the index (not true LIBOR transactions), the one month LIBOR rate is to be used as the index; complete the Addendum A to Note – LIBOR Index Rate (104) (Form 630426). • If a custom index is entered, it must agree exactly with the index description for the corresponding COMPASS code. • Identify the margin by checking the applicable box and entering the applicable percentage as appropriate. • Indicate when adjustments to the variable rate will be effective. 		
Renewal	Describe the original note by <i>number</i> and <i>date</i> if the loan is a renewal.		
Collateral	Describe the collateral if the note is to be secured.		
	<p><u>Notes:</u></p> <ul style="list-style-type: none"> • Be specific in the collateral description. • Refer to the topic for the collateral type for specific language to describe each collateral type. 		
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Prepayment	Check this box if prepayment provisions are applicable and attach the Prepayment		

Provisions	Rider (Form 630398).
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Signature(s)	<i>Signature(s)</i> of Borrower and all Co-Borrower(s). Note: The name of the signer should be entered below the signature.
Billing Address	<i>Billing Address</i> to be used for the Borrower and Co-Borrower, if different from the physical address inserted at the top of page 1.