



U.S. Small Business Administration

NOTE

SBA Loan #	5853239110
SBA Loan Name	VoChill Inc.
Date	May 30, 2024
Loan Amount	\$500,000.00
Interest Rate	Prime Rate plus 2.25% (Initially 10.75%)
Borrower	VoChill Inc.
Operating Company	N/A
Lender	Frost Bank

1 Promise to Pay

In return for the Loan, Borrower promises to pay to the order of Lender the amount of
Five hundred thousand and 00/100 Dollars,
interest on the unpaid principal balance, and all other amounts required by this Note.

2 Definitions

“Collateral” means any property taken as security for payment of this Note or any guarantee of this Note.

“Guarantor” means each person or entity that signs a guarantee of payment of this Note.

“Loan” means the loan evidenced by this Note.

“Loan Documents” means the documents related to this loan signed by the Borrower, any Guarantor, or anyone who pledges collateral.

“SBA” means the Small Business Administration, an Agency of the United States of America.

3 Payment Terms

Borrower must make all payments at the place Lender designates. The payment terms for this Note are:

This is a revolving Loan. This Note will mature in 84 months from the date of this Note. During the I/O Period (as defined below), the unpaid principal balance of this Note shall increase and decrease with each new advance or payment under this Note, as the case may be. Borrower may borrow, repay, and re-borrow under this Note until the last day of the I/O Period. Borrower may not obtain advances under this Note after the expiration of the I/O Period.

Borrower must pay a total of 24 payments of interest only on the disbursed principal balance beginning one month from the date of this Note and every month thereafter until the expiration of 24 months from date of this Note (such period being referred to herein as the "I/O Period"); payments must be made on the same day as the date of this Note in the months they are due.

Following the expiration of the I/O Period, Borrower must pay principal and interest payments in an amount sufficient to fully amortize the principal balance of this Note as of the last day of the I/O Period over an amortization period of 60 months, with said principal and interest payments continuing every month beginning one month from the expiration of the I/O Period; payments must be made on the same day as the date of this Note in the months they are due.

The interest rate on this Note will fluctuate. The initial interest rate is 10.75% per year. The initial rate is the prime rate on the date SBA received the loan application, plus 2.25%.

Lender will apply each installment payment first to pay interest accrued to the day Lender receives the payment, then to bring principal current, then to pay any late fees, and will apply any remaining balance to reduce principal. Lender may adjust the interest rate for the first time no earlier than the first calendar day of the first month after initial disbursement.

The interest rate will be adjusted every month (the "change period"), beginning on the 1st calendar day of the month following the initial disbursement, (date of first rate adjustment).

The "Prime Rate" is the prime rate in effect on the first business day of the month (as published in the Wall Street Journal newspaper) in which SBA received the application, or any interest rate change occurs. Base Rates will be rounded to two decimal places with .004 being rounded down and .005 being rounded up.

The adjusted interest rate will be 2.25% above the Prime Rate. Lender will adjust the interest rate on the first calendar day of each change period. The change in interest rate is effective on that day whether or not Lender gives Borrower notice of the change.

The spread as identified in the Note may not be changed during the life of the Loan without the written agreement of the Borrower. For variable rate loans, the interest rate adjustment period may not be changed without the written consent of the Borrower.

Lender must adjust the payment amount at least annually after the expiration of the I/O period as needed to amortize principal over the remaining term of the note.

If SBA purchases the guaranteed portion of the unpaid principal balance, the interest rate becomes fixed at the rate in effect at the time of the earliest uncured payment default. If there is no uncured payment default, the rate becomes fixed at the rate in effect at the time of purchase.

Late Charge: If a payment on this Note is more than 10 days late, Lender may charge Borrower a late fee of up

to 5.00% of the unpaid portion of the regularly scheduled payment.

Computation of Interest. Interest on this note shall be computed on a per annum basis of a year of 360.

4 Default

Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower or Operating Company:

- A. Fails to do anything required by this Note and other Loan Documents;
- B. Defaults on any other loan with Lender;
- C. Does not preserve, or account to Lender's satisfaction for, any of the Collateral or its proceeds;
- D. Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- E. Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
- F. Defaults on any loan or agreement with another creditor, if Lender believes the default may materially affect Borrower's ability to pay this Note;
- G. Fails to pay any taxes when due;
- H. Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- I. Has a receiver or liquidator appointed for any part of their business or property;
- J. Makes an assignment for the benefit of creditors;
- K. Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
- L. Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent; or
- M. Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note.

5 Lender's Rights If There Is a Default

Without notice or demand and without giving up any of its rights, Lender may:

- A. Require immediate payment of all amounts owing under this Note;
- B. Collect all amounts owing from any Borrower or Guarantor;
- C. File suit and obtain judgment;
- D. Take possession of any Collateral; or
- E. Sell, lease, or otherwise dispose of, any Collateral at public or private sale, with or without advertisement.

6 Lender's General Powers

Without notice and without Borrower's consent, Lender may:

- A. Bid on or buy the Collateral at its sale or the sale of another lienholder, at any price it chooses;
- B. Incur expenses to collect amounts due under this Note, enforce the terms of this Note or any other Loan Document, and preserve or dispose of the Collateral. Among other things, the expenses may include payments for property taxes, prior liens, insurance, appraisals, environmental remediation costs, and reasonable attorney's fees and costs. If Lender incurs such expenses, it may demand immediate repayment from Borrower or add the expenses to the principal balance;
- C. Release anyone obligated to pay this Note;
- D. Compromise, release, renew, extend or substitute any of the Collateral; and
- E. Take any action necessary to protect the Collateral or collect amounts owing on this Note.

7 When Federal Law Applies

When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

8 Successors and Assigns

Under this Note, Borrower and Operating Company include the successors of each, and Lender includes its successors and assigns.

9 General Provisions

- A. All individuals and entities signing this Note are jointly and severally liable.
- B. Borrower waives all suretyship defenses.
- C. Borrower must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- D. Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.
- E. Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- F. If any part of this Note is unenforceable, all other parts remain in effect.
- G. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor. Borrower also waives any defenses based upon any claim that Lender did not obtain any guarantee; did not obtain, perfect, or maintain a lien upon Collateral; impaired Collateral; or did not obtain the fair market value of Collateral at a sale.

10 State-Specific Provisions

Notwithstanding the foregoing or anything contained in this note or any of the other loan documents to the contrary, in no event shall interest contracted for, charged or received hereunder, plus any other charges in connection herewith which constitute interest, exceed the maximum lawful rate (as defined below). The amounts of such interest or other charges previously paid to the holder of this note in excess of the amounts permitted by applicable law shall be applied by the holder of this note to reduce the principal of the indebtedness evidenced by this note or at the option of the holder of this note, refunded to borrower. To the extent permitted by applicable law, determination of the legal maximum amount of interest shall at all times be made by amortizing, prorating, allocating, and spreading in equal parts during the period of the full stated term of the loan and indebtedness, all interest at any time contracted for, charged or received from borrower hereof in connection with the loan and indebtedness evidenced hereby, so that the actual rate of interest on account of such loan and indebtedness is uniform throughout the term hereof. For purposes of the note, "maximum lawful rate" means the maximum lawful rate of interest which may be contracted for, charged, taken, received, or reserved by lender in accordance with the applicable laws of the State of Texas (or applicable United States federal law to the extent that it permits lender to contract for, charge, take, receive, or reserve a greater amount of interest than under Texas law), taking into account all charges made in connection with the transaction evidenced by this note and the other loan documents. To the extent that lender is relying on Chapter 303 of the Texas Finance Code to determine the maximum lawful rate payable on the note and/or the loan, lender will utilize the weekly ceiling from time to time in effect as provided in such Chapter 303. To the extent United States federal law permits lender to contract for, charge, take, receive, or reserve a greater amount of interest than under Texas law, lender will rely on United States federal law instead of such Chapter 303 for the purpose of determining the maximum lawful rate. Additionally, to the extent permitted by applicable law now or hereafter in effect, lender may, at its option and from time to time, utilize any other method of establishing the maximum lawful rate under such Chapter 303 or under other applicable law by giving notice, if required, to borrower as provided by applicable law now or hereafter in effect.

Loan Agreement

THIS LOAN AGREEMENT ("Agreement") is made May 30, 2024 between the Borrower and Lender identified in the attached Authorization issued by the U.S. Small Business Administration ("SBA") to Lender, dated April 8, 2024, SBA Loan Number 5853239110 ("Authorization").

SBA has authorized a guaranty of a loan from Lender to Borrower for the amount and under the terms stated in the attached Authorization (the "Loan").

In consideration of the promises in this Agreement and for other good and valuable consideration, Borrower and Lender agree as follows:

1. Subject to the terms and conditions of the Authorization and SBA's Participating Lender Rules as defined in the Guarantee Agreement between Lender and SBA, Lender agrees to make the Loan if Borrower complies with the following "Borrower Requirements". Borrower must:

- (A) Provide Lender with all certifications, documents or other information Lender is required by the Authorization to obtain from Borrower or any third party;
- (B) Execute a note and any other documents required by Lender; and
- (C) Do everything necessary for Lender to comply with the terms and conditions of the Authorization.

2. The terms and conditions of this Agreement:

- (A) Are binding on Borrower and Lender and their successors and assigns; and
- (B) Will remain in effect after the closing of the Loan.

3. Failure to abide by any of the Borrower Requirements will constitute an event of default under the note and other loan documents.

Borrower

VoChill Inc.

a Delaware corporation

05-30-24

Lisa Michelle Pawlik

Date

President/CEO

5-30-24

Randall Eugene Pawlik

Date

Vice President/Secretary

Lender

FROST BANK

a Texas State Bank

Sheron Hawkins

Date

Vice President

11 Borrower's Name(s) and Signature(s)

By signing below, each individual or entity becomes obligated under this Note as Borrower.

VoChill Inc.

a Delaware corporation

By:



Lisa Michelle Pawlik, President/CEO

05-30-24

Date

By:



Randall Eugene Pawlik, Vice President/Secretary

5-30-24

Date