

COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call	Collateral	Account	Officer	Initials
\$75,000.00	12-23-1997			USBP		5488258665	73120	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: LES BOIS AUTO GLASS, INC.
2541 FAIRVIEW AVENUE
BOISE, ID 83702

Lender: U. S. BANK
Capital
111 South 27th Street
P.O. Box 7008
Boise, ID 83707

THIS COMMERCIAL SECURITY AGREEMENT is entered into between LES BOIS AUTO GLASS, INC. (referred to below as "Grantor"); and U. S. BANK (referred to below as "Lender"). For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

DEFINITIONS. The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Agreement. The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

Collateral. The word "Collateral" means the following described property of Grantor, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

All inventory, chattel paper, accounts, equipment and general intangibles

In addition, the word "Collateral" includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (a) All attachments, accessions, accessories, tools, parts, supplies, increases, and additions to and all replacements of and substitutions for any property described above.
- (b) All products and produce of any of the property described in this Collateral section.
- (c) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, or other disposition of any of the property described in this Collateral section.
- (d) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section.
- (e) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

Event of Default. The words "Event of Default" mean and include without limitation any of the Events of Default set forth below in the section titled "Events of Default."

Grantor. The word "Grantor" means LES BOIS AUTO GLASS, INC., its successors and assigns

Guarantor. The word "Guarantor" means and includes without limitation each and all of the guarantors, sureties, and accommodation parties in connection with the indebtedness.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note, including all principal and interest, together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents. In addition, the word "Indebtedness" includes all other obligations, debts and liabilities, plus interest thereon, of Grantor, or any one or more of them, to Lender, as well as all claims by Lender against Grantor, or any one or more of them, whether existing now or later; whether they are voluntary or involuntary, due or not due, direct or indirect, absolute or contingent, liquidated or unliquidated; whether Grantor may be liable individually or jointly with others; whether Grantor may be obligated as guarantor, surety, accommodation party or otherwise; whether recovery upon such indebtedness may be or hereafter may become barred by any statute of limitations; and whether such indebtedness may be or hereafter may become otherwise unenforceable.

Lender. The word "Lender" means U. S. BANK, its successors and assigns.

Note. The word "Note" means the note or credit agreement dated December 23, 1997, in the principal amount of \$75,000.00 from LES BOIS AUTO GLASS, INC. to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for the note or credit agreement.

Related Documents. The words "Related Documents" mean and include without limitation all credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

RIGHT OF SETOFF. Grantor hereby grants Lender a contractual possessory security interest in and hereby assigns, conveys, delivers, pledges, and transfers all of Grantor's right, title and interest in and to Grantor's accounts with Lender (whether checking, savings, or some other account), including all accounts held jointly with someone else and all accounts Grantor may open in the future, excluding, however, all IRA and Keogh accounts, and all trust accounts for which the grant of a security interest would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all indebtedness against any and all such accounts.

OBLIGATIONS OF GRANTOR. Grantor warrants and covenants to Lender as follows:

Organization. Grantor is a corporation which is duly organized, validly existing, and in good standing under the laws of the State of Idaho. Grantor has its chief executive office at 2541 FAIRVIEW AVENUE, BOISE, ID 83702. Grantor will notify Lender of any change in the location of Grantor's chief executive office.

Authorization. The execution, delivery, and performance of this Agreement by Grantor have been duly authorized by all necessary action by Grantor and do not conflict with, result in a violation of, or constitute a default under (a) any provision of its articles of incorporation or organization, or bylaws, or any agreement or other instrument binding upon Grantor or (b) any law, governmental regulation, court decree, or order applicable to Grantor.

Perfection of Security Interest. Grantor agrees to execute such financing statements and to take whatever other actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper if not delivered to Lender for possession by Lender. Grantor hereby appoints Lender as its irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect or to continue the security interest granted in this Agreement. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral. Grantor promptly will notify Lender before any change in Grantor's name including any change to the assumed business names of Grantor. This is a continuing Security Agreement and will continue in effect even though all or any part of the indebtedness is paid in full and even though for a period of time Grantor may not be indebted to Lender.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its certificate or articles of incorporation and bylaws do not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, the Collateral is enforceable in accordance with its terms, is genuine, and complies with applicable laws concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. At the time any account becomes subject to a security interest in favor of Lender, the account shall be a good and valid account representing an undisputed, bona fide indebtedness incurred by the account debtor, for merchandise held subject to delivery instructions or theretofore shipped or delivered pursuant to a contract of sale, or for services theretofore performed by Grantor with or for the account debtor; there shall be no setoffs or counterclaims against any such account; and no agreement under which any deductions or discounts may be claimed shall have been made with the account debtor except those disclosed to Lender in writing.

Location of the Collateral. Grantor, upon request of Lender, will deliver to Lender in form satisfactory to Lender...

EXH A

and Collateral locations relating to Grantor's operations, including without limitation the following: (a) all real property owned or being purchased by Grantor; (b) all real property being rented or leased by Grantor; (c) all storage facilities owned, rented, leased, or being used by Grantor; and (d) all other properties where Collateral is or may be located. Except in the ordinary course of its business, Grantor shall not remove the Collateral from its existing locations without the prior written consent of Lender.

Removal of Collateral. Grantor shall keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts, the records concerning the Collateral) at Grantor's address shown above, or at such other locations as are acceptable to Lender. Except in the ordinary course of its business, including the sales of inventory, Grantor shall not remove the Collateral from its existing locations without the prior written consent of Lender. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the State of Idaho, without the prior written consent of Lender.

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. While Grantor is not in default under this Agreement, Grantor may sell inventory, but only in the ordinary course of its business and only to buyers who qualify as a buyer in the ordinary course of business. A sale in the ordinary course of Grantor's business does not include a transfer in partial or total satisfaction of a debt or any bulk sale. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

Title. Grantor represents and warrants to Lender that it holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Collateral Schedules and Locations. As often as Lender shall require, and insofar as the Collateral consists of accounts and general intangibles, Grantor shall deliver to Lender schedules of such Collateral, including such information as Lender may require, including without limitation names and addresses of account debtors and agings of accounts and general intangibles. Insofar as the Collateral consists of inventory and equipment, Grantor shall deliver to Lender, as often as Lender shall require, such lists, descriptions, and designations of such Collateral as Lender may require to identify the nature, extent, and location of such Collateral. Such information shall be submitted for Grantor and each of its subsidiaries or related companies.

Maintenance and Inspection of Collateral. Grantor shall maintain all tangible Collateral in good condition and repair. Grantor will not commit or permit damage to or destruction of the Collateral or any part of the Collateral. Lender and its designated representatives and agents shall have the right at all reasonable times to examine, inspect, and audit the Collateral wherever located. Grantor shall immediately notify Lender of all cases involving the return, rejection, repossession, loss or damage of or to any Collateral; of any request for credit or adjustment or of any other dispute arising with respect to the Collateral; and generally of all happenings and events affecting the Collateral or the value or the amount of the Collateral.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, reasonable attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Compliance With Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any hazardous waste or substance, as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for hazardous wastes and substances. Grantor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify shall survive the payment of the indebtedness and the satisfaction of this Agreement.

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if it so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably require including the following: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy; (d) the property insured; (e) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (f) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

GRANTOR'S RIGHT TO POSSESSION AND TO COLLECT ACCOUNTS. Until default and except as otherwise provided below with respect to accounts, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. Until otherwise notified by Lender, Grantor may collect any of the Collateral consisting of accounts. At any time and even though no Event of Default exists, Lender may exercise its rights to collect the accounts and to notify account debtors to make payments directly to Lender for application to the indebtedness.

If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

EXPENDITURES BY LENDER. If not discharged or paid when due, Lender may (but shall not be obligated to) discharge or pay any amounts required to be discharged or paid by Grantor under this Agreement, including without limitation all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral. Lender also may (but shall not be obligated to) pay all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses shall become a part of the Indebtedness and, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of an Event of Default.

EVENTS OF DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Default on Indebtedness. Failure of Grantor to make any payment when due on the Indebtedness.

Other Defaults. Failure of Grantor to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or in any other note, security agreement, lease agreement or lease schedule, loan agreement or other agreement, whether now existing or hereafter made, between Grantor and U.S. Bancorp or any direct or indirect subsidiary of U.S. Bancorp.

False Statements. Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor under this Agreement, the Note or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral documents to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against the Collateral or any other collateral securing the indebtedness. This includes a garnishment of any of Grantor's deposit accounts with Lender.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or such Guarantor dies or becomes incompetent.

Insecurity. Lender, in good faith, deems itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the Idaho Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in its own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor reasonable notice of the time after which any private sale or any other intended disposition of the Collateral is to be made. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. To the extent permitted by applicable law, Lender shall have the following rights and remedies regarding the appointment of a receiver: (a) Lender may have a receiver appointed as a matter of right, (b) the receiver may be an employee of Lender and may serve without bond, and (c) all fees of the receiver and his or her attorney shall become part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in its discretion transfer any Collateral into its own name or that of its nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Cumulative Remedies. All of Lender's rights and remedies, whether evidenced by this Agreement or the Related Documents or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and to exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Applicable Law. This Agreement has been delivered to Lender and accepted by Lender in the State of Idaho. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Ada County, the State of Idaho. Subject to the provisions on arbitration, this Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

Arbitration. Lender and Grantor agree that all disputes, claims and controversies between them, whether individual, joint, or class in nature, arising from this Agreement or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association, upon request of either party. No act to take or dispose of any Collateral shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Collateral, including any claim to rescind, reform, or otherwise modify any agreement relating to the Collateral, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Agreement shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and

similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's costs and expenses, including reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Multiple Parties; Corporate Authority. All obligations of Grantor under this Agreement shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each of the persons signing below is responsible for all obligations in this Agreement.

Notices. All notices required to be given under this Agreement shall be given in writing, may be sent by telefacsimile (unless otherwise required by law), and shall be effective when actually delivered or when deposited with a nationally recognized overnight courier or deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. To the extent permitted by applicable law, if there is more than one Grantor, notice to any Grantor will constitute notice to all Grantors. For notice purposes, Grantor will keep Lender informed at all times of Grantor's current address(es).

Power of Attorney. Grantor hereby appoints Lender as its true and lawful attorney-in-fact, irrevocably, with full power of substitution to do the following: (a) to demand, collect, receive, receipt for, sue and recover all sums of money or other property which may now or hereafter become due, owing or payable from the Collateral; (b) to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts or warrants issued in payment for the Collateral; (c) to settle or compromise any and all claims arising under the Collateral, and, in the place and stead of Grantor, to execute and deliver its release and settlement for the claim; and (d) to file any claim or claims or to take any action or institute or take part in any proceedings, either in its own name or in the name of Grantor, or otherwise, which in the discretion of Lender may seem to be necessary or advisable. This power is given as security for the indebtedness, and the authority hereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by Lender.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Successor Interests. Subject to the limitations set forth above on transfer of the Collateral, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waiver. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT, AND GRANTOR AGREES TO ITS TERMS. THIS AGREEMENT IS DATED DECEMBER 23, 1997.

GRANTOR:

LES BOIS AUTO GLASS, INC.

x *[Signature]*, President
Authorized Officer

LENDER:

U. S. BANK

By: *[Signature]*
Authorized Officer

12/30/97

U.S. SIMPLY BUSINESS PREMIUM-LINE AGREEMENT

Principal	Loan Date	Maturity	Loan No.	Call	Collateral	Account	Officer	Initials
\$75,000.00	12-23-1997			USBP		5488258665	73120	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: LES BOIS AUTO GLASS, INC.
 2541 FAIRVIEW AVENUE
 BOISE, ID 83702

Lender: U. S. BANK
 Capital
 111 South 27th Street
 P.O. Box 7008
 Boise, ID 83707

The general terms and conditions applicable to Borrower's U.S. Simply Business Premium Line are described in the U.S. Simply Business Premium Line Terms and Conditions ("Terms and Conditions") which have been provided to Borrower. This Agreement includes additional terms which are applicable to Borrower's Loans with Lender. Except as otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Terms and Conditions.

1. **CREDIT LIMIT.** The maximum principal amount outstanding at any one time under the U.S. Simply Business Premium Line, including the Variable Rate Amount and all Fixed Rate Loans, shall not exceed an aggregate amount equal to \$75,000.00 (as such amount may be changed from time to time, the "Credit Limit").
2. **PROMISE TO PAY.** Borrower promises to pay to the order of Lender, in accordance with the terms of this Agreement and the Terms and Conditions, a principal amount equal to the Credit Limit or so much thereof as may be outstanding, together with interest as set forth in this Agreement. If Borrower is granted an increase in the Credit Limit at any time, Borrower also promises to pay that amount to the order of Lender.
3. **VARIABLE RATE LOANS.**
 - a. **Variable Interest Rate.** Interest shall accrue on the Variable Rate Amount at a variable per annum interest rate (the "Variable Interest Rate") equal to (i) the Prime Rate plus 2.3750% if payments on the Variable Rate Amount are being paid by automatic debit from Borrower's business account with Lender or another U.S. Bank affiliated with Lender; or (ii) the Prime Rate plus 2.8750% if payments on the Variable Rate Amount are not being paid by automatic debit from Borrower's business account with Lender or another U.S. Bank affiliated with Lender.
 - b. **Payment Schedule.**
 - (i) Subject to Section 3(b)(ii), interest on the Variable Rate Amount shall be paid on the 25th day of January and on the same day of each month thereafter and on any day when payment of the entire outstanding balance of the Variable Rate Amount becomes due.
 - (ii) Subject to Section 3(b)(iii), the Variable Rate Principal Payment shall be paid on the 25th day of January and on the same day of each month thereafter. The Variable Rate Principal Payment is an amount equal to the sum of the Current Principal Payment plus any past due principal amount. The Current Principal Payment Amount is the greater of (A) 1.25% of the outstanding principal balance of the Variable Rate Amount minus any past due principal amount, or (B) \$250.00.
 - (iii) If the U.S. Simply Business Premium Line is cancelled, unless an Event of Default has occurred, the principal balance of the Variable Rate Amount outstanding on the date of cancellation shall be automatically converted to a Fixed Rate Loan bearing interest at the Fixed Interest Rate in effect on such date. On the day of each month specified in Section 3(b)(i), beginning on the first such date to occur following the cancellation date and on the same day of each month thereafter, Borrower shall repay such Fixed Rate Loan in 59 approximately equal installments of principal and interest, each in an amount sufficient to amortize the balance of principal and interest over a 5-year term and in one final payment of all then outstanding principal and interest.
4. **FIXED RATE LOANS.**
 - a. **Fixed Interest Rate.** Interest shall accrue on each Fixed Rate Loan at a rate equal to the applicable Fixed Interest Rate. The Fixed Interest Rate for any Fixed Rate Loan is a per annum interest rate equal to the Prime Rate, as in effect on the date such Fixed Rate Loan is made, plus (i) 2.8750% if payments on the Fixed Rate Loans are being paid by automatic debit from Borrower's business account with Lender or another U.S. Bank affiliated with Lender and (ii) 3.3750% if payments on the Fixed Rate Loan are not being paid by automatic debit from Borrower's business account with Lender or another U.S. Bank affiliated with Lender. Although different Fixed Rate Loans may bear different interest rates, unless the Default Rate is applicable, the interest rate for any individual Fixed Rate Loan will not change during the term of such Fixed Rate Loan.
 - b. **Payment Schedule.** Each month, on the payment due date established by Borrower, beginning with the month following the month in which any Fixed Rate Loan is made, Borrower shall repay each Fixed Rate Loan in approximately equal installments of principal and interest, each in an amount sufficient to fully amortize the balance of principal and interest of the Fixed Rate Loan over the amortization period selected by Borrower; provided, however, that the then outstanding balance of principal and interest of each Fixed Rate Loan shall be due and payable in full at the end of the amortization period for such Fixed Rate Loan.
 - c. **Additional Interest Payments.** In addition to the payments set forth in Section 4b, upon the date of conversion of any Fixed Rate Loan to another Fixed Rate Loan, Borrower shall pay to Lender all interest accrued to the date of conversion.
 - d. **Amortization.** Borrower may select an amortization period of from 12 to 60 months for each Fixed Rate Loan.
5. **LOAN FEES.** Borrower shall pay such fees as Lender establishes from time to time, including without limitation the following:
 - a. **Set-up Fee.** A one-time non-refundable set-up fee in an amount equal to \$281.00. The set-up fee is payable on the date this Agreement is signed. Unless otherwise requested by Borrower, the set-up fee will be deemed to be a Variable Rate Loan made on such date.
 - b. **Annual Fee.** In advance, a non-refundable annual Loan Fee in an amount equal to \$150.00, payable on each anniversary of the date of this Agreement.
 - c. **Credit Limit Increase Fee.** In connection with any increase in the Credit Limit, a fee in an amount equal to 1% of the increase, subject to a minimum fee of \$350.00.
6. **DEFAULT RATE.** Upon the occurrence of an Event of Default, Lender may, at its option, increase the interest rate applicable to the Variable Rate Amount and each Fixed Rate Loan, by 5% per annum ("Default Rate"). However, the interest rate will not exceed the maximum rate permitted by applicable law.
7. **LATE CHARGE.** If any payment is 15 days or more past due, Borrower will be charged a late charge of 5% of the delinquent payment.
8. **CREDIT REVIEW.** Lender may, from time to time and at any time, review Borrower's and each Guarantor's creditworthiness and the basis for Lender's credit accommodations to Borrower. In connection with any such review, Borrower will furnish and will cause any Guarantor to furnish Lender with any information regarding Borrower's or any Guarantor's financial condition and business operations which Lender requests. This may include, but is not limited to, financial statements, tax returns, lists of assets and liabilities, agings of accounts receivable and payable, inventory schedules, equipment lists, budgets and forecasts. Without prejudice to Lender's right at any time to decline to make any requested Loan, to cancel the U.S. Simply Business Premium Line, and to reduce the Credit Limit, if Lender determines that there has been a material adverse change in the financial condition of Borrower or any Guarantor or if any other Event of Default has occurred, Lender may, at its option, exercise any of the default remedies available to Lender.
9. **AUTHORIZATIONS.** Borrower may change the following information by executing and delivering a Change of Authorization to Lender.
 - a. **Authorized Persons.** Any one of the following persons is authorized to request Loans: Edwin L. Valentine and Daphne Valentine.
 - b. **Deposit of New Advances.** Lender is authorized to deposit new advances to Account No. 447-7801-569 at U. S. Bank.
 - c. **Automatic Debit.** Lender is authorized to automatically deduct from Account No. N/A at U. S. Bank, Transit Routing No. 123103729, all required principal and interest payments on the Variable Rate Amount and each Fixed Rate Loan and all fees.
 - d. **Automatic Cash Transfers.** Lender is authorized to make automatic cash transfers from Borrower's U.S. Simply Business Premium Line to Account No. 447-7801-569 at U. S. Bank.
10. **TERMS AND CONDITIONS.** Borrower acknowledges receipt of a copy of the Terms and Conditions and agrees to be bound by all provisions thereof. Lender may change this Agreement or the Terms and Conditions by giving notice to Borrower as set forth in the Terms and Conditions and Borrower shall be bound by all such changes. All provisions of the Terms and Conditions and any amendments and replacements are incorporated herein.
11. **GOVERNING LAW.** Except to the extent Lender has greater rights or remedies under federal law, this Agreement and the other Loan Documents shall be governed by and construed and enforced in accordance with the laws of the State of Idaho without regard to conflicts of law principles.

12. **ARBITRATION.** Lender and Borrower agree that all claims and controversies between them, whether individual or class in nature, arising from this Agreement, the other Loan Documents, or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association, upon request of either party. No act to take or dispose of any collateral securing the U.S. Simply Business Premium Line shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; foreclosing by notice and sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver, or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any collateral securing the U.S. Simply Business Premium Line, including any claim to rescind, reform, or otherwise modify any agreement relating to such collateral, shall also be arbitrated, provided, however, that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Agreement shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

13. **SECURITY.** All present and future amounts owing to Lender, including without limitation amounts owing under this Agreement and the other Loan Documents shall be secured by a security interest in all of Borrower's now owned and hereafter acquired inventory, equipment, accounts, chattel paper, documents, instruments and general intangibles and all products and proceeds thereof ("Collateral"). The Collateral shall at all times have a fair market value in an amount acceptable to Lender. Borrower shall from time to time take such actions and execute and deliver to Lender such security agreements, financing statements and other documents as Lender may require to grant, preserve, perfect, protect and continue the validity and priority of Lender's security interests in the Collateral (collectively, "Security Documents"). Lender's security interest shall be of a priority acceptable to Lender.

Borrower acknowledges receipt of a copy of this Agreement.
This Agreement is dated as of December 23, 1997.

BORROWER:

LES BOIS AUTO GLASS, INC.

X [Signature] President
Authorized Officer

LENDER:

U. S. BANK

By: [Signature]
Authorized Officer

ADDENDUM TO U.S. SIMPLY BUSINESS PREMIUM LINE AGREEMENT

AW
Borrower: LES BOIS AUTO GLASS, INC.
2541 FAIRVIEW AVENUE
BOISE, ID 83702

Lender: U. S. BANK
Capital
111 South 27th Street
P.O. Box 7008
Boise, ID 83707

This ADDENDUM TO U.S. SIMPLY BUSINESS PREMIUM LINE AGREEMENT is attached to and by this reference is made a part of each Promissory Note or Credit Agreement, dated December 23, 1997, and executed in connection with a loan or other financial accommodations between U. S. BANK and LES BOIS AUTO GLASS, INC..

INTRODUCTORY RATE

1. Notwithstanding the provisions of Section 3(a) of the U. S. Simply Business Premium Line Agreement executed by Borrower, a) until the date which is six months from the date hereof, interest shall accrue on the Variable Rate amount outstanding on Borrower's U. S. Simply Business Premium Line at a variable rate per annum equal to the Prime Rate plus 1%, and b) on and after the date which is six months from the date hereof, interest shall accrue on the Variable Rate Amount (including the principal balance outstanding on such date) at the rate(s) set forth in Section 3(a) of the Premium Line Agreement.
2. All capitalized terms used herein shall have the meanings given to such terms in the U. S. Simply Business Premium Line Terms and Conditions and the U. S. Simply Business Premium Line Agreement executed by Borrower.

THIS ADDENDUM TO U.S. SIMPLY BUSINESS PREMIUM LINE AGREEMENT IS EXECUTED ON DECEMBER 23, 1997.

BORROWER:

LES BOIS AUTO GLASS, INC.

x *[Signature]*
Authorized Officer

LENDER:

U. S. BANK

By: *[Signature]*
Authorized Officer



Idaho Secretary of State
Search Result Summary

Lien Search Results

[[New Search](#)]

This page shows results

Lien B780813, filed 1998 Jan 05

Type: Basic

Status: CURRENT

*NO
ACT*

1 Debtor: LES BOIS AUTO GLASS, INC., filed 1998 Jan 05

2541 FAIRVIEW AVE
BOISE, ID 83702-0000

1 Secured Party: U. S. BANK NATIONAL ASSOCIATION

[[New Search](#)]

Subscriber Options

[View Unbilled Transactions](#)

Look at a summary of charges related to the UCC/Lien search that you can expect to see on your next bill. You will be able to return to the search at exactly the point you left off when you are finished.

[Free Search](#)

Use the free search to experiment with different types of searches. Then return to the premium search for details.

[Log out](#)

Log out from Access Idaho

STATE OF IDAHO FINANCING STATEMENT - FORM UCC-1

INSTRUCTIONS

- PLEASE TYPE THIS FORM IN BLACK**
- Filing fees:
 - With Secretary of State. Except for pre-paid accounts, articles filing fee of \$8.00 if form is typed or \$15.00 if not typed. For attachments, add \$1.00 per printed page. Pre-paid accounts users: Mail enter Customer Number in "Filing Office User" book to originator.
 - Future filing with county recorder. Enclose recording fee of \$3.00 per page.
- File only the original. Make copies for your file. The original will be returned as your acknowledgment.
- Enter only one debtor's name or assumed name per debtor block, exactly as it is to be indexed. If more than four names, use an attached sheet. Enter individual debtor names: Last, First Middle Initial, e.g. Smith, John A.M. Jr.
- When the obligation has been satisfied, complete the Termination Statement and return the original to the filing officer.

Filing Office Use Only

3048

Form 999-04-11 by Peter T. Conness, Secretary of State, UCC Division, Statehouse, Boise, ID 83720. PH 202-376-5151

Debtor #1 (Last name, first, middle, title & mailing address)

2541
2511
LES BOIS AUTO GLASS, INC.
2511 FAIRVIEW AVENUE
BOISE, ID 83702

Debtor #3

Debtor #2

245-5488258665

Debtor #4

Secured Party and Address

U. S. BANK NATIONAL ASSOCIATION
PL-7 Oregon Commercial Loan Servicing
P. O. Box 5308
Portland, OR 97208

Assignee and Address

Mailing Address (Return acknowledgment copy to)

UNISEARCH, INC
101
PO BOX 20561
SALEM, OR 97307-0561

Check if Covered Products of collateral also covered

If one of the following boxes is checked, the secured party may sign the financing statement. The collateral described herein is:

- Property in this state already subject to a security interest in another jurisdiction.
- Subject to a security interest in another jurisdiction and the debtor's location has changed to this state.
- Proceeds of the original collateral described above in which a security interest was perfected.
- The subject of a financing statement which has lapsed.
- Subject to a security interest perfected under a prior name or identity of the debtor.

This financing statement covers the following types or items of property:

(If this is a future interest or one relating to be recorded with the County Recorder, include legal description of items of record owner, if required.)

All Inventory, Chattel Paper, Accounts, Equipment and General Intangibles; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds).

Signature(s) of Debtor(s)

LES BOIS AUTO GLASS, INC.

x *[Signature]*, President
x *[Signature]*, Secretary

Secured Party Signature

U. S. BANK NATIONAL ASSOCIATION

TERMINATION STATEMENT: The Secured Party no longer claims a security interest under the financing statement.

Secured Party or Assignee of Record

Date

Filing Office Use Only

IDAHO SECRETARY OF STATE

01/05/1998 09:00
CK: none CT: 3048 BH: 65903

1 B 6.00 = 6.00 UCCI FILE

Filing Number: B 780813

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Jan-05-98 12:19P unisearch-oregon