



allenbrothers
WHOLESALE DISTRIBUTION

2020 Allen Brothers Credit Application

BUSINESS CONTACT INFORMATION									
Corporate Name:									
Business Name:									
Phone:			Fax:			Email:			
Registered Company Address:									
City:					State:			Zip Code:	
Federal Tax ID #:					Driver's License #:				
Cigarette License #:					Business Hours:				
TYPE OF OWNERSHIP									
<input type="checkbox"/> Corporation	State of Incorporation:				Date of Incorporation:			# of Years in Business:	
Name of Officer:									
Home Address:					<input type="checkbox"/> Own • Home Value:		<input type="checkbox"/> Rent • Monthly Rent:		
City:			State:		Zip Code:		Home Phone:		Cell Phone:
Social Security:				DOB:			<input type="checkbox"/> Partnership		<input type="checkbox"/> Individual
Name of Owner/Partners:									
Home Address:					City:			State:	Zip Code:
Home Phone:			Cell Phone:			Social Security:			
Business Checking Account #:					Bank Name:				
BUSINESS/TRADE REFERENCES: CIGARETTE, CIGAR, BEVERAGE, GROCERY, VENDORS									
DIRECT SUPPLIERS					CURRENT DISTRIBUTORS				
Company Name:									
Address:					City:			State:	Zip Code:
Phone:					Email:				
Company Name:									
Address:					City:			State:	Zip Code:
Phone:					Email:				
Other Stores Owned:									
Address:									



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2020 TERMS & CONDITIONS

NOTE: *Initial orders are C.O.D. CASH unless approved in advance by the credit department.*

- A late penalty of **5.0%** per month may be assessed on any unpaid balance that is overdue according to the terms approved by the credit department.
- A returned check charge/service fee of **\$100.00** will be assessed to your account for any returned check, EFT or insufficient funds of any kind.
- I authorize Allen Brothers Wholesale Distributors, Inc. ("Allen Brothers") to contact any reference given herein and any other credit-reporting agency in order to exchange information regarding this credit application.

_____ By _____
 Witness-Allen Brothers Rep **[SIGNER]** **(Print Name)**

_____ By _____
 Witness-Allen Brothers Rep **[SIGNER]** **(Print Name)**

Date: _____

[Signer Home Address]



2020 Signature Page

IN WITNESS WHEREOF, intending to be legally bound, the Debtor has caused this Agreement to be duly executed as of the date first written above.

Company Name: _____

Address: _____

City, State, Zip: _____

Additional Locations of Place of Business: _____

By (Signer): _____

Date: _____

Name (Print): _____

Title: _____

Accepted:

ALLEN BROTHERS WHOLESALE DISTRIBUTORS, INC.

By: _____

Print Name: _____ **Title:** Allen Brothers Representative

Please Complete:

- **Debtor's exact legal name** is: _____
- **Debtor's form of organization** is:
 - Corporation
 - Partnership
 - Limited Liability Company
 - Sole Partnership
 - Other, as follows: _____
- **The State in which Debtor was organized:** _____
- **Debtor's Federal I.D. number** is: _____
- **Debtor's State I.D. number** is: _____
- **The home address of Debtor's Owner/Chief Executive Officer** is: _____



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UNCONDITIONAL GUARANTY AND SURETYSHIP AGREEMENT

THIS UNCONDITIONAL GUARANTY AND SURETYSHIP AGREEMENT, made as of this ____ day of _____, 20____ (“Agreement”), is given by _____, an adult individual residing at _____ (the, "Guarantor"), to and in favor of **ALLEN BROTHERS WHOLESALE DISTRIBUTORS, INC.**, whose address is 120 West Erie Avenue, Philadelphia, PA 19140 (hereinafter called, "**Creditor**"), to secure the obligations of _____, a business entity whose registered office is located at _____ (the, "**Debtor**").

WITNESSETH:

WHEREAS, in consideration of the Creditor extending credit to the Debtor in connection with a certain credit application for goods and services, dated _____, 20____ (“Credit Documents”), Guarantor hereby unconditionally guarantees and becomes surety for the full and timely performance by the Debtor of its Obligations, as defined below;

WHEREAS, in consideration of the Creditor extending credit to the Debtor, Creditor has requested additional credit support in the form of an instrument guaranteeing the Obligations of the Debtor, as defined below;

WHEREAS, the Guarantor has determined that because of his or her financial interest in the business enterprise of the Debtor, the extension of credit to the Debtor directly benefits him/her, and that his/her execution, delivery, and performance of this Guaranty are in his/her best interest and so, he/she has offered, executed, and delivered this Agreement to induce the Creditor to extend credit to the Debtor;

NOW, THEREFORE, intending to be legally bound, in consideration of the undertakings of the Creditor to extend the credit to the Debtor and provide certain goods and services to the Debtor, Guarantor hereby agrees as follows:

1. The recitals set forth above are incorporated herein by reference in their entirety as a substantive part of this Agreement, are true and correct.

2. Payment and Performance. In order to secure payment and performance of all Obligations of the Debtor, as defined below, Guarantor hereby irrevocably and unconditionally guarantees to the Creditor, and becomes surety to the Creditor for, the due and punctual payment and performance of all the obligations of the Debtor (whether primary, secondary, direct, contingent, sole, joint, several, or joint and several), now existing or hereafter at any time or times incurred, under the Credit Documents, Security Agreement and corresponding Invoices for purchased goods by the Debtor from the Creditor (including, without limitation, the payment of principal, any interest, and late fess), and under any renewals, extensions, or modifications thereof (hereinafter referred to individually as "Obligation" and collectively as "Obligations"). If any Obligation is not paid or performed by Debtor punctually when due, subject to any applicable notice and cure period, including, without limitation, any Obligation due by acceleration thereof, Guarantor will, upon Creditor’s written demand, within ten (10) business days pay or perform such Obligation or cause the same to be paid or performed.



3. Representations, Warranties and Covenants of the Guarantor. Guarantor represents, warrants and covenants to the Creditor that:

(a) Guarantor is sui juris and of capacity to make and perform this Agreement;

(b) This Agreement has been duly executed and delivered by Guarantor and such execution and delivery and the performance by Guarantor of Guarantor's obligations hereunder will not, to the best of Guarantor's knowledge, information, and belief, violate any applicable provision of law or judgment, order, or regulation of any court or of any public or governmental agency or authority, nor conflict with or constitute a breach of, or a default under, any instrument to which Guarantor is a party or by which Guarantor or any of Guarantor's property is bound, and this Agreement is a legal, valid, and binding obligation of Guarantor in accordance with its terms;

(c) To the best of Guarantor's knowledge, information, and belief, there is no litigation, proceeding, or investigation pending or, to the actual knowledge of Guarantor, threatened against Guarantor, the adverse result of which would, in any material respect, adversely affect the business, properties, or financial condition of Guarantor or the performance by Guarantor of Guarantor's obligations hereunder, and to the best of Guarantor's knowledge, information, and belief, is not in violation in any material respect of any statute, rule, order, or regulation of any governmental body applicable to Guarantor.

(d) The liability and obligations of Guarantor under this Agreement shall be CONTINUING, ABSOLUTE AND UNCONDITIONAL, shall apply to any and all Obligations, of any nature and howsoever arising or created or evidenced, now owing or hereafter created by the Debtor in favor of the Creditor, and shall remain in full force and effect without regard to, and shall not be released, discharged, or in any way affected by: (1) any amendment, extension, modification of, or supplement to the Credit Documents; (2) any exercise or nonexercise of or delay in exercising any right, remedy, power, or privilege under or in respect of this Agreement or any of the other security documents securing the Obligations (even if any such right, remedy, power, or privilege shall be lost thereby), or any waiver, consent, indulgence, or other action or inaction in respect thereof; (3) any lack of diligence, failure, neglect, or omission on the part of Creditor to make any demand or protest or to give any notice of dishonor or default; (4) any failure or omission of Creditor to realize upon or protect any of the Collateral, as described in the Security Agreement, to exercise or enforce any lien upon the Collateral, or to exercise any right of set-off; (5) any bankruptcy, insolvency, arrangement, composition, assignment for the benefit of creditors, or similar proceeding commenced by or against either Debtor or Guarantor; (6) any failure to perfect or continue perfection of, or any release or waiver of, any rights given to Creditor with respect to any property as security for the performance of the Obligations by the Debtor, or Guarantor's obligations hereunder; (7) any extension of time for payment or performance of any of the Obligations; (8) dissolution (voluntarily or involuntarily) of Guarantor, if applicable; (9) the genuineness, validity, or enforceability of the Credit Documents, Security Agreement, Invoices for goods supplied to the Debtor by the Creditor; (10) any limitation of liability of either Debtor or Guarantor contained in the Credit Documents, Security Agreement, Invoices for goods supplied to the Debtor by the Creditor; (11) any defense that may arise by reason of the failure of Creditor to file or enforce a claim against the Debtor or Guarantor in any bankruptcy or other proceeding; (12) the voluntary or involuntary liquidation, dissolution, sale of all or substantially all of the property of Debtor or Guarantor, the marshalling of assets and liabilities, or other similar proceeding affecting Debtor, Guarantor, or any of their respective assets; (13) the release of Debtor or Guarantor from the performance or observance of any of the agreements, covenants, terms, or conditions contained in the Credit Documents, Security Agreement, Invoices for goods supplied to the Debtor by the Credit, except upon full payment of the



Obligations; (14) the release or discharge of any other surety or Guarantor of the Obligations; or (15) any other circumstances which might otherwise constitute a legal or equitable discharge of, or defense available to, a guarantor or surety.

(e) Guarantor acknowledges that this Agreement is necessary to induce the Creditor to advance credit to the Debtor and Guarantor is willing and able to deliver this Agreement because Guarantor will receive direct and material benefit from Creditor's extension of credit to the Debtor.

(f) Guarantor is now and will be completely familiar with the business, operations, and condition of the Debtor and Guarantor hereby waives and relinquishes any duty on the part of the Creditor to disclose any matter, fact, or thing relating to the business, operations, or condition of the Debtor now known or hereafter known by the Creditor. Guarantor has reviewed the Credit Documents and has consented to the Debtor entering into transaction contemplated therein.

4. General Terms and Conditions.

(a) All payments by Guarantor hereunder shall be made in Dollars of the United States of America.

(b) Except as set forth in Paragraph 2 above, Guarantor hereby waives: (i) notice of acceptance of this Agreement and of any action in reliance thereon, (ii) presentment, demand of payment, notice of dishonor or nonpayment, protest and notice of protest with respect to the Obligations, and giving any notice of default or other notice to, or making any demand on, anyone (including, without limitation, the Debtor and other guarantors) liable in any manner for the payment or performance of the Obligations, and (iii) notice of any election by Creditor to sell any of the property mortgaged, assigned, or pledged as security for any of the Obligations at a public or private sale.

(c) Creditor may at any time and from time to time without the consent of or notice to Guarantor and without impairing or releasing the obligations of Guarantor hereunder: (i) exercise or refrain from exercising any right or remedy against the Debtor or others, including, without limitation, other guarantors, and (ii) extend the term, waive, or consent to the breach of any provision of the Credit Documents, Security Agreement, Invoices or any document delivered in connection therewith, to which extensions, waivers, and consents Guarantor hereby assents.

(d) The guaranty and surety contained in this Agreement is absolute and unconditional, primary, direct, and immediate and shall be valid and binding upon Guarantor regardless of any invalidity, irregularity, defect, or unenforceability of or in the Credit Documents, Security Agreement, Invoices or any other obligation or agreement of the Debtor or Guarantor. Guarantor hereby waives any right to require Creditor to proceed initially against Debtor, or any other person, or any of the property mortgaged, assigned, or pledged as security for any of the Obligations, upon any default in the payment or performance of the Obligations. The obligations of Guarantor hereunder shall not be subject to any counterclaim, set off, deduction, or defense based upon any claim Guarantor may have against the Debtor.

(e) If Guarantor is more than one individual, then each of them is, and may be held liable individually for the obligations assumed by Guarantor hereunder, and Creditor is authorized to proceed against each individual separately or jointly, as it may desire.



(f) No failure or delay on the part of the Creditor in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of Creditor hereunder are cumulative and concurrent and not exclusive of any other rights or remedies it may have.

(g) Guarantor shall not, under any circumstances, become subrogated to the claims of Creditor against the Debtor or any other person until the Obligations have been paid in full, and any claim that Guarantor now or hereafter has against the Debtor shall be fully subordinate in lien and payment to any claim which Creditor now or hereafter has against the Debtor.

5. Default and Enforcement.

(a) In addition to all liens upon and rights of set-off against moneys, securities, or other property of Guarantor given to Creditor by law or equity, Creditor shall have a lien upon, security interest in, and right of immediate set-off against all moneys, instruments, notes, bonds, commercial paper, securities, and other property of Guarantor now or hereafter in the possession of or on deposit with Creditor, whether held in a general or special account for deposit, safe-keeping, or otherwise.

(b) Each and every right, remedy, and power hereby granted to Creditor or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Creditor at any time and from time to time.

(c) If Creditor employs counsel to enforce this Agreement by suit or otherwise, Guarantor will reimburse Creditor, upon demand, for all reasonable expenses incurred in connection therewith (including, without limitation, reasonable attorneys' fees), whether or not suit is actually instituted.

(e) This Agreement shall be governed by the law of Pennsylvania and applicable federal law. The Guarantor agrees that any suit for the enforcement of this agreement shall be brought exclusively in the Philadelphia Court of Common Pleas, Philadelphia, Municipal Court, or any federal court sitting therein. The Guarantor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenience court or venue.

(f) GUARANTOR HEREBY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS GUARANTY AND TO ANY OF THE DOCUMENTS CONTEMPLATED IN THIS AGREEMENT, THE OBLIGATIONS HEREUNDER OR THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. GUARANTOR REPRESENTS THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.

6. Notices. Any notice or demand given by the Creditor to Guarantor in connection with this Agreement, the Collateral or the Obligations shall be deemed given and effective upon deposit in the United States mail, postage pre-paid, addressed to the Guarantor at the address of the Guarantor designated at the beginning of this Agreement. Actual notice to Guarantor shall always be effective no matter how given or received, including e-mail.



7. Miscellaneous.

(a) This Agreement shall bind Guarantor and Guarantor's heirs, executors, administrators, successors, and assigns and shall inure to the benefit of Creditor and its successors and assigns.

(b) Subject to applicable law, in the event Creditor is required at any time to refund or repay to any person for any reason any sums collected by it on account of the Obligations subject to this Agreement, including but not limited to sums repaid to a Trustee in Bankruptcy as a result of an avoided preferential transfer or fraudulent conveyance, Guarantor agrees that all such sums shall be subject to the terms of this Agreement and that Creditor shall be entitled to recover such sums from Guarantor.

(c) The paragraph headings used herein are for convenience only and do not affect or modify the terms and conditions hereof.

(d) If any provision hereof is found by a court of competent jurisdiction to be prohibited or unenforceable, it shall be ineffective only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate the balance of such provision to the extent it is not prohibited or unenforceable, nor invalidate the other provisions hereof.

(e) No terms, conditions, or other provisions of this Agreement shall be amended or modified except in a writing that is signed by all persons who are a Guarantor hereunder and Creditor.

(f) Wherever used in this Agreement: (i) the use of any gender shall include all genders, (ii) the singular number shall include the plural, and the plural the singular, as the context may require, and, (iii) the word "including" shall mean "including without limitation."

(g) Any carbon, photographic or other reproduction of any financing statement signed by Debtor is sufficient as a financing statement for all purposes, including without limitation, filing in any state as may be permitted by the provisions of the Uniform Commercial Code of such state. All rights and remedies of Secured Party in all such agreements are cumulative, but in the event of actual conflict in terms and conditions, the terms and conditions of the latest security agreement shall govern and control.

(h) Guarantor agrees that it/he/she/they have carefully read the terms and conditions of this Agreement, that they know and understand the contents and effect of this Agreement and that the legal effect of this Agreement has been fully explained to its satisfaction by counsel of its own choosing or that such party has waived its right to independent counsel.

(i) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile signature pages shall be considered originals.

(j) A manually signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.



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(k) Guarantor acknowledges that it is sophisticated and experienced in business transactions and has a full understanding of the terms and conditions of the within Agreement.

(l) Guarantor agrees that it/he/she/they will not take any action or make any statement that could discredit the reputation of the Creditor, or its product or services, unless such statements are made pursuant to subpoena or court order.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Guarantor has hereunto set his hand and seal the day and year first above written.

Read, Acknowledged and Agreed to by:

GUARANTOR:

Witness

Sign Name

Print Name

Title

Date

Accepted by:

Allen Brothers Wholesale Distributors, Inc.

Sign Name

Print Name

Title

Date



SECURITY AGREEMENT

This Security Agreement ("**Security Agreement**") is executed, made and delivered on _____, 20____ by _____ (herein the "**Debtor**"), whose address is _____, for the benefit of Allen Brothers Wholesale Distribution, Inc. (the "**Secured Party**"), whose address is 120 West Erie Avenue, Philadelphia, PA 19140.

RECITALS

WHEREAS, the Secured Party agrees to supply the Debtor with various goods on credit and the Debtor agrees to pay the Secured Party within a set period of time following the date such goods are transferred or delivered by the Secured Party to the Debtor;

WHEREAS, as a condition precedent to the Secured Party's extending credit to the Debtor, and in reliance upon all of the Debtor's warranties and representations herein, the Debtor agrees to execute this Security Agreement; and

WHEREAS, the Debtor wishes to grant a security interest in favor of the Secured Party as herein provided.

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Debtor grants to Secured Party the security interest (and the pledges and assignments as applicable) hereinafter set forth and agrees with Secured Party as follows:

A. RECITALS. The recitals set forth above are incorporated herein by reference in their entirety as a substantive part of this Security Agreement, are true and correct.

B. OBLIGATIONS SECURED. The security interest and pledges and assignments as applicable granted hereby are to secure punctual payment and performance of the following: (i) any and all invoices pertaining to the goods transferred or delivered to the Debtor, or its affiliate or successor, and any and all modifications and rearrangements thereof; and (ii) any and all other indebtedness, liabilities and obligations whatsoever of Debtor to Secured Party whether direct or indirect, absolutely or contingent, primary or secondary, due or to become due and whether now existing or hereafter arising and howsoever evidenced or acquired, whether joint or several, or joint and several (all of which are herein separately and collectively referred to as the "**Obligations**"). Debtor acknowledges that the security interest hereby granted shall secure all future advances as well as any and all other indebtedness, liabilities and obligations of Debtor to Secured Party whether now in existence or hereafter arising.

C. USE OF COLLATERAL. Debtor represents, warrants and covenants that the Collateral will be used by the Debtor primarily for business, commercial, or other similar purposes.

D. DESCRIPTION OF COLLATERAL. Debtor hereby grants to Secured Party a security interest in (and hereby pledges and assigns as applicable) and agrees that Secured Party shall continue to have a security interest in (and a pledge and assignment of, as applicable), the following property:

All Accounts. A security interest in all accounts now owned or existing as well as any and all that may hereafter arise or be acquired by Debtor, and all the proceeds and products thereof, including without limitation, all notes, drafts, acceptances, instruments and chattel paper arising therefrom, and all returned or repossessed goods arising from or relating to any which accounts, or other proceeds of any sale or other disposition of inventory, together with any documents evidencing and or relating to the Accounts and any security for Accounts, books and/or records.

All Inventory. A security interest in all of Debtor's inventory, including all goods, merchandise, raw materials, goods in process, finished goods and other tangible personal property, wheresoever located, now owned or hereafter acquired and held for sale or lease or furnished or to be furnished under contracts for service or used or consumed in Debtor's business, and all additions and accessions thereto, and all leases and contracts with respect thereto, and all documents of title evidencing or representing any part thereof, and all products and proceeds thereof, whether in the possession of the Debtor, warehouseman, bailee, or any other person.



All Equipment, Furniture, Fixtures and other Tangible Property. A security interest in all equipment, furniture, fixtures and other tangible property of every nature and description whatsoever, now owned or hereafter acquired by Debtor, including all appurtenances and additions thereto, and substitutions therefor and replacement thereof, wheresoever located, including all tools, parts and accessories used in connection therewith and the rights of the Debtor under any manufacturer's warranties relating to the foregoing.

General Intangibles. A security interest in all general intangibles and other personal property now owned or hereafter acquired by Debtor other than goods, accounts, chattel paper, documents or instruments, including without limitation, all payment intangibles and any personal property, causes of action, goodwill, tax refunds, licenses, franchises, trademarks, tradenames, servicemarks, copyrights, customer lists and patents, and all rights under any license agreements for use of the same.

Chattel Paper. A security interest in all of Debtor's interest under chattel paper, lease agreements and other instruments or documents (whether tangible or electronic), whether now existing or owned by Debtor or hereafter arising or acquired by Debtor, evidencing both a debt and security interest in or lease of specific goods.

Instruments. A pledge and assignment of and security interest in all of Debtor's Instruments, including without limitation, all promissory notes and all certificates, securities and all certificates of deposit, now owned or existing as well as hereafter acquired or arising instruments and documents.

Deposit Accounts and Other Property. Debtor hereby grants to Secured Party a security interest in, and a pledge and assignment of, any and all money, property, deposit accounts, lock boxes, certificates of deposit, investment accounts, accounts, securities, documents (including bills of lading), commercial paper, chattel paper, claims, demands, instruments, items or deposits of the Debtor, and each of them, or to which any of them is a party, now held or hereafter coming within Secured Party's custody or control, whether such have matured or the exercise of Secured Party's rights results in loss of interest or principal or other penalty on such deposits, but excluding deposits subject to tax penalties if assigned. Without prior notice to or demand upon the Debtor, Secured Party may exercise its rights granted above at any time when a default has occurred or Secured Party deems itself insecure. Secured Party's rights and remedies under this paragraph shall be in addition to and cumulative of any other rights or remedies at law and equity, including, without limitation, any rights of set-off to which Secured Party may be entitled.

The term "**Collateral**" as used in this Agreement shall mean and include, and the security interest (and pledge and assignment as applicable) shall cover, all of the foregoing property, as well as any accessions, additions and attachments thereto, and the proceeds and products thereof, including without limitation, all cash, general intangibles, accounts, inventory, equipment, fixtures, farm products, notes, drafts, acceptances, securities, instruments, chattel paper, insurance proceeds payable because of loss or damage, or other property, benefits or rights arising therefrom, and in and to all returned or repossessed goods arising from or relating to any of the property described herein or other proceeds of any sale or other disposition of such property (including, without limitation, whatever is received upon the use, lease, sale, exchange, collections, any other utilization, or any disposition of any of the foregoing property, whether cash or non-cash, all rental or lease payments, accounts, chattel paper, instruments, documents, contract rights, general intangibles, machinery, equipment, inventory, substitutions, additions, accessions, replacements, products, and renewals of, for, or to such property, and all insurance therefor).

E. REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEBTOR. Debtor represents and warrants as follows:

1. **Ownership; No Encumbrances.** Except for the security interest (and pledges and assignments as applicable) granted hereby, the Debtor is, and as to any property acquired after the date hereof which is included within the Collateral, Debtor will be, the owner of all such Collateral free and clear from all charges, liens, security interests, adverse claims and encumbrances of any and every nature whatsoever.

2. **No Financing Statements.** There is no financing statement or similar filing now on file in any public office covering any part of the Collateral, and Debtor will not execute and there will not be on file in any public office any financing statement or similar filing except the financing statements filed or to be filed in favor



of, or assigned or to be assigned on the date hereof to, Secured Party.

3. **Accuracy of Information.** All information furnished to Secured Party concerning Debtor, the Collateral and the Obligations, or otherwise for the purpose of obtaining or maintaining credit, is or will be at the time the same is furnished, accurate and complete in all material respects.

4. **Authority.** Debtor has full right and authority to execute and perform this Agreement and to create the security interest (and pledges and assignment as applicable) created by this Agreement. The making and performance by Debtor of this Agreement will not violate any articles of incorporation, bylaws or similar document respecting Debtor, any provision of law, any order of court or governmental agency, or any indenture or other agreement to which Debtor is a party, or by which Debtor or any of Debtor's property is bound, or be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture or other agreement, or result in the creation or imposition of any charge, lien, security interest, claim or encumbrance of any and every nature whatsoever upon the Collateral, except as contemplated by this Agreement.

5. **Addresses.** The address of Debtor designated at the beginning of this Agreement is Debtor's place of business if Debtor has only one place of business; Debtor's chief executive office if Debtor has more than one place of business; or Debtor's residence if Debtor has no place of business. Debtor agrees not to change such address without advance written notice to Secured Party.

6. **Representations and Warranties Concerning Debtor's Legal Status.** The Debtor represents and warrants to the Secured Party as follows: (a) the Debtor's exact legal name; (b) the Debtor's form and jurisdiction of organization; (c) the Debtor's federal and state (if any) organizational identification numbers; and (d) the Debtor's chief executive office address are as specified at the beginning of this Agreement.

7. **Covenants Concerning Debtor's Legal Status.** The debtor hereby covenants and agrees that so long as any Obligations are outstanding: (a) Without providing at least thirty (30) days prior written notice to the Secured Party, the Debtor will not change its name, its place of business or, if more than one, chief executive office, or its mailing address or organizational identification number if it has one; (b) If the Debtor does not have an organizational identification number and later obtains one, the Debtor shall forthwith notify the Secured Party of such organizational identification number; and (c) The Debtor will not change its type of organization, jurisdiction of organization or other legal structure.

F. GENERAL COVENANTS. Debtor covenants and agrees as follows:

1. **Operation of Collateral.** Debtor agrees to maintain and use the Collateral solely in the conduct of its own business, in a careful and proper manner, and in conformity with all applicable permits or licenses. Debtor shall comply in all respects with all applicable statutes, laws, ordinances and regulations. Debtor shall not use the Collateral in any unlawful manner or for any unlawful purpose, or in any manner or for any purpose that would expose the Collateral to unusual risk, or to penalty, forfeiture or capture, or that would render inoperative any insurance in connection with the Collateral.

2. **Condition.** Debtor shall maintain, service and repair the Collateral so as to keep it in good operating condition. Debtor shall replace within a reasonable time all parts that may be worn out, lost, destroyed or to otherwise rendered unfit for use, with appropriate replacement parts. Debtor shall obtain and maintain in good standing at all times all applicable permits, licenses, registrations and certificates respecting the Collateral.

3. **Assessments.** Debtor shall promptly pay when due all taxes, assessments, license fees, and governmental charges levied or assessed against Debtor or with respect to the Collateral or any part thereof.

4. **No Encumbrances.** Debtor agrees not to suffer or permit any charge, lien, security interest, adverse claim or encumbrance of any and every nature whatsoever against the Collateral or any part thereof.

5. **No Removal.** Except as otherwise provided in this Agreement, Debtor shall not remove the Collateral from the County or counties designated at the beginning of this Agreement without Secured Party's written consent.



6. **No Transfer.** Except as otherwise provided in this Agreement with respect to inventory, Debtor shall not, without the prior written consent of Secured Party, assign, transfer, lease, charter, encumber, hypothecate or dispose of the Collateral, or any part thereof, or interest therein or offer to do any of the foregoing.

7. **Notices and Reports.** Debtor shall promptly notify Secured Party in writing of any change in the name, identity or structure of Debtor, any charge, lien, security interest, claim or encumbrance asserted against the Collateral, any litigation against Debtor or the Collateral, any theft, loss, injury or similar incident involving the Collateral, and any other material matter adversely affecting Debtor or the Collateral. Debtor shall furnish such other reports, information and data regarding Debtor's financial condition and operations, the Collateral and such other matters as Secured Party may request from time to time.

8. Intentionally Omitted.

9. **Additional Filings.** Debtor agrees to execute and deliver such financing statement or statements, or amendments thereof or supplements thereto, or other documents as Secured Party may from time to time require in order to comply with the Uniform Commercial Code (or other applicable state laws of the jurisdiction where any of the Collateral is located) and to preserve and protect the Secured Party's rights to the Collateral.

10. **Protection of Collateral.** Secured Party, at its option, whether before or after default, but without any obligation whatsoever to do so, may (a) discharge taxes, claims, charges, liens, security interests, assessments or other encumbrances of any and every nature whatsoever at any time levied, placed upon or asserted against the Collateral, (b) place and pay for insurance on the Collateral, including insurance that only protects Secured Party's interest, (c) pay for the repair, improvement, testing, maintenance and preservation of the Collateral, (d) pay any filing, recording, registration, licensing or certificate fees or other fees and charges related to the Collateral, or (e) take any other action to preserve and protect the Collateral and Secured Party's rights and remedies under this Agreement as Secured Party may deem necessary or appropriate. Debtor agrees that Secured Party shall have no duty or obligation whatsoever to take any of the foregoing action. Debtor agrees to promptly reimburse Secured Party upon demand for any payment made or any expense incurred by the Secured Party pursuant to this authorization. These payments and expenditures, together with interest thereon from date incurred until paid by Debtor at the maximum contract rate allowed under applicable laws, which Debtor agrees to pay, shall constitute additional Obligations and shall be secured by and entitled to the benefits of this Agreement.

11. **Inspection.** Debtor shall at all reasonable times allow Secured Party by or through any of its officers, agents, attorneys or accountants, to examine the Collateral, wherever located, and to examine and make copies of or extracts from Debtor's books and records.

12. **Further Assurances.** Debtor shall do, make, procure, execute and deliver all such additional and further acts, things, deeds, interests and assurances as Secured Party may request from time to time to protect, assure and enforce Secured Party's rights and remedies.

13. **Insurance.** Debtor shall have and maintain insurance at all times with respect to all tangible Collateral insuring against risks of fire (including so-called extended coverage), theft and such other risks as Secured Party may require, containing such terms, in such form and amounts and written by such companies as may be satisfactory to Secured Party, all of such insurance to contain loss payable clauses in favor of Secured Party as its interest may appear. All policies of insurance shall provide for fifteen (15) days written minimum cancellation notice to Secured Party and at the request of Secured Party shall be delivered to and held by it. Secured Party is hereby authorized to act as attorney for Debtor in obtaining, adjusting, settling and canceling such insurance to the Obligations secured hereby whether or not such Obligations are then due and payable. Debtor specifically authorizes Secured Party to disclose from the policies of insurance to prospective insurers regarding the Collateral.

14. **Additional Collateral.** If Secured Party should at any time be of the opinion that the Collateral is impaired or insufficient, or has declined or may decline in value, or should Secured Party deem payment of the Obligations to be insecure, then Secured Party may call for additional security satisfactory to Secured Party, and Debtor promises to furnish such additional security forthwith. The call for additional security may be oral, by messenger or telefax, or United States mail addressed to Debtor, and shall not affect any other



subsequent right of Secured Party to exercise the same.

15. **Goods.** Notwithstanding anything to the contrary contained in this agreement, if any Debtor is a "consumer" as defined Regulation AA of the Board of Governors of the Federal Reserve System, 12 C.F.R. Part 227, or the Federal Trade Commission Credit Practices Rule, 16 C.F.R. Part 444, as applicable, no lien or security interest created or evidenced by this agreement shall extend to or cover a non-possessory lien or security interest in "household goods," other than a purchase money lien or security interest, in accordance with such regulations as applicable.

G. Intentionally Omitted.

H. ADDITIONAL PROVISIONS REGARDING INVENTORY. The following provisions shall apply to all inventory included within the Collateral:

1. **Inventory Reports.** Debtor will deliver to Secured Party as Secured Party may require, on such frequency as Secured Party may request, a written report in form and content satisfactory to Secured Party, with respect to the preceding month or other applicable period, showing Debtors opening inventory, inventory acquired, inventory sold, inventory leased, inventory returned, inventory used in Debtor's business, closing inventory, any other inventory not within the preceding categories and such other information as Secured Party may request from time to time. Debtor shall immediately notify Secured Party of any matter adversely affecting the inventory, including, without limitation, any event causing loss or depreciation in the value of the inventory and the amount of such possible loss of depreciation.

2. **Location of Inventory.** Debtor will promptly notify Secured Party in writing of any addition to, change in or discontinuance of its place(s) of business as shown in this Agreement, the places at which inventory is located as shown herein, the location of its chief executive office and the location of the office where it keeps its records as set forth herein. All Collateral will be located at the places of business shown below, as modified by any written notices given pursuant hereto.

3. **Uses of Inventory.** Unless and until the privilege of Debtor to use inventory in the ordinary course of Debtor's business is revoked by Secured Party in the event of default or if Secured Party deems itself insecure, Debtor may use the inventory in any manner not inconsistent with this Agreement, may sell that part of the Collateral consisting of inventory provided that all such sales are in the ordinary course of business. A sale in the ordinary course of business does not include a transfer in partial or total satisfaction of a debt.

4. **Accounts as Proceeds.** All accounts that are proceeds of the inventory included within the Collateral shall be subject to all of the terms and provisions hereof pertaining to accounts.

5. **Protection of Inventory.** Debtor shall take all action necessary to protect and preserve the inventory.

I. STANDARDS FOR EXERCISING REMEDIES. To the extent that applicable law imposes duties on the Secured Party to exercise remedies in a commercially reasonable manner, the Debtor acknowledges and agrees that it is not commercially unreasonable for the Secured Party (a) to fail to incur expenses reasonably deemed significant by the Secured Party to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as the Debtor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of



assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure the Secured Party against risks of loss, collection or disposition of Collateral or to provide to the Secured Party a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by the Secured Party, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Secured Party in the collection or disposition of any of the Collateral. The Debtor acknowledges that the purpose of this Section is to provide non-exhaustive indications of what actions or omissions by the Secured Party would not be commercially unreasonable in the Secured Party's exercise of remedies against the Collateral and that other actions or omissions by the Secured Party shall not be deemed commercially unreasonable solely on account of not being indicated in this Section. Without limitation upon the foregoing, nothing contained in this Section shall be construed to grant any rights to the Debtor or to impose any duties on the Secured Party that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section.

J. POWER OF ATTORNEY.

1. The Debtor hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of the Debtor or in the Secured Party's own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of the Debtor, without notice to or assent by the Debtor, to do the following:

(a) Upon the occurrence and during the continuance of a Default or an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral in such manner as is consistent with the Uniform Commercial Code and as fully and completely as though the Secured Party were the absolute owner thereof for all purposes, and to do at the Debtor's expense, at any time, or from time to time, all acts and things which the Secured Party deems necessary to protect, preserve or realize upon the Collateral and the Secured Party's security interest therein, in order to effect the intent of this Agreement, all as fully and effectively as Debtor might do, including, without limitation, (i) the filing and prosecuting of registration and transfer applications with the appropriate federal or local agencies or authorities with respect to trademarks, copyrights and patentable inventions and processes, (ii) upon written notice to the Debtor, the exercise of voting rights with respect to voting securities, which rights may be exercised, if the Secured Party so elects, with a view to causing the liquidation in a commercially reasonable manner of assets of the issuer of any such securities and (iii) the execution, delivery and recording, in connection with any sale or other disposition of any Collateral, of the endorsements, assignments or other instruments of conveyance or transfer with respect to such Collateral; and

(b) To the extent that Debtor's authorization given in Section M(6) below is not sufficient, to file such financing statements with respect hereto, with or without the Debtor's signature, or a photocopy of this Agreement in substitution for a financing statement, as the Secured Party may deem appropriate and to execute in the Debtor's name such financing statements and amendments thereto and continuation statements which require the Debtor's signature.

2. Ratification by Debtor. To the extent permitted by law, the Debtor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

3. No Duty on Secured Party. The powers conferred on the Secured Party hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. The Secured Party shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to the Debtor for any act or failure to act, except for the Secured Party's own gross negligence or willful misconduct.

K. EVENTS OF DEFAULT. Debtor shall be in default hereunder upon the happening of any of the following events or conditions: (i) non-payment when due of any payment of principal, interest or other amount due on any Obligations; (ii) any representation or warranty made by Debtor and/or its affiliates, agents, members or officers to Secured Party in connection with this Agreement, the Collateral or the Obligations, or in any statements



or certificates, proves incorrect in any material respect as of the date of the making or the issuance thereof; (iii) default occurs in the observance or performance of or, if Debtor fails to furnish adequate evidence of performance of, any provision of this Agreement or of any assignment, transfer, other agreement, document or instrument delivered by Debtor to Secured Party in connection with this Agreement, the Collateral or the Obligations; (iv) death, dissolution, liquidation, termination of existence, insolvency, business failure or winding-up of Debtor, or any maker, endorser, guarantor, surety or other party liable in any capacity for any of the Obligations; (v) the filing of a petition in bankruptcy by or against, or the application for appointment of a receiver or any other legal custodian for any part of the property of, or the assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy, rearrangement, reorganization, insolvency or similar laws for the relief of Debtor by or against, the Debtor, or any maker, endorser, guarantor, surety or other party primarily or secondarily liable for any of the Obligations; (vi) the Collateral becomes, in the judgment of Secured Party, impaired, unsatisfactory or insufficient in character or value; (vii) the filing of any levy, attachment, execution, garnishment or other process against the Debtor, or any of the Collateral or any maker, endorser, guarantor, surety, or other party liable in any capacity for any of the Obligations, or (viii) the Secured Party in good faith believes that the prospect of repayment or performance of the Obligations or any of the covenants, agreements or other duties under any writing executed in connection herewith is impaired.

L. REMEDIES. Upon the occurrence of an Event of Default, or if Secured Party deems payment or performance of the Obligations to be insecure, Secured Party, at its option, shall be entitled to exercise any one or more of the following remedies (all of which are cumulative):

1. **Declare Obligations Due.** Secured Party, at its option, may declare the Obligations or any part thereof immediately due and payable, without demand, notice of intention to accelerate, notice of acceleration, notice of non-payment, presentment, protest, notice of dishonor, or any other notice whatsoever, all of which are hereby waived by Debtor, the Borrower and any maker, endorser, guarantor, surety or other party liable in any capacity for any of the Obligations.

2. **Remedies.** Secured Party shall have all of the rights and remedies provided for in this Agreement and any other agreements executed by Debtor, the rights and remedies in the Uniform Commercial Code of Pennsylvania, and any and all rights and remedies at law or in equity, all of which shall be deemed cumulative. Without limiting the foregoing, Debtor agrees that Secured Party shall have the right to: (a) require Debtor to assemble the Collateral and make it available to Secured Party at a place designated by Secured Party that is reasonably convenient to both parties, which Debtor agrees to do; (b) take possession of the Collateral with or without process of law, and, in this connection, enter any premises where the Collateral is located to remove same, to render it unusable, or to dispose of same on such premises; (c) sell, lease or otherwise dispose of the Collateral, by public or private proceedings, for cash or credit, without assumption of credit risks; and/or (d) whether before or after default, collect and receipt for, compound, compromise, and settle, and give releases, discharges and acquittances, with respect to, any and all amounts owed by any person or entity with respect to the Collateral.

3. **Expenses.** Debtor shall be liable for and agrees to pay the reasonable expenses incurred by Secured Party in enforcing its rights and remedies, in retaking, holding, testing, repairing, and proving, selling, leasing or disposing of the Collateral, or like expenses, including, without limitation, attorneys fees and legal expenses incurred by Secured Party. These expenses, together with interest thereon from date incurred until paid by Debtor at the maximum contract rate allowed under applicable laws and the invoices, which Debtor agrees to pay, shall constitute additional Obligations, and shall be secured and entitled to the benefits of this Agreement.

4. **Proceeds; Surplus; Deficiencies.** The Debtor shall pay to the Secured Party on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by the Secured Party in protecting, preserving or enforcing the Secured Party's rights under or in respect of any of the Obligations or any of the Collateral. After deducting all of said expenses, the residue of any proceeds of collection or sale of the Obligations or Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as the Secured Party may determine, proper allowance and provision being made for any Obligations not then due. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by Sections 9-608(a)(1)(C) or 9-615(a)(3) of the UCC any excess shall be returned to the Debtor, and the Debtor shall remain liable for any deficiency in the payment of the Obligations.



5. **Remedies Cumulative.** The rights and remedies of Secured Party are cumulative and the exercise of any one or more of the rights of remedies shall not be deemed an election of rights or remedies or a waiver of any other right or remedy. Secured Party may remedy any default and may waive any default without waiving the default remedy or without waiving any other prior or subsequent default.

M. RELINQUISHMENT OF CERTAIN DEFENSES. Regarding the enforcement of the security interests and covenants and agreements contained in this Agreement to secure payment of the Obligations, the Debtor covenants and agrees as follows:

1. Secured Party's right of recovery against the Collateral for the Obligations shall be determined as if Debtor were a primary obligor for the payment of the Obligations regardless of whether or not Debtor is in fact primarily liable for all or any part of the Obligations. Debtor specifically agrees that it shall not be necessary or required, in order to enforce the remedies under this Agreement, that the Secured Party have made demand for payment upon the Borrower or any other person or entity liable for any portion of the Obligations or have made protest thereof or have given notice to the Borrower or any other party liable thereon of maturity or nonpayment of the Obligations.

2. The Debtor specifically waives any notice of acceptance of this Agreement by the Secured Party and of the creation, advancement, existence, extension, renewal, modification, consolidation, the rearrangement from time to time of the Obligations, the increase from time to time in the principal amount thereof, the increase or reduction from time to time of the rate of interest thereon, or any indulgence from time to time with respect to the Obligations, or any part thereof, and of nonpayment thereof or default thereon, and waives grace, demand, protest, presentment and notice of demand, protest, and presentment with respect to the Obligations, and waives notice of the amount of the Obligations outstanding at any time, and agrees that Obligations, or any part thereof, may be accelerated, extended, modified, amended or renewed from time to time or any other indulgence may be granted with respect thereto by the Secured Party at its will without notice to or further consent by the Debtor, at any time or times.

3. The Debtor agrees that: (i) no renewal, extension, modification, consolidation, or rearrangement of or any other indulgence, forbearance or compromise with respect to the Obligations, or any part thereof; (ii) no reduction in the principal amount of any of the Obligations; (iii) no reduction of the rate of interest thereon; (iv) no release, withdrawal, substitution, surrender, subordination, exchange, deterioration, waste or other impairment of any security or collateral or guaranty now or hereafter held by the Secured Party for payment of the Obligations, or of any part thereof; (v) no release of the Debtor, any guarantor, or of any other person primarily or secondarily liable on the Obligations, or any part thereof; and (vi) no delay or omission or lack of diligence or care in exercising any right or power with respect to the Obligations or any security or collateral therefor or under this Agreement shall in any manner impair, diminish or affect the rights of the Secured Party or the liability of the Debtor hereunder. The Debtor specifically agrees that it shall not be necessary or required, and that the Debtor shall not be entitled to require, that the Secured Party mitigate damages, or file suit or proceed to obtain or assert a claim for personal judgment against the Borrower, if the Borrower is different from the Debtor herein, for the Obligations, or make any effort at collection of the Obligations from the Borrower, or foreclose against or seek to realize upon any security or collateral now or hereafter existing for the Obligations, or file suit or proceed to obtain or assert a claim for personal judgment against any other party (whether maker, guarantor, endorser or surety) liable for the Obligations, or make any effort at collections of the Obligations from any such other party, or exercise or assert any other right or remedy to which the Secured Party is or may be entitled in connection with the Obligations or any security or collateral or other Agreement therefor, or assert or file any claim against the assets or estate of the Borrower or any guarantor or other person liable for the Obligations, or any part thereof, before or as a condition of enforcing the liability of the Debtor under this Agreement or requiring payment of the Obligations by the Debtor hereunder, or at any time thereafter. The Debtor expressly waives any right to the benefit of or to require or control application of any security or collateral or the proceeds of any security or collateral now existing or hereafter obtained by the Secured Party as security for the Obligations, or any part thereof, and agrees that the Secured Party shall have no duty insofar as the Debtor is concerned to apply upon any of the Obligations any monies, payments or other property at any time received by or paid to or in the possession of the Secured Party, except as the Secured Party shall determine in its sole discretion. The Debtor specifically agrees that Debtor shall not have any recourse or action against the Secured Party by reason of any action the Secured Party may take or omit to take in connection with the Obligations, the collection of any sums or amounts herein mentioned, or in connection with any security or collateral or any Guaranty at any time existing therefor.



4. The Debtor agrees to the terms, provisions and conditions of the Invoices and other instruments evidencing the Obligations and of any renewal, modification, consolidation or rearrangement thereof or other agreements which may have been or may hereafter be executed by the Borrower from time to time evidencing or in connection with the Obligations or any part thereof, and agrees that the Debtor's liability hereunder shall in no manner be affected, reduced, impaired or released by reason of any term, provision or condition of such Invoice or other agreement or by the failure, refusal or omission of the Secured Party to enforce or observe any of same or any forbearance or compromise made by the Secured Party or any action taken or omitted to be taken by the Secured Party pursuant thereto or in connection therewith. The Debtor, by the execution and delivery of this Agreement agrees, represents, warrants and acknowledges that Debtor shall be bound by the provisions of any Agreement and Security Agreement, from the Borrower, if different from the Debtor herein, to the Secured Party and which purport to be applicable to Debtor to the same extent and with the same effect as if Debtor had executed and delivered such document to the Secured Party. In that connection, the Debtor agrees that the provisions of this Paragraph shall survive any exercise of the power of sale granted in any instrument securing the Obligations, any foreclosure of the liens created by any of the instruments securing the Obligations, any conveyance in lieu of any such foreclosure, the repayment of the Obligations, and the discharge and release of all liens, rights and interests securing payment of the Obligations.

5. Should the status, composition, structure or name of the Debtor change, including, but not limited to, by reason of a merger, dissolution, consolidation or reorganization, this Agreement shall continue and also cover the Obligations and Obligations of the Debtor under the new status, composition structure or name according to the terms hereof. If the Debtor is a general or limited partnership, no termination of said partnership, nor withdrawal therefrom or termination of any ownership interest therein owned, by any general or limited partner of such partnership shall alter, limit, terminate, excuse or modify the Debtor's liabilities set forth in this Agreement.

6. In the event any payment from the Debtor, or its affiliates, to the Secured Party is held to constitute a preference under the bankruptcy laws, or if for any other reason the Secured Party is required to refund such payment or pay the amount thereof to any other party, such payment by the Debtor to the Secured Party shall not constitute a release of the Debtor from any liability hereunder, and this Agreement shall continue to be effective or shall be reinstated, as the case may be, to the extent of any such payment or payments.

7. At all times while any or all of the Obligations are now or hereafter secured in whole or in part, the Debtor agrees that the Secured Party may, from time to time, at its discretion, and with or without valuable consideration, allow substitution, withdrawal, release, surrender, exchange, subordination, deterioration, waste, loss or other impairment of all or any part of such security or collateral, without notice to or consent by the Debtor, and without in anywise impairing, diminishing or releasing the liability of the Debtor hereunder.

8. The Debtor waives marshalling of assets and liabilities, sale in inverse order of alienation, and all defenses given to sureties or Debtors at law or in equity other than actual payment of the Obligations and performance of the actions constituting the Obligations, including, but not limited to, any rights pursuant to the laws of Pennsylvania. The failure by the Secured Party to file or enforce a claim against the estate (either in administration, bankruptcy or other proceeding) of the Debtor or any other person primarily or secondarily liable for the Obligations or of any other or others shall not affect the liability of Debtor hereunder.

N. OTHER AGREEMENTS.

1. **Savings Clause.** Notwithstanding any provision to the contrary herein, or in any of the documents evidencing the Obligations or otherwise relating thereto, no such provision shall require the payment or permit the collection of interest in excess of the maximum permitted by applicable usury laws. If any such excessive interest is so provided for, then in such event (i) the provisions of this paragraph shall govern and control, (ii) neither the Debtor nor Debtor's heirs, legal representatives, successors or assigns or any other party liable for the payment thereof shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount permitted by law, (iii) any such excess interest that may have been collected shall be, at the option of the holder of the instrument evidencing the Obligations, either applied as a credit against the then unpaid principal amount thereof or refunded to the maker thereof, and (iv) the effective rate of interest shall be automatically reduced to the maximum lawful rate under applicable usury laws as now or hereafter construed by the courts having jurisdiction.



2. **Joint and Several Responsibility.** If this Security Agreement is executed by more than one Debtor, the obligations of all such Debtors shall be joint and several.

3. **Waivers.** Debtor and any maker, endorser, guarantor, surety or other party liable in any capacity respecting the Obligations hereby waive demand, notice of intention to accelerate, notice of acceleration, notice of non-payment, presentment, protest, notice of dishonor and any other notice whatsoever. No delay or omission on the part of the Secured Party in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. All rights and remedies of the Secured Party with respect to this Agreement, the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as the Secured Party deems expedient.

4. **Severability.** Any provision hereof found to be invalid by courts having jurisdiction shall be invalid only with respect to such provision (only to the extent necessary to avoid such invalidity). The offending provision shall be modified to the minimum extent possible to confer upon Secured Party the benefits intended thereby. Such provision as modified and the remaining provisions hereof shall be construed and enforced to the same extent as if such offending provision (or portion thereof) had not been contained herein, to the maximum extent possible.

5. **Use of Copies.** Any carbon, photographic or other reproduction of any financing statement signed by Debtor is sufficient as a financing statement for all purposes, including without limitation, filing in any state as may be permitted by the provisions of the Uniform Commercial Code of such state. All rights and remedies of Secured Party in all such agreements are cumulative, but in the event of actual conflict in terms and conditions, the terms and conditions of the latest security agreement shall govern and control.

6. **Authorization to File Financing Statements.** The Debtor hereby irrevocably authorizes the Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as all assets of the Debtor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the State or such jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail, and (b) provide any other information required by part 5 of Article 9 of the Uniform Commercial Code of the State or such other jurisdiction, for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether the Debtor is an organization, the type of organization and any organizational identification number issued to the Debtor and, (ii) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. The Debtor agrees to furnish any such information to the Secured Party promptly upon the Secured Party's request. The Debtor also ratifies its authorization for the Secured Party to have filed in any Uniform Commercial Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof.

7. **Notices.** Any notice or demand given by Secured Party to Debtor in connection with this Agreement, the Collateral or the Obligations shall be deemed given and effective upon deposit in the United States mail, postage pre-paid, addressed to Debtor at the address of the Debtor designated at the beginning of this Agreement. Actual notice to Debtor shall always be effective no matter how given or received, including e-mail.

8. **Headings and Gender.** Paragraph headings in this Agreement are for convenience only and shall be given no meaning or significance in interpreting this Agreement. All words used herein shall be construed to be or such gender of number as the circumstances require.

9. **Amendments.** Neither this Agreement nor any of its provisions may be changed, amended, modified, waived or discharged orally, but only by an instrument in writing signed by the party against whom enforcement of the change, amendment, modification, waiver or discharge is sought.

10. **Binding Effect.** The provisions of this Security Agreement shall be binding upon the heirs, executors, administrators, personal representatives, successors and assigns of Debtor, and the rights, powers and remedies of Secured Party hereunder shall inure to the benefit of the successors and assigns of Secured Party.



11. **Overdue Amounts.** Until paid, all amounts due and payable by the Debtor hereunder shall be a debt secured by the Collateral and shall bear, whether before or after judgment, interest at the rate of interest, if any, specified in Secured Party's Invoices to Debtor.

12. **Governing Law; Consent to Jurisdiction.** This Security Agreement shall be governed by the law of Pennsylvania and applicable federal law. The Debtor agrees that any suit for the enforcement of this agreement shall be brought exclusively in the Philadelphia Court of Common Pleas, Philadelphia Municipal Court, or any federal court sitting therein. The Debtor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenience court or venue.

13. **Waiver of Jury Trial.** THE DEBTOR WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS. Except as prohibited by law, the Debtor waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. The Debtor (i) certifies that neither the Secured Party nor any representative, agent or attorney of the Secured Party has represented, expressly or otherwise, that the Secured Party would not, in the event of litigation, seek to enforce the foregoing waivers and (ii) acknowledges that, in entering into this Agreement to which the Secured Party is a party, the Secured Party is relying upon, among other things, the waivers and certifications contained in this Section.

14. **Statute of Frauds.** THIS SECURITY AGREEMENT, PERSONAL GUARANTY, SURETY AGREEMENT, IF ANY, INVOICES TO DEBTOR OR ITS SUCCESSOR OR AFFILIATE, AND ALL DOCUMENTS AND INSTRUMENTS REFERENCED HEREIN, OR EXECUTED IN CONNECTION WITH THE OBLIGATIONS OF THE DEBTOR, REPRESENT THE FINAL AGREEMENT BETWEEN DEBTOR AND SECURED PARTY, AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS BETWEEN DEBTOR AND SECURED PARTY. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN DEBTOR AND SECURED PARTY.

15. **Independent Counsel.** The Debtor agrees that it/he/she/they have carefully read the terms and conditions of this Agreement, that they know and understand the contents and effect of this Agreement and that the legal effect of this Agreement has been fully explained to its satisfaction by counsel of its own choosing or that such party has waived its right to independent counsel.

16. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile signature pages shall be considered originals.

17. **Signatures/E-Delivery.** A manually signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

18. **Sophisticated Debtor.** Debtor acknowledges that it is sophisticated and experienced in business transactions and has a full understanding of the terms and conditions of the within Agreement.

19. **Non-disparagement.** The Debtor agrees that it/he/she/they will not take any action or make any statement that could discredit the reputation of the Secured Party, or its product or services, unless such statements are made pursuant to subpoena or court order.



IN WITNESS WHEREOF, the undersigned has executed this Agreement effective as of the date first written above.

Read, Acknowledged and Agreed to by:

DEBTOR

Legal name of the company:

Witness

By (Signer): _____

Name (Print): _____

Title: _____

Date: _____

Accepted by:

Allen Brothers Wholesale Distributors, Inc.

By (Signer): _____

Name (Print): _____

Title: _____

Date: _____



2020 Electronic Funds Transfer Info / EFT

Please fill out the enclosed Authorization Form along with a voided check. We will contact you within two days of receiving the form and inform you of the starting date of the initial EFT.

Please ensure that sufficient funds are available in your designated bank account on the scheduled day of withdrawal. If you have any questions or concerns, please feel free to contact myself directly and I will walk you through the EFT business process. Please be aware that a refundable charge of \$1.00 will be used as a test transaction when setting up your account.

We look forward to working with you and making our business relationship more efficient.

Thank you,

Andrea Daccardi
800-207-ALLEN Ext. 121
215-739-1083 Ext. 121



E.F.T. Document (Electronic Fund Transfer)

Authorization for Pre-Authorized Payments

Company Name: _____ Account #: _____
(PLEASE INCLUDE ALL ACCOUNTS)

Address/City/State/Zip: _____

Phone: (_____) _____ Fax: (_____) _____

Email: _____

Federal I.D. Number: _____

I (WE) hereby authorize Allen Brothers Wholesale Distributors, Inc. (hereinafter called Company) to initiate debit entries to my (our):

Checking Account **Savings Account** (select one) indicated below and the depository name below, (hereinafter) called Depository, to debit the same to such account.

Depository Name: _____ Branch: _____

City: _____ State: _____ Zip: _____

Transit/ABA#: _____ Account #: _____

This authority is to remain in full force and effect until Company has received written notification from either party of its termination and the opportunity to act on it.

Name(s): _____

Signature(s): _____

❖ Please attached a VOIDED check if a checking account is selected

Company Use Only

Received: _____ Processed by: _____



CIGARETTE LICENSE VERIFICATION

STATE: _____

EXPIRATION DATE OF **CURRENT** LICENSE: _____

NAME (as it appears on license): _____

ADDRESS (as it appears on license): _____

LICENSE VALIDATION NUMBER: _____

TYPE OF LICENSE (circle one): **WHOLESALE** **RETAIL**

AMOUNT PAID FOR LICENSE: _____

❖ Please attach a copy of the current State-issued license for the address noted above.

I declare under penalty of perjury that the above information has been examined by me and is true, correct and complete.

Owner Signature: _____

Print Name: _____

ALLEN BROTHERS

Rep: _____

Date: _____