

SECURITY Agreement on goods and chattels
Uniform Commercial Code. Inc. or Corp.

THIS AGREEMENT, made the ___ day of [REDACTED], 2[REDACTED], in the State of New York, between [REDACTED] [REDACTED] herein called the Borrower, with an address of [REDACTED] New York [REDACTED]

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[REDACTED] herein called the Secured Party, whose address is [REDACTED] [REDACTED] NY [REDACTED]

WITNESSETH:

To secure the payment of indebtedness in the amount of \$ [REDACTED] with interest, payable as follows:

Repayments of the Loan will be made with equal monthly installments of principal and interest in the amount of \$ [REDACTED] commencing [REDACTED], 2[REDACTED] and continuing on the ___ day of each month thereafter until [REDACTED], 2[REDACTED] at which time the entire principal amount and accrued interest shall come fully due and payable, as set forth in a note executed simultaneously herewith.

Borrower hereby grants and conveys to the Secured Party a security interest in:

- (a) the collateral described in the schedule herein, which collateral the Borrower represents is to be used primarily: for business or other use;
- (b) all proceeds thereof;
- (c) all increases, substitutions, replacements, additions and accessions thereto.

1. Borrower WARRANTS AND AGREES AS FOLLOWS:

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| Payment | 1a To pay and perform all of the obligations secured by this agreement according to their terms. |
| Defend | 1b To defend the title to the collateral against all persons and against all claims |
| Title | and demands whatsoever, which collateral is now free and clear of any and all liens, claims, charges, encumbrances, taxes and assessments except as may be set forth in the schedule. |

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| Assurance of Title | 1c On demand of the secured party to do the following; furnish further assurance of title, execute and written agreement or do any other acts necessary to effectuate the purposes and provisions of this agreement, execute and instrument or statement required by law or otherwise in order to perfect, continue or terminate the security interest of the Secured Party in the collateral and pay all costs of filing in connection therewith. |
| Possession | 1d To retain possession of the collateral during the existence of this agreement and not to sell, exchange, assign, loan, deliver, lease, mortgage or otherwise dispose of same without the written consent of the Secured Party. |
| Location | 1e To keep the collateral at the location specified in the schedule and not to remove same (except in the usual course of business for temporary periods) without the prior written consent of the Secured Party. |
| Liens | 1f To keep the collateral free and clear of all liens, charges, encumbrances, taxes and assessments. |
| Taxes | 1g To pay, when due, all taxes, assessments and license fees relating to the collateral. |
| Repairs | 1h To keep the collateral, at Borrower's own cost and expense, in good repair and condition and available for inspection by the Secured Party at all reasonable times. |
| Insurance | 1i To keep the collateral insured against loss by fire, theft and other casualties, and to obtain collision insurance if applicable. Policies shall be in such form and amounts and with such companies as the Secured Party may designate. Policies shall be obtained from responsible insurers authorized to do business in this state. Certificates of insurance or policies, payable to the respective parties as their interest may appear, shall be deposited with the Secured Party who is authorized, but under no duty, to obtain such insurance upon failure of the Borrower to do so. Borrower shall give immediate written notice to the Secured Party and to insurers of loss or damage to the collateral and shall promptly file proof of loss with insurers. |

Loan-Use of Proceeds 1j If this agreement is security for a loan to be used to pay a part or all of the purchase price of the collateral, to use the proceeds of the loan to pay the purchase price, filing fees and insurance premiums. The Secured Party, however, may pay the proceeds directly to the seller of the collateral.

2. GENERAL PROVISIONS:

Notes 2a Notes, if any, executed in connection with the agreement, are separate instruments and may be negotiated by Secured Party without releasing borrower, the collateral, or any guarantor or co-maker. Borrower consents to any extension of time of payment.

Non-Waiver 2b Waiver of or acquiescence in any default by the Borrower, or failure of the Secured party to insist upon strict performance by the Borrower of any warranties or agreements in this security agreement, shall not constitute a waiver of any subsequent or other default or failure.

Notices 2c Notices to either party shall be in writing and shall be delivered personally or by mail addressed to the party at the address herein set forth or otherwise designated in writing.

Law Applicable 2d The Uniform Commercial Code shall govern the rights, duties and remedies of the parties and any provisions herein declared invalid under any law shall not invalidate any other provision or this agreement.

Default 2e The following shall constitute a default by Borrower:

Non-payment Failure to pay the principal or any installment of principal or of interest on the indebtedness or any notes within 30 days after due date.

Violation Failure by Borrower to comply with or perform any provision of this agreement and the following agreements executed simultaneously herewith between the parties:

- 1) Note
- 2) Mortgage

Misrepresentation False or misleading representations or warranties made or given by Borrower in connection with this agreement.

Levy Subjection of the collateral to levy of execution or other judicial process.

Insolvency Commencement of any insolvency proceeding by or against the Borrower.

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| Corporate Dissolution | Voluntary or involuntary dissolution of the Borrower. |
| Impairment of | Any reduction in the value of the collateral or any act of the Borrower which imperils the prospect of full performance or satisfaction of the Borrower's obligations herein. |
| Remedies On Default | 2f Upon any default of the Borrower and at the option of the Secured Party, the obligations secured by this agreement shall immediately become due and payable in full without notice or demand and the Secured Party shall have all the rights, remedies and acceleration privileges with respect to repossession, retention and sale of the collateral and disposition of the proceeds as are accorded by the applicable section of the Uniform Commercial Code respecting "Default". |
| Assembling Collateral | Upon any default and upon demand, Borrower shall assemble the collateral and make it available to the Secured Party at the place and at the time designated in the demand. |
| Attorneys' Fees, etc. and other expenses | Upon any default, the Secured Party's reasonable attorney's fees and the legal expenses for pursuing, searching for, receiving, taking, keeping, storing, advertising, and selling the collateral shall be chargeable to the Borrower. |
| Deficiency | The Borrower shall remain liable for any deficiency resulting from a sale of the collateral and shall pay any such deficiency forthwith on demand. |
| Moneys Advanced | If the Borrower shall default in the performance of any of the provisions of this agreement on the Borrower's part to be performed, Secured Party may perform same for the Borrower's account and any moneys expended in so doing shall be chargeable with interest to the Borrower and added to the indebtedness secured hereby. |
| Captions | 2g The Captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this agreement nor the intent of any provision thereof. |

The terms, warranties and agreements herein contained shall bind and inure to the benefit of the respective parties hereto, and their respective legal representatives, successors and assigns.

The gender and number used in this agreement are used as a reference term only and shall apply with the same effect whether the parties are of the masculine or feminine gender, corporate or other form, and the singular shall likewise include the plural.

IN WITNESS WHEREOF, the Parties have respectively signed and sealed these presents the day and year first above written.

SCHEDULE A

A security interest in all machinery, equipment, inventory and accounts receivable located at
[REDACTED] NY [REDACTED]