

BORROWER NAME AND ADDRESS	LENDER NAME AND ADDRESS	LOAN DESCRIPTION
	Capital Resources, LLC 7960 W. 135th Street, Suite 200 Overland Park, KS 66223	Number _____ Amount \$ _____ Date _____

Refer to the attached Signature Addendum, incorporated herein, for additional Borrowers and their signatures.

**COMMERCIAL LOAN AGREEMENT**

**LOAN STRUCTURE.** This Commercial Loan Agreement (Agreement) contemplates  a single advance term Loan  a multiple advance draw Loan  a revolving multiple advance draw Loan. The principal balance will not exceed \$ \_\_\_\_\_. Borrower will pay down a revolving draw Loan's outstanding Principal to \$ \_\_\_\_\_ (Pay Down Balance) \_\_\_\_\_ (Time Period). This Loan is for  agricultural  business purposes.

Borrower may not voluntarily prepay the Loan in full at any time.  Borrower may prepay the Loan under the following terms and conditions (Any partial prepayment will not excuse any later scheduled payments until the Loan is paid in full.): See Addendum to Commercial Loan Agreement dated \_\_\_\_\_, 2018.

**LATE CHARGES.** If a payment is made more than 3 days after it is due, Borrower will pay a late charge of 5.000% of the late amount of principal and interest with a min of \$50.00

**FEES.** Borrower agrees to pay the following fees in connection with this Loan at closing or as otherwise requested by Lender: See Borrower Loan Settlement Statement dated \_\_\_\_\_, 2018.

**REQUESTS FOR ADVANCES.** Borrower authorizes Lender to honor a request for an advance from Borrower or any person authorized by Borrower. The requests for an advance must be in writing, by telephone, or any other manner agreed upon by Borrower and Lender, and must specify the requested amount and date and be accompanied with any agreements, documents, and instruments that Lender requires for the Loan. Lender will make same day advances, on any day that Lender is open for business, when the request is received before \_\_\_\_\_ (Advance Cut-Off Time). Lender will disburse the advance into Borrower's demand deposit account (if any), account number \_\_\_\_\_, or in any other agreed upon manner. All advances will be made in United States dollars.

- These requests must be made by at least \_\_\_\_\_ (Number Required To Draw) persons, acting together, of those persons authorized to act on Borrower's behalf.
- Advances will be made in the amount of at least \$ \_\_\_\_\_ (Minimum Amount Of Advance).
- Advances will be made no more frequently than \_\_\_\_\_ (Minimum Frequency Of Advance).
- Discretionary Advances.** Lender will make all Loan advances at Lender's sole discretion.
- Obligatory Advances.** Lender will make all Loan advances subject to this Agreement's terms and conditions.

**FINANCIAL INFORMATION.** Borrower will prepare and maintain Borrower's financial records using consistently applied generally accepted accounting principles then in effect. Borrower will provide Lender with financial information in a form acceptable to Lender and under the following terms.

**A. Frequency.** Annually, Borrower will provide to Lender Borrower's financial statements, tax returns, annual internal audit reports or those prepared by independent accountants within \_\_\_\_\_ days after the close of each fiscal year. Any annual financial statements that Borrower provides will be  audited statements.  reviewed statements.  compiled statements.

Borrower will provide Lender with interim financial reports on a \_\_\_\_\_ (Monthly, Quarterly) basis, and within \_\_\_\_\_ days after the close of this business period. Interim financial statements will be  audited  reviewed  compiled statements.

**B. Requested Information.** Borrower will provide Lender with any other information about Borrower's operations, financial affairs and condition within 10 days after Lender's request.

**C. Leverage Ratio.** Borrower will maintain at all times a ratio of total liabilities to tangible net worth, determined under consistently applied generally accepted accounting principles, of \_\_\_\_\_ (Total Liabilities to Tangible Net Worth Ratio) or less.

**D. Minimum Tangible Net Worth.** Borrower will maintain at all times a total tangible net worth, determined under consistently applied generally accepted accounting principles, of \$ \_\_\_\_\_ (Minimum Tangible Net Worth) or more. Tangible net worth is the amount by which total assets exceed total liabilities. For determining tangible net worth, total assets will exclude all intangible assets, including without limitation goodwill, patents, trademarks, trade names, copyrights, and franchises, and will also exclude any accounts receivable that do not provide for a repayment schedule.

**E. Minimum Current Ratio.** Borrower will maintain at all times a ratio of current assets to current liabilities, determined under consistently applied generally accepted accounting principles, of \_\_\_\_\_ (Minimum Current Ratio) or more.

**F. Minimum Working Capital.** Borrower will maintain at all times a working capital, determined under consistently applied generally accepted accounting principles by subtracting current liabilities from current assets, of \$ \_\_\_\_\_ (Minimum Working Capital) or more. For this determination, current assets exclude \_\_\_\_\_ (Excluded Current Assets). Likewise, current liabilities include (1) all obligations payable on demand or within one year after the date on which the determination is made, and (2) final maturities and sinking fund payments required to be made within one year after the date on which the determination is made, but exclude all liabilities or obligations that Borrower may renew or extend to a date more than one year from the date of this determination.

**ATTACHMENTS.** The following documents are incorporated by reference into this Agreement:  Asset Based Financing Agreement addendum dated \_\_\_\_\_  Commercial Security Agreement addendum dated \_\_\_\_\_  Other Addendum to Comm Loan Agmt

**ADDITIONAL TERMS:** e Addendum to Commercial Loan Agreement dated \_\_\_\_\_, 2018.

**DEFINITIONS.** In this Agreement, the following terms have the following meanings.

**Accounting Terms.** Accounting terms that are not specifically defined will have their customary meanings under consistently applied generally accepted accounting principles.

**Loan.** Loan refers to all advances made under the terms of this Agreement.

**Loan Documents.** Loan Documents include this Agreement and all documents prepared pursuant to the terms of this Agreement including all present and future promissory notes (Notes), security instruments, guaranties, and supporting documentation as modified, amended or supplemented.

**Property.** Property is any collateral, real, personal or intangible, that secures Borrower's performance of the obligations of this Agreement.

**ADVANCES.** To the extent permitted by law, Borrower will indemnify Lender and hold Lender harmless for reliance on any request for advance that Lender reasonably believes to be genuine. Lender's records are conclusive evidence as to the number and amount of advances and the Loan's unpaid principal and interest. If any advance results in an overadvance (when the total amount of the Loan exceeds the principal balance) Borrower will pay the overadvance, as requested by Lender. Regarding Borrower's demand deposit account(s) with Lender, Lender may, at its option, consider presentation for payment of a check or other charge exceeding available funds as a request for an advance under this Agreement. Any such payment by Lender will constitute an advance on the Loan.

**CONDITIONS.** Borrower will satisfy all of the following conditions before Lender makes any advances under this Agreement. If this Agreement provides for discretionary advances, satisfaction of these conditions does not commit Lender to making advances.

**No Default.** There has not been a default under the Loan Documents nor would a default result from making the advance.

**Information.** Borrower has provided all required documents, information, certifications and warranties, all properly executed on forms acceptable to Lender.

**Inspections.** Borrower has accommodated, to Lender's satisfaction, all inspections. **Conditions and Covenants.** Borrower has performed and complied with all conditions required for an advance and all covenants in the Loan Documents.

**Warranties and Representations.** The warranties and representations contained in this Agreement are true and correct at the time of making the advance.

**Financial Statements.** Borrower's most recently delivered financial statements and reports are current, complete, true and accurate in all material respects and fairly represent Borrower's financial condition.

**Bankruptcy Proceedings.** No proceeding under the United States Bankruptcy Code has been commenced by or against Borrower or any of Borrower's affiliates.

**WARRANTIES AND REPRESENTATIONS.** Borrower makes these warranties and representations which will continue as long as this Agreement is in effect.

**Power.** Borrower is duly organized, validly existing and in good standing in all jurisdictions in which Borrower operates. Borrower has the power and authority to enter into this transaction and to carry on its business or activity as it is now being conducted. All persons who are required by applicable law and the governing documents of Borrower have executed and delivered to Lender this Agreement and other Loan Documents.

**Authority.** The execution, delivery and performance of this Agreement and the obligation evidenced by the Loan Documents are within Borrower's duly authorized powers, has received all necessary governmental approval, will not violate any provision of law or order of court or governmental agency, and will not violate any agreement to which Borrower is a party or to which Borrower or Borrower's property is subject.

**Name and Place of Business.** Other than previously disclosed in writing to Lender, Borrower has not changed its name or principal place of business within the last ten years and has not used any other trade or fictitious name. Without Lender's prior written consent, Borrower will not use any other name and will preserve Borrower's existing name, trade names and franchises.

**No Other Liens.** Borrower owns or leases all property that is required for its business and except as disclosed, the property is free and clear of all liens, security interests, encumbrances and other adverse interests.

**Compliance With Laws.** Borrower is not violating any laws, regulations, rules, orders, judgments or decrees applicable to Borrower or its property, except as disclosed to Lender.

**Financial Statements.** Borrower represents and warrants that all financial statements Borrower provides fairly represent Borrower's financial condition for the stated periods, are current, complete, true and accurate in all material respects, include all direct or contingent liabilities, and that there has been no material adverse change in Borrower's financial condition, operations or business since the date the financial information was prepared.

**COVENANTS.** Until the Loan and all related debts, liabilities and obligations under the Loan Documents are paid and discharged, Borrower will comply with the following terms, unless Lender waives compliance in writing.

**Inspection and Disclosure.** Borrower will allow Lender or its agents to enter any of Borrower's premises during mutually agreed upon times, to do the following: (1) inspect, audit, review and obtain copies from Borrower's books, records, orders, receipts, and other business related data; (2) discuss Borrower's finances and business with anyone who claims to be Borrower's creditor; (3) inspect Borrower's Property, audit for the use and disposition of the Property's proceeds; or do whatever Lender decides is necessary to preserve and protect the Property and Lender's interest in the Property. As long as this Agreement is in effect, Borrower will direct all of Borrower's accountants and auditors to permit Lender to examine and make copies of Borrower's records in their possession, and to disclose to Lender any other information that they know about Borrower's financial condition and business operations. Lender may provide Lender's regulator with required information about Borrower's financial condition, operation and business or that of Borrower's parent, subsidiaries or affiliates.

**Business Requirements.** Borrower will preserve and maintain its present existence and good standing in jurisdictions where Borrower is organized and operates. Borrower will continue its business or activities as presently conducted, by obtaining licenses, permits and bonds where needed. Borrower will obtain Lender's prior written consent before ceasing business or engaging in any line of business that is materially different from its present business.

**Compliance with Laws.** Borrower will not violate any laws, regulations, rules, orders, judgments or decrees applicable to Borrower or Borrower's property, except for those which Borrower challenges in good faith through proper proceedings after providing adequate reserves to fully pay the claim and its appeal should Borrower lose. On request, Borrower will provide Lender with written evidence that Borrower has fully and timely paid taxes, assessments and other governmental charges levied or imposed on Borrower and its income, profits and property. Borrower will adequately provide for the payment of taxes, assessments and other charges that have accrued but are not yet due and payable.

**New Organizations.** Borrower will obtain Lender's written consent before organizing, merging into, or consolidating with an entity; acquiring all or substantially all of the assets of another; or materially changing legal structure, management, ownership or financial condition; or effecting or entering into a domestication, conversion or interest exchange.

**Other Liabilities.** Borrower will not incur, assume or permit any debt evidenced by notes, bonds or similar obligations except debt in existence on the date of this Agreement and fully disclosed to Lender; debt subordinated in payment to Lender on terms acceptable to Lender; accounts payable incurred in the ordinary course of business and paid under customary trade terms or contested in good faith with reserves satisfactory to Lender; or as otherwise agreed to by Lender.

**Notice.** Borrower will promptly notify Lender of any material change in financial condition, a default under the Loan Documents, or a default under any agreement with a third party which materially and adversely affects Borrower's property, operations or financial condition.

**Dispose of No Assets.** Without Lender's prior written consent, Borrower will not sell, lease, assign, or otherwise distribute all or substantially all of its assets.

**Insurance.** Borrower will obtain and maintain insurance with insurers in amounts and coverages that are acceptable to Lender and customary with industry practice. This may include without limitation credit insurance, insurance policies for public liability, fire, hazard and extended risk, workers compensation, and, at Lender's request, business interruption and/or rent loss insurance. Borrower may obtain insurance from anyone Borrower wants that is acceptable to Lender. Borrower's choice of insurance provider will not affect the credit decision or interest rate. At Lender's request, Borrower will deliver to Lender certified copies of all of these insurance policies, binders or certificates. Borrower will obtain and maintain a mortgagee or loss payee endorsement for Lender when these endorsements are available. Borrower will require all insurance policies to provide at least 10 days prior written notice to Lender of cancellation or modification. Borrower consents to Lender using or disclosing information relative to any contract of insurance required for the Loan for the purpose of replacing this insurance. Borrower also authorizes its insurer and Lender to exchange all relevant information related to any contract of insurance executed as required by any Loan Documents.

**Property Maintenance.** Borrower will keep property that is necessary or useful in its business in good working condition by making all needed repairs, replacements and improvements and by making payments due on the property.

**DEFAULT.** If the Loan is payable on demand, Lender may demand payment at any time whether or not any of the following events have occurred. Borrower will be in default if any one or more of the following occur. (1) Borrower fails to make a payment in full when due. (2) Borrower makes an assignment for the benefit of creditors or becomes insolvent, either because Borrower's liabilities exceed its assets or Borrower is unable to pay debts as they become due; or Borrower petitions for protection under any bankruptcy, insolvency or debtor relief laws, or is the subject of such a petition or action and fails to have the petition or action dismissed within a reasonable period of time. (3) Borrower fails to perform any condition or to keep any promise or covenant on this Agreement or any debt or agreement Borrower has with Lender. (4) A default occurs under the terms of any instrument evidencing or pertaining to this Agreement. (5) If Borrower is a producer of crops, Borrower fails to plant, cultivate and harvest crops in due season. (6) Any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce or to make possible the production of an agricultural commodity, as further explained by federal law. (7) Anything else happens that either significantly impairs the value of the Property or, unless controlled by the New Jersey Banking Law, causes Lender to reasonably believe that Lender will have difficulty collecting the Loan.

**REMEDIES.** After Borrower defaults, and after Lender gives any legally required notice and opportunity to cure, Lender may at its option use any and all remedies Lender has under state or federal law or in any of the Loan Documents, including, but not limited to, terminating any commitment or obligation to make additional advances or making all or any part of the amount owing immediately due. Lender may set-off any amount due and payable under the terms of the Loan against Borrower's right to receive money from Lender, unless prohibited by applicable law. Except as otherwise required by law, by choosing any one or more of these remedies Lender does not give up Lender's right to use any other remedy. Lender does not waive a default if Lender chooses not to use a remedy, and may later use any remedies if the default continues or occurs again.

**COLLECTION EXPENSES AND ATTORNEYS' FEES.** To the extent permitted by law, Borrower agrees to pay all expenses of collection, enforcement and protection of Lender's rights and remedies under this Agreement. Expenses include, but are not limited to, reasonable attorneys' fees including attorney fees as permitted by the United States Bankruptcy Code, court costs and other legal expenses. These expenses will bear interest from the date of payment until paid in full at the contract interest rate then in effect for the Loan. FL: Attorneys' fees will be 10 percent of the principal sum due or a larger amount as the court judges as reasonable and just. GA: Attorneys' fees will be 15 percent of the principal and interest owing.

**GENERAL PROVISIONS.** This Agreement is governed by the laws of the jurisdiction where Lender is located, the United States of America and to the extent required, by the laws of the jurisdiction where the Property is located.

**Joint And Individual Liability And Successors.** Each Borrower, individually, has the duty of fully performing the obligations on the Loan. Lender can sue all or any of the Borrowers upon breach of performance. The duties and benefits of this Loan will bind and benefit the successors and assigns of Borrower and Lender.

**Amendment, Integration And Severability.** The Loan Documents may not be amended or modified by oral agreement. Borrower agrees that any party signing this Agreement as Borrower is authorized to modify the terms of the Loan Documents. Borrower agrees that Lender may inform any party who guarantees this Loan of any Loan accommodations, renewals, extensions, modification, substitutions, or future advances. The Loan Documents are the complete and final expression of the understanding between Borrower and Lender. If any provision of the Loan Documents is unenforceable, then the unenforceable provision will be severed and the remaining provisions will be enforceable.

**Waivers And Consent.** Borrower, to the extent permitted by law, consents to certain actions Lender may take, and generally waives defenses that may be available based on these actions or based on the status of a party to the Loan. Lender may renew or extend payments on the Loan. Lender may release any borrower, endorser, guarantor, surety, or any other co-signer. Lender may release, substitute, or impair any Property securing the Loan. Lender's course of dealing, or Lender's forbearance from, or delay in, the exercise of any of Lender's rights, remedies, privileges, or right to insist upon Borrower's strict performance of any provisions contained in the Loan Documents, will not be construed as a waiver by Lender, unless the waiver is in writing and signed by Lender. Lender may participate or syndicate the Loan and share any information that Lender decides is necessary about Borrower and the Loan with the other participants.

**Interpretation.** Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Agreement. Unless otherwise indicated, the terms of this Agreement shall be construed in accordance with the Uniform Commercial Code.

**Notice.** Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in this Agreement, or to any other address designated in writing. Notice to one party will be deemed to be notice to all parties. Time is of the essence.

**ORAL OR UNEXECUTED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE, REGARDLESS OF THE LEGAL THEORY UPON WHICH IT IS BASED THAT IS IN ANY WAY RELATED TO THE CREDIT AGREEMENT. TO PROTECT YOU (BORROWER(S)) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT. BY SIGNING THIS AGREEMENT, THE PARTIES AFFIRM THAT NO UNWRITTEN ORAL AGREEMENT EXISTS BETWEEN THEM.**

**SIGNATURES.** By signing under seal, I agree to all the terms and conditions beginning on page 1 through the bottom of page 3 of this Agreement. Borrower also acknowledges receipt of a copy of this Agreement.

**BORROWER:**

\_\_\_\_\_  
Entity Name

\_\_\_\_\_  
Signature Date (Seal)

\_\_\_\_\_  
Signature Date (Seal)  
(Seal)

\_\_\_\_\_  
Signature Date (Seal)

\_\_\_\_\_  
Signature Date (Seal)  
(Seal)

**LENDER:**

**Capital Resources, LLC**  
\_\_\_\_\_  
Entity Name

\_\_\_\_\_  
Signature James McKernan, Chief Operating Officer Date (Seal)

## ADDENDUM TO COMMERCIAL LOAN AGREEMENT

This Addendum made this \_\_\_ day of \_\_\_\_\_, 2018, is made to and a part of the Commercial Loan Agreement (the "Agreement"), executed simultaneous herewith, by and between \_\_\_\_\_, Individually ("Borrower") and Capital Resources, LLC ("Lender").

Now for good and valuable consideration the receipt and sufficiency of which are acknowledged, it is agreed as follows:

1. **LOAN PROCEEDS.** Borrower warrants, represents and agrees that the proceeds of the Loan shall be used solely for legitimate business purposes and more specifically, the purposes and in such amounts as set forth in the Borrower Loan Settlement Statement of even date hereof, incorporated herein and made a part hereof by this reference. Borrower agrees that it shall provide to Lender, within ten (10) days of such request, any documentation requested by Lender to verify the use of Loan Proceeds.

2. **R3001 AGREEMENT/ALLSTATE INSURANCE COMPANY.** Borrower represents and warrants that as of the date hereof, Borrower has signed a R3001 (S or C, depending upon Borrower's status with Allstate Insurance Company ("Insurance Company")). Borrower represents, warrants and agrees that Borrower will not terminate or allow cause for Insurance Company to terminate its R3001 Agreement with Insurance Company. Borrower hereby represents and warrants to Lender that, as of the date of this Agreement: Borrower is in full compliance with the R3001 Agreement with Insurance Company; Borrower is not in default under the R3001 Agreement; and, there are no defaults or unmatured events of default or events which with the passage of time will become defaults under the R3001 Agreement. Borrower further represents and warrants to Lender that Borrower: shall maintain full compliance with said R3001 Agreement; shall not cause or allow any default or event of default thereunder; shall maintain said R3001 Agreement in full force and effect until all liabilities of Borrower to Lender are paid in full; shall not sell, transfer, convey or otherwise encumber said R3001 Agreement or the Economic Interests (as such term is defined in the R3001 Agreement) derived thereunder and, shall not permit any condition to exist or engage in, or permit to exist or occur, any condition, event or transaction in connection with said R3001 Agreement which might constitute grounds for Insurance Company to terminate said Agreement. Borrower represents and warrants that the R3001 Agreement and Borrower's Economic Interests derived thereunder and any other collateral pledged by Borrower pursuant to any security agreement is free and clear and otherwise not encumbered as of the date hereof and that Lender will secure a first position in any and all collateral pledged by Borrower to Lender. Borrower further represents and warrants that it will not modify the named agent and/or the agency location, as they appear on the R3001 Agreement with Insurance Company as of the Closing Date of the Loan, without the prior written consent of Lender.

3. **AGENCY RECORDS, AGENCY TAX RETURNS, REPORTS AND OTHER INFORMATION.** From the date of this Agreement and thereafter until all liabilities of Borrower to Lender are paid in full, Borrower covenants and agrees that it shall provide Lender with certain records, tax returns, DASH Business Metrics Reports, Commission Payment Notification Reports (each as defined hereinafter) and other information on a quarterly, annual or demand basis, in accordance with the following:

(A) **DASH BUSINESS METRICS REPORTS.** Borrower agrees that it will, (i) on a quarterly and annual basis, and (ii) otherwise upon Lender's request and within ten (10) days of such request, furnish to Lender a copy of Borrower's DASH Business Metrics Report ("DASH Report") from Insurance Company and warrants and represents, as of the date printed on such DASH Report, the accuracy and veracity of said DASH Report. In the event Insurance Company ceases to prepare DASH Reports, Borrower shall furnish to Lender any replacement report generated by Insurance Company or other information and/or reports as requested by Lender.

(B) **COMMISSION PAYMENT NOTIFICATION REPORTS.** Borrower agrees that it will, (i) on a quarterly and annual basis, and (ii) otherwise upon Lender's request and within ten (10) days of such request, furnish to Lender a copy of Borrower's Commission Payment Notification Report ("CPN Report") from Insurance Company and warrants and represents, as of the date printed on such CPN Report, the accuracy and veracity of said CPN Report. In the event Insurance Company ceases to prepare CPN Reports, Borrower shall furnish to Lender any replacement report generated by Insurance Company or other information and/or reports as requested by Lender.

(C) **AGENCY TAX RETURNS AND FINANCIAL STATEMENTS.** Borrower agrees that it will, on an annual basis by April 30 of each year, provide to Lender (i) a copy of Borrower's complete tax returns, including all schedules thereto and (ii) fiscal year end financial statements, including a balance sheet for R3001C borrowers, a statement of net worth for individual borrowers and an income statement or profit/loss statement for all borrowers. In the event Borrower has not filed its agency tax returns on or before April 30 of each year, Borrower shall submit to Lender a Notice of Extension filed with the Internal Revenue Service ("IRS") upon filing with the IRS or upon request from Lender. Borrower, in any event, shall provide Lender a copy of Borrower's complete tax returns, including all schedules thereto upon completion by Borrower or Borrower's appointed representative and filing with the IRS, but in no case later than the IRS filing deadline of each year, unless otherwise agreed to in writing by Lender.

(D) In addition to the information set forth in subparagraphs (A) through (C) above, Lender may at its discretion ask for production reports, third party company commission statements, other commission verification or similar information, records or data indicating the Borrower's current or past commission volume or revenues and/or other information regarding Borrower deemed relevant by Lender in its sole discretions; such information, reports or statements shall be provided by Borrower to Lender within 10 days of Lender's request.

4. COMMISSION PAYMENT AGREEMENT; ASSIGNMENT OF COMMISSIONS. Borrower shall at all times, so long as any indebtedness exists from Borrower to Lender, maintain an Assignment of Commission Notice and Commission Payment Agreement (hereinafter collectively "Commission Agreements") with Insurance Company that instruct Insurance Company to direct a monthly payment directly to Lender in an amount and on the dates as reflected in the Commission Agreements. Borrower shall not terminate, close, transfer, change or restrict the Commission Agreements without Lender's prior written approval.

(A) START UP FEE & COMMISSION AGREEMENTS MODIFICATION. Borrower shall be responsible for the Start Up Fee required by Insurance Company to establish the Commission Agreements with Insurance Company. In the event that Lender determines, for any reason, that the Commission Agreements with Insurance Company require modification (such as, but not limited to, a change in monthly payment in accordance with the Promissory Note or other Loan Document), the Borrower acknowledges and agrees that it shall be solely responsible for any additional fees required to modify the Commission Agreements with the Insurance Company. Borrower acknowledges and agrees that Lender shall account for any additional fees through application of Borrower's monthly payment to Lender being applied first, to such fees/expenses, second to accrued interest and finally to principal, in accordance with the terms and conditions of the Loan Documents. Borrower further agrees to execute any and all documentation or paperwork required by the Insurance Company and/or Lender to cause the necessary modifications and maintain the Commission Agreements.

(B) PAYMENT DEFICIENCY. In the event that the payment forwarded by the Insurance Company in accordance with the Commission Agreements is not sufficient to satisfy Borrower's outstanding monthly obligation under the Promissory Note or Loan Documents, Borrower authorizes Lender to debit the Borrower's Operating Account in an amount calculated by Lender to cure the deficiency (including all associated late charges and penalties). Lender's authorization to debit the Borrower's Operating Account shall be exhibited by the Authorization for Collection of Loan Payments incorporated into the Loan Documents, Etc. and executed simultaneously herewith.

(C) Borrower hereby grants Lender a lien on, and first priority security interest in, Borrower's Operating Account and all proceeds at any time therein to secure all of Borrower's obligations, liabilities and indebtedness to Lender, and Borrower further agrees to promptly execute and deliver to Lender such agreements and to take such action as Lender may from time to time require to evidence such lien and first priority security interest and upon occurrence of any uncured breach hereof by Borrower to instruct the Operating Account Depository that upon notice by Lender, the Operating Account Depository shall deny Borrower any further access to such Borrower's Operating Account and transfer all monies therein on a daily basis to such account or accounts to Lender as Lender may require in its sole and absolute discretion, all as may be permitted by applicable law and by the Loan Documents.

5. SALE OF ECONOMIC INTERESTS IN BOOK OF BUSINESS. Borrower shall not sell, transfer or otherwise convey any of the Collateral, including without limitation its "Economic Interests in the Allstate Book of Business," any other assets, rights or interests granted by the R3001 or any other assets pledged to Lender without Lender's prior written consent. In the event that Borrower wishes to sell all or any portion of the Collateral, Borrower's Economic Interests in its Allstate Book of Business (as such terms are hereinafter defined), other customer accounts, other agency assets and/or any other assets pledged to Lender, Borrower shall provide to Lender ninety (90) days advance written notice of said sale with a copy of the proposed sale contract with a written request for Lender's approval of such transaction. Lender may approve or disapprove such transaction in its sole discretion. "Economic Interests in Allstate Book of Business" shall be defined hereunder as Borrower's primary interest in and under Borrower's R3001 Agreement with Insurance Company, the policies in Borrower's account under that agreement, the right to new and renewal commissions for said policies, any other policies in Borrower's account not subject to Borrower's R3001 Agreement, the right to new and renewal commission for said policies and Borrower's customer list and policy information for all such customers.

6. CONSENT TO LOAN PARTICIPATION SALES, ETC. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of the Loan, including without limitation: Lender's sale or transfer of Borrower's loan or Lender's sale or transfer of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of the Loan and/or sale of participation interests in the Loan and all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of the Loan or purchasers of any participation interests may or will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of the Loan or participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of the Loan or a participation interest in such Loan and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of the Loan or any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

7. COLLATERAL. The word "Collateral" means all property and assets granted as collateral security to Lender for Borrower's Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract,

lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise. Collateral shall include, but not be limited to:

A) All of Borrower's personal property, whether tangible or intangible, and all of Borrower's interest in property and fixtures, now owned or existing or hereafter acquired and wherever located, including without limitation, the following: (i) all furniture, inventory, machinery, equipment, goods and supplies; (ii) all accounts, including without limitation, the Borrower's Operating Account, the agent's account and customer accounts; (iii) all instruments, documents (including, without limitation, the customer files) policies and certificates of insurance, money, chattel paper, investment property, deposits, warehouse receipts and things in action; (iv) all general intangibles and rights to payment or proceeds of any kind, including without limitation, rights to insurance proceeds and letter of credit proceeds; (v) all contract rights and interests of any kind, including without limitation, the rights and interests set forth in the R3001 Agreement with Allstate to the extent Borrower can assign such rights; and (vi) the Book of Business;

B) Any and all telephone numbers, rights to the lease of office space, post office boxes or other mailing addresses, rights to trademarks and use of trade names, rights to software licenses, and rents received by Borrower for the lease of office space;

C) All deposit accounts, disbursement accounts, accounts receivable, commission receivables, economic interest of Borrower and any and all termination payments due to Borrower (as that term is defined in the Allstate R3001 Exclusive Agency Agreement executed by Borrower with Allstate Insurance Company) whether now in existence or hereafter coming into existence, all chattel paper, contract rights, instruments documents, general intangibles, inventory and goods in process of Borrower, whether now in existence or owned or hereafter coming into existence or acquired, wherever located, and all returned goods, and repossessions and replacements thereof;

D) Commissions payable to Borrower and any assignment thereof;

E) A primary or first Security Interest and Collateral Assignment of Termination Payments and Economic Interest;

F) Any and all life insurance proceeds and cash value and any Assignment of Life Insurance; and,

G) any and all additions, attachments, parts, repairs, accessories, accessions, replacements and substitutions to or for any of the foregoing and any proceeds and products of the above property, whether now owned or hereinafter acquired.

8. **INTEREST RATE/PAYMENT ADJUSTMENT.** In the event Borrower's loan is subject to interest rate adjustments during the term of the Loan, Borrower's payment shall change at such times as the interest rates change to ensure payment of Borrower's entire indebtedness to Lender at maturity.

9. **ASSIGNMENT OF LIFE INSURANCE POLICY AS COLLATERAL.** Borrower shall assign to Lender, without reservation, a valid, in-force life insurance policy equal to or greater than Borrower's entire indebtedness to Lender as of the closing date as additional collateral for the loan. Borrower shall, within 45 days of the closing date of the loan, provide Lender with the declaration page evidencing a valid, in-force life insurance policy. Borrower further agrees that it shall cooperate fully with Lender and provide any additional documentation or assistance the Lender requires to complete the assignment of life insurance policy. Borrower shall be solely responsible for the completion and verification to Lender of an assignment of life insurance policy as additional collateral until such time as Lender received proper documentation from the issuer of Borrower's life insurance policy. Borrower shall be solely responsible for any policy premiums and other charges due the insurance company issuing such policy. The life insurance policy pledged by Borrower shall not be revoked, amended, closed, changed, altered, moved, transferred or otherwise affected by Borrower without Lender's prior written consent. Borrower's un-insurability or inability to otherwise meet the terms and conditions of this paragraph 9 shall constitute an Event of Default as set forth in paragraph 10.

10. **DEFAULT.** In addition to the other events that may give rise to a default under the Agreement, Borrower will be in default if one or more of the following occur prior to Borrower's indefeasible payment in full of all obligations pursuant to the Loan Documents.

A) Borrower fails to fulfill or perform any term, condition or obligation set forth in any agreement between Borrower and Lender and/or executed by Borrower for the benefit of Lender ("Loan Document(s)"), including without limitations Borrower's failure to make payments when due in accordance with the terms of the Note or any other Loan Document; or, if any representation or warranty set forth in any Loan Document is not as represented or warranted by Borrower, or the breach by Borrower and/or any guarantor of any covenant set forth in this Agreement or any other Loan Document. For purposes hereof, Loan Document(s) shall include, without limitation, any promissory notes, loan agreements, security agreements, guaranties or any other document signed by Borrower simultaneously herewith or at any time while any indebtedness of Borrower is owed to Lender.

B) Borrower's failure to fulfill, perform or enforce any term, condition or obligation set forth in any agreement by Borrower to purchase agency assets that are related to or the subject of the Loan Documents;

C) the R3001 Agreement with Insurance Company is modified, terminated or primarily encumbered by Borrower, Insurance Company, or any third-party for any reason;

D) the debt service coverage ratio decreases to less than 1.25 to 1.00;

E) Borrower's insolvency, death or legal incapacitation; a guarantor's insolvency, death or legal incapacitation; or, the insolvency, death or legal incapacitation of a principal, officer or owner of Borrower or any guarantor of Borrower;

F) if, without Lender's prior written consent any of the shares, ownership and/or profit interests in Borrower or any guarantor of Borrower are transferred, diluted or further encumbered in any manner, including but not limited to, the issuance of new shares, assignment or gift of shares, certificates or interests, assignment or gift of shares or interests, the substitution of shares or interests, the hypothecation or pledge of shares or interests; OR if, without Lender's prior written consent the Economic Interests in Allstate Book of Business are transferred, diluted, sold or further encumbered in any manner, without Lender's prior written consent;

G) if, Borrower does not pay obligations associated with the agency assets or the operation of Borrower's agency in a timely manner and Lender, in its sole discretion, determines Borrower's delinquency will materially impair Lender's security interest;

H) Borrower's failure to timely provide the information set forth in paragraph 3 hereof;

I) Guarantor's failure to timely provide the information set forth in paragraph 3 hereof;

J) Borrower's failure to perform the obligations and duties of any contract relating to Borrower's business;

K) Borrower's or guarantor's failure to maintain itself in good standing with the Secretary of State (or equivalent entity) in the state in which the Collateral is located, any insurance department for any state in which it conducts business or any other regulatory or non-regulatory body governing or having authority over Borrower or guarantor;

L) Borrower's failure to secure, maintain, and assign to Lender the life insurance policy pledged as additional collateral as in-force;

M) Borrower fails to maintain errors and omissions, general liability and property contents coverages acceptable to Lender

N) The granting by Borrower of any additional security interests in the Collateral without the prior written consent of Lender;

O) Borrower fails to establish and maintain the Assignment of Commission Notice and Commission Payment Agreement as required under Section 4 of this Agreement;

P) If any material provision of any Loan Document shall for any reason cease to be valid, binding and enforceable in accordance with its terms (or either Borrower or any guarantor of Borrower shall challenge the enforceability of any Loan Documents or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms), or any security interest created under any Loan Document shall cease to be a valid and perfected first priority security interest (except as otherwise permitted herein) in any of the Collateral covered hereby or thereby; and/or

Q) Borrower fails to maintain, causes the revocation of and/or modifies the Limited Power of Attorney without the express written consent of Lender;

R) If at any time while Borrower still has obligations under the Loan Documents, Borrower's TPP decreases by more than five percent (5%) from the TPP at the inception of Borrower's loan;

S) Any other Event of Default contained or defined in any Loan Document;

A default by Borrower in performing under the terms of any other Loan Document or the occurrence of any default, Default or Event of Default under any other Loan Document shall constitute a default and Event of Default under the terms of this Agreement and under the terms of all other Loan Documents, and the occurrence of an Event of Default under this Agreement shall constitute a default, Default and Event of Default under all other Loan Documents.

11. REMEDIES UPON AND EFFECT OF DEFAULT. In addition to any remedy or right Lender has under any Loan Document, the Uniform Commercial Code or other law, and in addition to any effect of default set forth in any other Loan Document, the Uniform Commercial Code or other law, in the event Borrower fails to cure any monetary default within three (3) calendar days or any non monetary default within ten (10) calendar days, Lender at its discretion may enforce the following:

A) For a period of three (3) years after Borrower's default and failure to cure, Borrower shall not directly or indirectly solicit or write insurance policies for any of Borrower's customers and shall not directly or indirectly attempt to divert any of Borrower's customers from continuing to do business with Borrower's successor to the agency assets or operations. Borrower agrees that this prohibition is

reasonable and necessary and that the credit extended to Borrower is ample consideration for this restriction. Borrower understands that Borrower is not prohibited from working for any other company or in any particular line of work, but that this covenant not to solicit or divert only restricts the Borrower from writing insurance for or contacting in person, by telephone, by mail, or by any other means, those customers or potential customers he/she worked with while an agent operating the agency or agency assets comprising part of the Collateral.

B) Borrower shall enforce, for the continued benefit of Lender, all non solicitation agreements or non-compete agreements currently in force between Borrower and its owners, officers, directors, partners, independent contractors and employees.

C) Borrower shall elect the Termination Payment Plan if so instructed by Lender. If Borrower fails to elect the Termination Payment Plan within five (5) calendar days of Lender's instruction, Borrower authorizes Lender to notify Allstate Insurance Company directly and elect the Termination Payment Plan on Borrower's behalf in accordance with the rights and authority granted to Lender in the Limited Power of Attorney.

D) The interest rate on the unpaid principal balance during any default which remains uncured for a period in excess of any cure period set forth herein or in any other Loan Document shall be the greater of prime plus 10%, or 18% per annum or such other rate as applicable law may permit.

E) Borrower authorizes Lender to present, enforce and operate under the Limited Power of Attorney, upon failure to cure a default within the proper cure period, with any third party that Lender deems necessary to enforce its rights and remedies under the Loan Documents.

F) Any and all remedies available to Lender set forth in any Loan Document or available at law.

12. **WARRANTY OF INFORMATION.** Borrower and Guarantor each warrants and represents that there have been no material changes in Borrower's or Guarantor's financial status, including but not limited to income, available cash of Borrower and that the loan application and other documents delivered to Lender in connection therewith reflect Borrower's and Guarantor's current financial position. Moreover, Borrower and Guarantor each represents and warrants that there have been no other material changes in Borrower's circumstances, including but not limited to: change in control of Borrower (if Borrower is an entity); actual or pending cancellation or non renewal of policies which have not been disclosed to Lender; a material loss of business, or a loss of any large customer accounts; a material change in Borrower's, Guarantor's, Borrower's shareholders, members, principals, officers and/or directors health, financial circumstances, or family status; an adverse claim, proceeding, demand or action against Guarantor and/or Borrower or Borrower's business; insurance company changes in underwriting, organization, premiums or management which may have a material impact on Borrower or Borrower's business; regulatory changes which may have a material impact on Borrower or Borrower's business; or other changes in circumstances Lender may reasonably deem material to its decision to advance loan proceeds. Finally, Borrower and Guarantor each warrants and represents that they shall notify Lender immediately upon any change in Borrower's or Guarantor's status which may result in the impairment of Borrower's ability to perform any or all terms of any Loan Documents or which may materially impair Lender's security interest in the Collateral. Such material change in status shall include but is not limited to any of the foregoing, in addition to the actual or pending cancellation, termination or non renewal of Borrower's R3001 Agreement with Insurance Company. In the event of any such change in Borrower's or Guarantor's status, Borrower and Guarantor each agrees to cooperate fully with Lender to protect Lender's security interest in the Collateral.

13. **AGREEMENT WITH EMPLOYEES, INDEPENDENT CONTRACTORS, OWNERS, DIRECTORS, OFFICERS AND PRODUCERS.** Without Lender's prior written consent, Borrower shall not enter into any employment, producer or other agreement which purports to vest or transfer ownership of agency assets. Unless otherwise agreed by Lender in writing, Borrower further agrees that all owners, directors, officers, as well as all employees, independent contractors, producers or other such persons having insurance or other financial services licenses or authority, shall enter into written agreements with Borrower containing an acknowledgment of Lender's priority position in agency assets, and containing a covenant that such person, for a period of at least one (1) year following termination of such agreement, will not directly or indirectly solicit or write insurance policies for any of Borrower's customers and will not directly or indirectly attempt to divert any of Borrower's customers from continuing to do business with Borrower, its successors, assigns or designees. Borrower agrees that it shall enforce such provisions for its benefit and for the benefit of Lender. Borrower agrees to provide to Lender upon Lender's written request: copies of employment, producer or other such agreements pertaining to Borrower's business or operations; and, any employees', independent contractors', owners', directors', officers' and producers' acknowledgment of Lender's priority position in the agency assets and other property which are the subject of the Loan Documents or which secure the loan.

14. **AGREEMENT TO PURCHASE AGENCY ASSETS.** If Borrower is purchasing a Book of Business, Borrower shall not amend or waive any material term of any agreement to purchase agency assets and/or confidentiality and non-competition agreement ancillary thereto without the prior written consent of Lender. Further, Borrower shall enforce all material terms of such agreement, including but not limited to any agreement or covenant not to solicit or compete, for its benefit and for the benefit of Lender. Borrower represents and warrants that it has provided a true and accurate copy of the agreement to purchase agency assets and ancillary agreements which are related to or the subject of the Loan Documents. Borrower also warrants that such purchase agreement or ancillary agreement contains a covenant that the seller, for a period of at least two (2) years following closing of such agreement, will not directly or indirectly solicit or



write Policies for any of Borrower's customers and will not directly or indirectly attempt to divert any of Borrower's customers from continuing to do business with Borrower, its successors, assigns or designees.

15. **PROTECTION OF COLLATERAL.** If Lender confirms that the revenue of Borrower has materially declined when compared with the revenue of Borrower from prior months and Lender believes that such decline indicates a negative trend, Lender may require Borrower to enter into an agreement with a consultant approved by Lender pursuant to which Borrower agrees to conduct specified corrective activities each month and/or enter into an agreement pursuant to which a consultant approved by Lender analyzes Borrower's operations. Borrower acknowledges that if any such agreement is required, neither Lender nor Lender's approved consultant guarantees the efficacy of such arrangement in preserving or increasing the value of Borrower's assets. Furthermore, any rights exercised by Lender pursuant to this paragraph shall not be construed as a waiver by Lender of any other rights or remedies it may have pursuant to this Agreement or any other Loan Document or under applicable law or in equity. The cost of such consultant shall be paid by Borrower.

Borrower acknowledges and agrees that Lender shall be entitled to immediate reimbursement for any fees, costs or expenses that Lender incurs in connection with Borrower's loan to protect its collateral or interests for as long as Borrower maintains indebtedness with Lender. Lender shall be entitled to recover such fees, costs or expenses from Borrower's monthly assignment of commission payment. If Borrower's assignment of commission is insufficient to cover such fees, costs or expenses in conjunction with Borrower's monthly loan payment, Lender shall be entitled to initiate a wire or ACH transfer from Borrower's Operating account as identified in Borrower's Authorization for Collection of Loan Payment. In the event that Borrower's Operating account does not contain a balance sufficient to cover such fees, costs or expenses, Borrower shall be required to satisfy Lender's request for payment within three (3) calendar days of such request.

16. **PREPAYMENT PENALTY.** Any promissory note(s) executed by Borrower shall provide for a prepayment penalty equal to four percent (4.00%) of the amount prepaid for the life of Loan. Borrower may prepay an amount up to 20.00% ("Prepayment Allowance") per year without penalty; provided however, in the event of an entire prepayment of the loan, the applicable prepayment penalty shall apply to the entire outstanding balance of the loan without credit for any prepayment allowance.

17. **CONCURRENT PAYMENTS DURING TPP PAYOUT.** If at any time during Borrower's indebtedness to Lender, Borrower's Termination Payment Provision, as reported by the Insurance Company on a monthly basis, is less than Borrower's outstanding loan balance, including accrued and/or accruing interest, penalties, expenses or other charges contemplated by the Loan Documents, and if Borrower's TPP is elected, for any reason, whether by Borrower or by the Insurance Company, Borrower agrees to make concurrent monthly payments at a payment amount calculated by Lender, in its sole discretion, to ensure the repayment in full of Borrower's total indebtedness to Lender upon the receipt of the final TPP payment from Insurance Company.

18. **CONTINUANCE OF REPRESENTATIONS AND WARRANTIES.** Unless otherwise set forth in writing, or the context clearly requires otherwise, all representations and warranties made by Borrower shall survive the date of this Agreement until such time as all liabilities of Borrower to Lender have been paid in full.

19. **JOINT AND SEVERAL OBLIGATIONS.** All obligations and liabilities of Borrower under this Agreement and any other Loan Documents shall be the joint and several obligations of each entity or individual which constitutes the Borrower hereunder.

20. **LEGAL INTEREST LIMITATIONS.** It is the intent of Borrower and Lender to conform strictly to all applicable state and federal usury laws. All agreements between Borrower and Lender, whether now existing or hereafter arising and whether written or oral, are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of the maturity of the Loan or otherwise, shall the amount contracted for, charged or received by Lender for the use, forbearance, or detention of the money to be loaned under this Agreement or any other Loan Document or otherwise, or for the payment or performance of any covenant or obligation contained herein or in any other document evidencing, securing or pertaining to the indebtedness evidenced hereby which may be legally deemed to be for the use, forbearance or detention of money, exceed the maximum amount which Lender is legally entitled to contract for, charge or collect under applicable state or federal law. If from any circumstance whatsoever fulfillment of any provision hereof or of such other documents, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall be automatically reduced to the limit of such validity, and if from any such circumstance Lender shall ever receive as interest or otherwise an amount in excess of the maximum that can be legally collected, then such amount which would be excessive interest shall be applied to the reduction of the principal indebtedness of the Loan and any other amounts due with respect to the Loan evidenced by the Loan Documents, but not to the payment of interest; and if such amount which would be excessive interest exceeds the unpaid balance of principal of the Loan and all other non-interest indebtedness of Borrower to Lender shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full so that the amount of interest on account of such indebtedness does not exceed the maximum permitted by applicable law throughout the term thereof. The terms and provisions of this paragraph 19 shall control and supersede every other provision of all agreements between Borrower and Lender.

21. **GOVERNING LAW AND VENUE.** Notwithstanding any other provision of this Agreement or any other Loan Document, the Agreement and all Loan Documents shall be construed and governed by the laws of the State of Kansas except to the extent that the perfection of the interests in the Collateral is governed by the laws of a jurisdiction other than the State of Kansas or except to the extent

that the laws of a jurisdiction other than the State of Kansas are required to govern any enforcement or foreclosure action with respect to any of the Collateral. At the option of Lender, jurisdiction and venue for any dispute arising under or in relation to this Agreement will lie in either Johnson or Wyandotte County, Kansas or a U.S. District Court having jurisdiction over Kansas. In the event that an arbitration action, lawsuit, administrative proceeding or litigation is brought with respect to this Agreement, the prevailing party shall be entitled to be reimbursed for, and/or have judgment entered with respect to, all of its costs and expenses, including reasonable attorney's fees' and legal expenses.

22. **INTERPRETATION.** Provisions in the Loan Documents are intended to be cumulative. To the extent that any of the provisions of this Agreement conflict with any other provisions of this Agreement or those of any other Loan Document, the provision which provides Lender the most protection and grants Lender the greatest rights shall control. Likewise, if the provisions of any Loan Document conflict with those of any other Loan Document, the provision which provides Lender the most protection and grants Lender the greatest rights shall control.

23. **AMENDMENTS.** This Agreement and any of the Loan Documents, may not be modified, revised, altered, added to or extended in any manner, or superseded other than by an instrument in writing signed by all the parties thereto. No waiver of any provision hereof shall be effective unless agreed to in writing by all parties hereto. Any modification or waiver shall only be effective for the specific instance and for the specific purpose for which given.

24. **FAILURE TO ENFORCE NOT A WAIVER.** The failure by Lender to enforce any provision of this Agreement shall not be in any way be construed as a waiver of any such provision nor prevent Lender thereafter from enforcing each and every other provision of this Agreement.

25. **COUNTERPARTS.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and shall be binding upon any party executing the same and all of which together shall constitute one and the same instrument which shall represent the agreement of the parties hereto. This Agreement shall become effective when all parties hereto have executed a counterpart hereof or at such time as Lender distributes any proceeds of the Loan.

26. **INVALIDITY OR UNENFORCEABILITY.** The invalidity or unenforceability of any particular provision of this Agreement shall, at the option of Lender (i) be construed in all respects as if such invalid or unenforceable provisions were omitted; or (ii) not be stricken, but be reformed to the extent required to be enforceable under and comply with applicable law and as reformed shall be fully enforceable.

27. **BINDING EFFECT; CONSTRUCTION OF PROVISIONS.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, administrators, personal and legal representatives, successors and assigns; provided, however, Borrower may not assign it rights, duties or obligations under this Agreement (whether voluntarily, involuntarily or by operation of law) without the prior written consent of Lender, which consent may be granted or withheld in the sole and absolute discretion of Lender. As used in this Agreement, words of masculine, feminine or neuter gender shall mean and include the correlative words of the other genders, and words importing the singular number shall mean and include the plural number, and vice versa. As used in this Agreement, the terms "person," "Person" or "party" shall mean any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, institution, entity or government (whether Federal, state, county, city, municipal or otherwise, including, without limitation, an instrumentality, division, agency, body or department thereof). No inference in favor of, or against, any party shall be drawn from the fact that such party has drafted all or any portion of this Agreement or any other Loan Document.

28. **SURVIVAL.** This Agreement shall create and constitute the obligation of the parties hereto in accordance with its terms, and shall remain in full force and effect until all indebtedness of Borrower to Lender is paid in full. The provisions of **Paragraph 11** hereof shall be continuing and shall survive any termination of this Agreement.

29. **INTEGRATION.** This Agreement (including all exhibits and addenda hereto) together with the other Loan Documents contains the entire agreement between the parties hereto with respect to the subject matter hereof and shall supersede and take precedence over any and all prior agreements, arrangements or understandings between the parties relating to the subject matter hereof. No oral understandings, oral statements, oral promises or oral inducements exist. No representations, warranties, covenants or conditions, express or implied, whether by statute or otherwise, other than as set forth herein, have been made by the parties hereto. By signing below, Borrower and Lender affirm that no oral agreement between them exists.

30. **WAIVER OF MARSHALING OF ASSETS.** Borrower waives all rights to require any marshaling of Borrower's assets.

31. **COMMERCIAL LOAN.** Borrower and Lender agree that the credit extended hereunder represents a commercial loan and is not a consumer loan subject to the UCCC.

32. **ANTI-TERRORISM, ETC.** Borrower represents and warrants to Lender that Borrower, nor any guarantor of Borrower, nor any owner, member, affiliate, partner, director, officer or manager of Borrower and/or any guarantor of Borrower, nor any affiliate, parent, child or spouse of any individual (collectively for this paragraph "Borrower") supports terrorism, provides money or financial services to

terrorists, or is engaged in terrorism, is on the current U.S. government list of organizations that support terrorism, or has engaged in or been charged and/or convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes, and all are eligible under applicable U.S. immigration laws to be in the United States and perform the obligations set forth in this Agreement. Borrower further warrants and represents that Borrower is not identified by a government or legal authority as a person with whom Lender is prohibited from transacting business and that it will notify Lender in writing immediately of the occurrence of any even that renders the foregoing representation and warranties incorrect.

33. CONFIDENTIALITY. Borrower agrees that the contents of this Agreement and the Loan Documents, including but not limited to the interest rate and repayment terms of Borrower's indebtedness to Lender are proprietary and that Borrower will keep the terms and conditions of this Agreement and the negotiations and discussions leading up to this Agreement confidential except to the extent the Borrower needs to divulge such information to their accountants, attorneys, or other professionals as long as such professionals are required to maintain the confidentiality hereof.

34. SPECIFIC PERFORMANCE AND INJUNCTION: It is specifically provided and agreed that suit or claim for monetary damages is an inappropriate, insufficient and inadequate remedy against any person or entity who violates any of the covenants and agreements hereof and that such person or entity may be enjoined and required to specifically perform any and all acts required hereunder. Nothing herein contained nor any acts undertaken to compel specific performance by any person as foreshaid, nor any claims or suits for damages, nor any other remedy at law is intended to or shall be construed as a waiver or limitation of any person's or entity's rights to maintain any other action or remedy provided herein or at law.

Unless specifically amended hereby, all provisions, terms and conditions shall remain as set forth in the Agreement and any other Loan Document.

This Addendum is executed this \_\_\_ day of \_\_\_\_\_, 2018.

BORROWER:

LENDER:

\_\_\_\_\_  
By: \_\_\_\_\_  
Individually

\_\_\_\_\_  
By: James McKernan  
Title: Chief Operating Officer

#### AGREEMENT NOT TO SOLICIT

The undersigned individuals agree to and are bound by the covenants set forth in paragraph 11(a) herein and specifically acknowledge that the covenants contained in said paragraph are reasonable and necessary and that the undersigned has received ample consideration for the same.

\_\_\_\_\_  
\_\_\_\_\_, Individually

<b>BORROWER'S NAME AND ADDRESS</b> "I" includes each borrower above, jointly and severally.	<b>Capital Resources, LLC</b> 7960 W. 135th Street, Suite 200 Overland Park, KS 66223  <b>LENDER'S NAME AND ADDRESS</b> "You" means the lender, its successors and assigns.	Loan Number _____ Date _____ Maturity Date _____ Loan Amount \$ _____ Renewal Of <u>Not Applicable</u>
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For value received, I promise to pay to you, or your order, at your address listed above the **PRINCIPAL** sum of \_\_\_\_\_ Dollars \$ \_\_\_\_\_

- Single Advance:** I will receive all of this principal sum on \_\_\_\_\_. No additional advances are contemplated under this note.
- Multiple Advance:** The principal sum shown above is the maximum amount of principal I can borrow under this note. On \_\_\_\_\_ I will receive the amount of \$ \_\_\_\_\_ and future principal advances are contemplated.
- Conditions:** The conditions for future advances are \_\_\_\_\_

**Open End Credit:** You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on \_\_\_\_\_.

**Closed End Credit:** You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

**INTEREST:** I agree to pay interest on the outstanding principal balance from \_\_\_\_\_ at the rate of 0.000 % per year until \_\_\_\_\_.

**Variable Rate:** This rate may then change as stated below.

**Index Rate:** The future rate will be \_\_\_\_\_ the following index rate: \_\_\_\_\_

**No Index:** The future rate will not be subject to any internal or external index. It will be entirely in your control.

**Frequency and Timing:** The rate on this note may change as often as \_\_\_\_\_. A change in the interest rate will take effect \_\_\_\_\_.

**Limitations:** During the term of this loan, the applicable annual interest rate will not be more than \_\_\_\_\_ % or less than \_\_\_\_\_ %. The rate may not change more than \_\_\_\_\_ % each \_\_\_\_\_.

**Effect of Variable Rate:** A change in the interest rate will have the following effect on the payments:

The amount of each scheduled payment will change.  The amount of the final payment will change.

\_\_\_\_\_

**ACCRUAL METHOD:** Interest will be calculated on a \_\_\_\_\_ basis.

**POST MATURITY RATE:** I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:

on the same fixed or variable rate basis in effect before maturity (as indicated above).

at a rate equal to The greater of prime plus 10%, or 18% per annum or such other rate as applicable law may permit.

**LATE CHARGE:** If a payment is made more than 3 days after it is due, I agree to pay a late charge of 5.000% of the late amount of principal and interest with a min of \$50.00

**ADDITIONAL CHARGES:** In addition to interest, I agree to pay the following charges which  are  are not included in the principal amount above: \_\_\_\_\_

**PAYMENTS:** I agree to pay this note as follows:

**Interest:** I agree to pay accrued interest \_\_\_\_\_

**Principal:** I agree to pay the principal \_\_\_\_\_

**Installments:** I agree to pay this note in \_\_\_\_\_ payments. The first payment will be in the amount of \$ \_\_\_\_\_ and will be due \_\_\_\_\_. A payment of \$ \_\_\_\_\_ will be due \_\_\_\_\_ thereafter. The final payment of the entire unpaid balance of principal and interest will be due \_\_\_\_\_.

**ADDITIONAL TERMS:**

Subject to Commercial Loan Agreement of even date herewith. Subject to Commercial Security Agreement of even date herewith. Loan subject to a late payment penalty equal to 5% of the payment amount if payment is not received within 3 days of the payment due date. Loan subject to a default interest rate as set forth in the addendum to the Commercial Loan Agreement of even date herewith. Subject to Amendment to Note of even date herewith.

**SECURITY:** This note is separately secured by (describe separate document by type and date):  
 Commercial Security Agreement dated \_\_\_\_\_, 2018.

(This section is for your internal use. Failure to list a separate security document does not mean the agreement will not secure this note.)

**PURPOSE:** The purpose of this loan is Business

**SIGNATURES:** I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGE 2). I have received a copy on today's date.

Signature for Lender

James McKernan, Chief Operating Officer

**DEFINITIONS:** As used on page 1, "X" means the terms that apply to this loan. "I," "me" or "my" means each Borrower who signs this note and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this note (together referred to as "us"). "You" or "your" means the Lender and its successors and assigns.

**APPLICABLE LAW:** The law of the state in which you are located will govern this note. Any term of this note which is contrary to applicable law will not be effective, unless the law permits you and me to agree to such a variation. If any provision of this agreement cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this agreement. No modification of this agreement may be made without your express written consent. Time is of the essence in this agreement.

**COMMISSIONS OR OTHER REMUNERATION:** I understand and agree that any insurance premiums paid to insurance companies as part of this note will involve money retained by you or paid back to you as commissions or other remuneration.

In addition, I understand and agree that some other payments to third parties as part of this note may also involve money retained by you or paid back to you as commissions or other remuneration.

**PAYMENTS:** Each payment I make on this note will first reduce the amount I owe you for charges which are neither interest nor principal. The remainder of each payment will then reduce accrued unpaid interest, and then unpaid principal. If you and I agree to a different application of payments, we will describe our agreement on this note. I may prepay a part of, or the entire balance of this loan without penalty, unless we specify to the contrary on this note. Any partial prepayment will not excuse or reduce any later scheduled payment until this note is paid in full (unless, when I make the prepayment, you and I agree in writing to the contrary).

**INTEREST:** Interest accrues on the principal remaining unpaid from time to time, until paid in full. If I receive the principal in more than one advance, each advance will start to earn interest only when I receive the advance. The interest rate in effect on this note at any given time will apply to the entire principal advanced at that time. Notwithstanding anything to the contrary, I do not agree to pay and you do not intend to charge any rate of interest that is higher than the maximum rate of interest you could charge under applicable law for the extension of credit that is agreed to here (either before or after maturity). If any notice of interest accrual is sent and is in error, we mutually agree to correct it, and if you actually collect more interest than allowed by law and this agreement, you agree to refund it to me.

**INDEX RATE:** The index will serve only as a device for setting the rate on this note. You do not guarantee by selecting this index, or the margin, that the rate on this note will be the same rate you charge on any other loans or class of loans to me or other borrowers.

**ACCRUAL METHOD:** The amount of interest that I will pay on this loan will be calculated using the interest rate and accrual method stated on page 1 of this note. For the purpose of interest calculation, the accrual method will determine the number of days in a "year." If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

**POST MATURITY RATE:** For purposes of deciding when the "Post Maturity Rate" (shown on page 1) applies, the term "maturity" means the date of the last scheduled payment indicated on page 1 of this note or the date you accelerate payment on the note, whichever is earlier.

**SINGLE ADVANCE LOANS:** If this is a single advance loan, you and I expect that you will make only one advance of principal. However, you may add other amounts to the principal if you make any payments described in the "PAYMENTS BY LENDER" paragraph below.

**MULTIPLE ADVANCE LOANS:** If this is a multiple advance loan, you and I expect that you will make more than one advance of principal. If this is closed end credit, repaying a part of the principal will not entitle me to additional credit.

**PAYMENTS BY LENDER:** If you are authorized to pay, on my behalf, charges I am obligated to pay (such as property insurance premiums), then you may treat those payments made by you as advances and add them to the unpaid principal under this note, or you may demand immediate payment of the charges.

**SET-OFF:** I agree that you may set off any amount due and payable under this note against any right I have to receive money from you.

"Right to receive money from you" means:

- (1) any deposit account balance I have with you;
- (2) any money owed to me on an item presented to you or in your possession for collection or exchange; and
- (3) any repurchase agreement or other nondeposit obligation.

"Any amount due and payable under this note" means the total amount of which you are entitled to demand payment under the terms of this note at the time you set off. This total includes any balance the due date for which you properly accelerate under this note.

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights are only as a representative. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set off this debt against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

**REAL ESTATE OR RESIDENCE SECURITY:** If this note is secured by real estate or a residence that is personal property, the existence of a default and your remedies for such a default will be determined by applicable law, by the terms of any separate instrument creating the security interest and, to the extent not prohibited by law and not contrary to the terms of the separate security instrument, by the "Default" and "Remedies" paragraphs herein.

**DEFAULT:** I will be in default if any one or more of the following occur: (1) I fail to make a payment on time or in the amount due; (2) I fail to keep the property insured, if required; (3) I fail to pay, or keep any promise, on any debt or agreement I have with you; (4) any other creditor of mine attempts to collect any debt I owe him through court proceedings; (5) I die, am declared incompetent, make an assignment for the benefit of creditors, or become insolvent (either because my liabilities exceed my assets or I am unable to pay my debts as they become due); (6) I make any written statement or provide any financial information that is untrue or inaccurate at the time it was provided; (7) I do or fail to do something which causes you to believe that you will have difficulty collecting the amount I owe you; (8) any collateral securing this note is used in a manner or for a purpose which threatens confiscation by a legal authority; (9) I change my name or assume an additional name without first notifying you before making such a change; (10) I fail to plant, cultivate and harvest crops in due season if I am a producer of crops; (11) any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 C.F.R. Part 1940, Subpart G, Exhibit M.

**REMEDIES:** If I am in default on this note you have, but are not limited to, the following remedies:

- (1) You may demand immediate payment of all I owe you under this note (principal, accrued unpaid interest and other accrued charges).
- (2) You may set off this debt against any right I have to the payment of money from you, subject to the terms of the "Set-Off" paragraph herein.
- (3) You may demand security, additional security, or additional parties to be obligated to pay this note as a condition for not using any other remedy.
- (4) You may refuse to make advances to me or allow purchases on credit by me.
- (5) You may use any remedy you have under state or federal law.

By selecting any one or more of these remedies you do not give up your right to later use any other remedy. By waiving your right to declare an event to be a default, you do not waive your right to later consider the event as a default if it continues or happens again.

**COLLECTION COSTS AND ATTORNEY'S FEES:** I agree to pay all costs of collection, replevin or any other or similar type of cost if I am in default. In addition, if you hire an attorney to collect this note, I also agree to pay any fee you incur with such attorney plus court costs (except where prohibited by law). To the extent permitted by the United States Bankruptcy Code, I also agree to pay the reasonable attorney's fees and costs you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

**WAIVER:** I give up my rights to require you to do certain things. I will not require you to:

- (1) demand payment of amounts due (presentment);
- (2) obtain official certification of nonpayment (protest); or
- (3) give notice that amounts due have not been paid (notice of dishonor).

I waive any defenses I have based on suretyship or impairment of collateral.

**OBLIGATIONS INDEPENDENT:** I understand that I must pay this note even if someone else has also agreed to pay it (by, for example, signing this form or a separate guarantee or endorsement). You may sue me alone, or anyone else who is obligated on this note, or any number of us together, to collect this note. You may do so without any notice that it has not been paid (notice of dishonor). You may without notice release any party to this agreement without releasing any other party. If you give up any of your rights, with or without notice, it will not affect my duty to pay this note. Any extension of new credit to any of us, or renewal of this note by all or less than all of us will not release me from my duty to pay it. (Of course, you are entitled to only one payment in full.) I agree that you may at your option extend this note or the debt represented by this note, or any portion of the note or debt, from time to time without limit or notice and for any term without affecting my liability for payment of the note. I will not assign my obligation under this agreement without your prior written approval.

**FINANCIAL INFORMATION:** I agree to provide you, upon request, any financial statement or information you may deem necessary. I warrant that the financial statements and information I provide to you are or will be accurate, correct and complete.

**NOTICE:** Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by first class mail addressed to me at my last known address. My current address is on page 1. I agree to inform you in writing of any change in my address. I will give any notice to you by mailing it first class to your address stated on page 1 of this agreement, or to any other address that you have designated.

DATE OF TRANSACTION	PRINCIPAL ADVANCE	BORROWER'S INITIALS (not required)	PRINCIPAL PAYMENTS	PRINCIPAL BALANCE	INTEREST RATE	INTEREST PAYMENTS	INTEREST PAID THROUGH:
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	

Complete the following for consumer transactions secured by a dwelling.

Loan origination organization

NMLS ID

Loan originator

NMLS ID

**Amendment to Note # 201\_- \_\_\_\_\_**

This Amendment made this \_\_\_\_ day of \_\_\_\_\_, 2018, is made to and a part of the Promissory Note (the "Note"), by and between \_\_\_\_\_, Individually (collectively "Borrower") and Capital Resources, LLC ("Lender") dated \_\_\_\_\_, 2018.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender agree as follows:

- 1. Interest rate shall be fixed at a rate equal to \_\_\_\_% for a period of \_\_\_\_ ( ) months. Thereafter, the interest rate will be fixed at \_\_\_\_% above the then current New York Prime Rate and shall be fixed at such rate for the remaining term of the loan. Borrower and Lender acknowledge and agree that Borrower's interest rate shall not be set at a rate lower than \_\_\_\_% at the time of adjustment.**

Unless specifically amended hereby, all provisions, terms and conditions shall remain as set forth in the Note.

This addendum is executed on the date first written above.

**BORROWER:**

**LENDER:**

\_\_\_\_\_  
By:  
Individually

\_\_\_\_\_  
By: James McKernan  
Title: Chief Operating Officer

DEBTOR NAME AND ADDRESS	LENDER NAME AND ADDRESS	LOAN DESCRIPTION
	Capital Resources, LLC 7960 W. 135th Street, Suite 200 Overland Park, KS 66223	Number _____ Amount \$ _____ Date _____
<input type="checkbox"/> Refer to the attached Signature Addendum, incorporated herein, for additional Debtors and their signatures.		

**COMMERCIAL SECURITY AGREEMENT**

This Commercial Security Agreement (Security Agreement) is an Addendum to a Commercial Loan Agreement, dated \_\_\_\_\_, (Loan Agreement) between \_\_\_\_\_ (Borrower) and Lender. This Security Agreement is further governed by the terms of the Loan Agreement, where applicable. References in this Addendum to terms defined in the Loan Agreement shall have the definitions given to them in the Loan Agreement, unless otherwise indicated. Debtor and Borrower may be the same. Where Borrower and Debtor are not the same, Debtor means the owner of the Property subject to this Security Agreement and Borrower means the obligor on the Loan Agreement.

**SECURED DEBTS.** This Security Agreement will secure the following debts (Secured Debts), together with all extensions, renewals, refinancings, modifications, and replacements of the Secured Debts:

- (1) **Sums Advanced.** All sums advanced and expenses incurred by Lender under the terms of the Loan Agreement or this Security Agreement.
- (2) **Specific Debts.** Debts created by the following instruments or agreements (include items such as borrowers' names, note amounts, interest rates, maturity dates, etc.):
  
- (3) **All Debts. Notice - The Property may also serve as collateral for future advances.** All present and future debts from Borrower to Lender, even if this Security Agreement is not specifically referenced, or if the future debt is unrelated to or of a different type than this debt. If more than one person signs the Loan Agreement as Borrower, Debtor agrees that this Security Agreement will secure debts incurred by any Borrower either individually or with others who may not sign the Loan Agreement. Nothing in this Security Agreement constitutes a commitment to make additional or future loans or advances. Any such commitment must be in writing pursuant to the terms of the Loan Agreement.

**SECURITY INTEREST.** To secure the payment and performance of the Secured Debts, Debtor gives Lender a security interest in all of the Property described in this Security Agreement that Debtor owns or has sufficient rights in which to transfer an interest, now or in the future, wherever the Property is or will be located, and all proceeds and products of the Property. "Property" includes all parts, accessories, repairs, replacements, improvements, and accessions to the Property; any original evidence of title or ownership; and all obligations that support the payment or performance of the Property. "Proceeds" includes anything acquired upon the sale, lease, license, exchange, or other disposition of the Property; any rights and claims arising from the Property; and any collections and distributions on account of the Property. This Security Agreement remains in effect until terminated in writing, even if the Secured Debts are paid and Lender is no longer obligated to advance funds to Debtor or Borrower.

**PROPERTY DESCRIPTION.** The Property is described as follows:

- Accounts and Other Rights to Payment:** All rights to payment, whether or not earned by performance, including, but not limited to, payment for property or services sold, leased, rented, licensed, or assigned. This includes any rights and interests (including all liens) which Debtor may have by law or agreement against any account debtor or obligor of Debtor.
- Inventory:** All inventory held for ultimate sale or lease, or which has been or will be supplied under contracts of service, or which are raw materials, work in process, or materials used or consumed in Debtor's business.
- Equipment:** All equipment including, but not limited to, machinery, vehicles, furniture, fixtures, manufacturing equipment, farm machinery and equipment, shop equipment, office and record keeping equipment, parts, and tools. The Property includes any equipment described in a list or schedule Debtor gives to Lender, but such a list is not necessary to create a valid security interest in all of Debtor's equipment.
- Instruments and Chattel Paper:** All instruments, including negotiable instruments and promissory notes and any other writings or records that evidence the right to payment of a monetary obligation, and tangible and electronic chattel paper.
- General Intangibles:** All general intangibles including, but not limited to, tax refunds, patents and applications for patents, copyrights, trademarks, trade secrets, goodwill, trade names, customer lists, permits and franchises, payment intangibles, computer programs and all supporting information provided in connection with a transaction relating to computer programs, and the right to use Debtor's name.
- Documents:** All documents of title including, but not limited to, bills of lading, dock warrants and receipts, and warehouse receipts.
- Farm Products and Supplies:** All farm products including, but not limited to, all poultry and livestock and their young, along with their produce, products, and replacements; all crops, annual or perennial, and all products of the crops; and all feed, seed, fertilizer, medicines, and other supplies used or produced in Debtor's farming operations. **North Dakota only - This Security Agreement covers crops now growing. This Security Agreement also covers future crops to be grown in the current year or any year hereafter.**
- Government Payments and Programs:** All payments, accounts, general intangibles, and benefits including, but not limited to, payments in kind, deficiency payments, letters of entitlement, warehouse receipts, storage payments, emergency assistance and diversion payments, production flexibility contracts, and conservation reserve payments under any preexisting, current, or future federal or state government program.
- Investment Property:** All investment property including, but not limited to, certificated securities, uncertificated securities, securities entitlements, securities accounts, commodity contracts, commodity accounts, and financial assets.
- Deposit Accounts:** All deposit accounts including, but not limited to, demand, time, savings, passbook, and similar accounts.
- Specific Property Description:** The Property includes, but is not limited by, the following (if required, provide real estate description):  
See Addendum to Commercial Security Agreement dated \_\_\_\_\_, 2018.

**USE OF PROPERTY.** The Property will be used for  personal  business  agricultural  \_\_\_\_\_ purposes.

**ADDITIONAL TERMS:** (include additional Security Agreement terms and contract requirements).

Debtor Type:  Individual  Partnership  Corporation  \_\_\_\_\_ State of Registration (if applicable) \_\_\_\_\_

**SIGNATURES.** By signing under seal, Debtor agrees to all the terms and conditions beginning on page 1 through the bottom of page 2 of this Agreement. Debtor acknowledges receipt of a copy of this Security Agreement.

<b>DEBTOR:</b>			
Entity Name _____			
Signature _____	Date _____	Signature _____	Date _____
(Seal)		(Seal)	
Signature _____	Date _____	Signature _____	Date _____
(Seal)		(Seal)	
<b>LENDER:</b>			
Capital Resources, LLC Entity Name _____			
Signature James McKernan, Chief Operating Officer _____	Date _____	Signature _____	Date _____
(Seal)		(Seal)	

**GENERALLY.** This Security Agreement is governed by the terms of the Loan Agreement and the laws of the state in which Lender is located. In the event of a dispute, the exclusive forum, venue, and place of jurisdiction will be the state in which Lender is located, unless otherwise required by law. Each Debtor's obligations under this Security Agreement are independent of the obligations of any other Debtor. Lender may sue each Debtor individually or together with any other Debtor. Lender may release any part of the Property and Debtor will remain obligated under this Security Agreement for the remaining Property. The duties and benefits of this Security Agreement will bind and benefit the successors and assigns of Debtor and Lender. No modification of this Security Agreement is effective unless made in writing and signed by Debtor and Lender. If any provision of this Security Agreement is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable. Whenever used, the plural includes the singular and the singular includes the plural. Section headings are for convenience only and should not be used to define or interpret the terms of this Security Agreement. Time is of the essence.

**NAME AND LOCATION.** Debtor's name indicated on page 1 is Debtor's exact legal name. If Debtor is an individual, Debtor's address is Debtor's principal residence. If Debtor is not an individual, Debtor's address is the location of Debtor's chief executive offices or sole place of business. If Debtor is an entity organized and registered under state law, Debtor has provided Debtor's state of registration on page 1. Debtor will provide verification and registration and location upon Lender's request. Debtor will provide Lender with at least 30 days notice prior to any change in Debtor's name, address, or state of organization or registration.

**WARRANTIES AND REPRESENTATIONS.** Debtor owns the Property or, to the extent that this is a purchase money loan, will purchase the Property with the proceeds of the loan. The Property is free and clear of all liens, security interests, encumbrances, and other adverse claims and interests, except those to Lender or to which Lender consents in writing.

**DUTIES TOWARD PROPERTY.**

**Protection of Lender's Interest.** Debtor will defend the Property against any other claim. Debtor agrees to do whatever Lender requires to protect Lender's security interest and keep Lender's claim in the Property ahead of the claims of other creditors. Debtor will not do anything to harm Lender's position. Debtor will keep, and allow Lender reasonable access to, books, records, and accounts about the Property and Debtor's business in general. If this Security Agreement covers chattel paper or instruments, either as original collateral or proceeds of the Property, Debtor will note Lender's interest on the face of the chattel paper or instruments.

**Use, Location, and Protection of the Property.** Debtor will keep the Property in Debtor's possession and in good repair. Debtor will use the Property only for commercial or agricultural purposes and will not change this specified use without Lender's prior written consent. Lender has the right of reasonable access to inspect the Property and Debtor will immediately inform Lender of any loss or damage to the Property. Debtor will not cause or permit waste to the Property. Debtor will keep the Property at Debtor's address unless Lender and Debtor agree that it may be kept at another location. If the Property is to be used in other states, Debtor will give Lender a list of those states. Debtor will notify Lender in writing and obtain Lender's prior written consent to any change in location of any of the Property. The location of the Property is given to aid in the identification of the Property and does not in any way limit the scope of the security interest granted to Lender. Debtor will not use the Property in violation of any law. Debtor will notify Lender in writing prior to any change in Debtor's address, name or, if an organization, any change in Debtor's identity or structure. Debtor will pay all taxes and assessments levied or assessed against Debtor or the Property and provide timely proof of payment of these taxes and assessments upon request.

**Selling, Leasing, or Encumbering the Property.** Debtor will not sell, offer to sell, lease, grant a security interest in, or otherwise transfer or encumber the Property without Lender's prior written permission, except for inventory sold in the ordinary course of business at fair market value, or at a minimum price established between Debtor and Lender. If Debtor is in default under this Security Agreement, Debtor may not sell the inventory portion of the Property even in the ordinary course of business. Lender's permission to sell the Property may be reasonably withheld without regard to the creditworthiness of any buyer or transferee. Debtor will not permit the Property to be the subject of any court order affecting Debtor's rights to the Property in any action by anyone other than Lender.

**Insurance.** Debtor will keep the tangible Property insured against risks reasonably associated with the Property. This insurance will last until the Property is released from this Security Agreement. Lender may apply insurance proceeds toward what is owed on the Secured Debts. Lender may require added security as a condition of permitting any insurance proceeds to be used to repair or replace the Property. If Lender acquires the Property in damaged condition, Debtor's right to any insurance policies and proceeds will pass to Lender to the extent of the Secured Debts. If Debtor fails to keep the Property insured, Lender may obtain insurance to protect Lender's interest in the Property and may include coverages not originally required of Debtor, may be written by a company other than one Debtor would choose, and may incur a higher rate than Debtor could obtain if Debtor purchased the insurance.

**Additional Duties Specific to Accounts.** If the Property includes Accounts, Debtor will not settle any Account for less than its full value without Lender's written permission. Debtor will collect all Accounts in the ordinary course of business. Debtor will not dispose of the Accounts by assignment without Lender's prior written consent. Debtor will keep the proceeds from all the Accounts and any goods which are returned to Debtor or which Debtor takes back and will not commingle them with any of Debtor's other property. At Lender's request, Debtor will notify account debtors that their Accounts have been assigned to Lender and should be paid directly to Lender. Debtor will deliver the Accounts to Lender at Lender's request. If Lender asks Debtor to pay Lender the full price on any returned items or items retaken by Debtor, Debtor will do so. Debtor will make no material change in the terms of any Account, and Debtor will give Lender any statements, reports, certificates, lists of account debtors, invoices applicable to each Account, and other data pertaining to the Accounts as Lender may request.

**Additional Duties Specific to Farm Products.** If the Property includes farm products, Debtor will provide Lender, at Lender's request, a written list of the buyers, commission merchants, or selling agents to or through whom Debtor may sell Debtor's farm products. Debtor remains subject to all applicable penalties for selling Debtor's farm products in violation of this Security Agreement and the Food Security Act of 1985. If the Property includes crops growing or to be grown, Debtor agrees to plant, cultivate, and harvest the crops in due season. Debtor will be in default if any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetland to produce or to make possible the production of an agricultural commodity, further explained in 7 CFR Part 1940, Subpart G, Exhibit M.

**AUTHORITY TO PERFORM.** Debtor authorizes Lender to do anything Lender deems reasonably necessary to protect the Property and Lender's interest in the Property. If Debtor fails to perform any of Debtor's duties under this Security Agreement, Lender is authorized, without notice to Debtor, to perform the duties or cause them to be performed. These authorizations include, but are not limited to, permission to pay for the repair, maintenance, and preservation of the Property and take any action to realize the value of the Property. Lender's authority to perform for Debtor does not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any other rights under the law or this Security Agreement. If Lender performs for Debtor, Lender will use reasonable care. Reasonable care will not include any steps necessary to preserve rights against prior parties or any duty to take action in connection with the management of the Property.

If Lender comes into possession of the Property, Lender will preserve and protect the Property to the extent required by law. Lender's duty of care with respect to the Property will be satisfied if Lender exercises reasonable care in the safekeeping of the Property or in the selection of a third party in possession of the Property. Lender may enforce the obligations of an account debtor or other person obligated on the Property. Lender may exercise Debtor's rights with respect to the account debtor's or other person's obligations to make payment or otherwise render performance to Debtor, and enforce any security interest that secures such obligations.

**PURCHASE MONEY SECURITY INTEREST.** This Security Agreement creates a Purchase Money Security Interest to the extent the Secured Debts are used to purchase or acquire rights in the Property. The portion of the Property purchased with loan proceeds will remain subject to the Purchase Money Security Interest until the Secured Debts are paid in full. Debtor authorizes Lender, at Lender's option, to disburse the loan proceeds directly to the seller of the Property. Payments on any non-purchase money loan also secured by this Security Agreement will not be applied to the purchase money loan. Payments on the purchase money loan will be applied first to the non-purchase money portion of the loan, if any, and then to the purchase money portion in the order in which the purchase money Property was acquired. If the purchase money Property was acquired at the same time, then payments will be applied in the order Lender selects. No security interest will be terminated by application of this formula.

**COLLATERAL ACCOUNT.** If required by Lender, Debtor will establish a Collateral Account, and will immediately deposit all payments from account debtors and other proceeds from the Property, referred to as Funds, in payment of and as security for the Secured Debts. Debtor will continue to deposit these Funds in this Collateral Account until Lender informs Debtor in writing that it is no longer necessary to do so. Debtor may withdraw from this Collateral Account only upon Lender's prior written consent. Lender has the right at any time, without notice, to withdraw Funds from the Collateral Account and apply those Funds to the Secured Debts or release any of the Funds to Debtor.

**DEFAULT.** Debtor will be in default if Debtor or Borrower (if not the same) fails to perform any condition, covenant, or make required payments under the Loan Agreement or Debtor fails to perform under this Security Agreement.

**REMEDIES.** If Debtor is in default, Lender has the option to do any one or more of the following in addition to the remedies provided in the Loan Agreement and other remedies provided by law.

(1) Assembly of Property. Lender may require Debtor to gather the Property and make it available to Lender in a reasonable fashion if allowed by law.

(2) Repossession. Lender may repossess (unless prohibited by law) or otherwise seize the Property as provided by law. Lender may hold, use, and operate Debtor's property as necessary to preserve the Property or its value without compensation to Debtor.

(3) Sale of Property. Lender may sell the Property as provided by law. Lender may apply the proceeds of the Property to Lender's expenses, attorneys' fees and legal expenses (to the extent allowed by law), and any remaining Secured Debt. If what Lender receives from the sale of the Property does not satisfy the Secured Debt, Debtor will be liable for the remaining balance (where permitted by law).

**WAIVER.** Debtor waives all claims for loss and damage caused by Lender's acts or omissions where Lender acted reasonably and in good faith. Except to the extent prohibited by law, Debtor waives all rights Debtor has now or in the future as a homestead exemption in the Property.

**Connecticut only.** Debtor voluntarily and knowingly waives all rights to notice and hearing as allowed under Chapter 903A of the Connecticut General Statutes, as amended, or otherwise allowed by any state or federal law with respect to any pre-judgment remedy which Lender may desire to use.

**South Carolina only.** Lender may immediately seize the Property upon Debtor's default. Debtor agrees to waive the right to five days' notice and a pre-seizure hearing prior to seizure of the Property.

**PERFECTION OF SECURITY INTEREST.** Debtor authorizes Lender to file a financing statement covering the Property. Debtor will comply with, facilitate, and otherwise assist Lender in connection with obtaining possession or control over the Property for purposes of perfecting Lender's interest under the Uniform Commercial Code.

**ADDITIONAL DOCUMENTS.** Debtor will provide any additional information Lender requests, including financial statements and documents relating to the Property. Debtor represents that all documents and information submitted to Lender will be true, correct, and complete as of the date submitted and will update the documents or information as necessary to give Lender a current and accurate assessment of Debtor's affairs. Debtor agrees to sign, deliver, and file any additional documents, certifications, or records that Lender requires to perfect, continue, and preserve Debtor's obligations and Lender's rights under this Security Agreement and to verify Lender's lien status on the Property. Debtor authorizes Lender to sign, authorize, and execute any documents on Debtor's behalf in order to preserve or protect Lender's interest in the Property.

**NOTICES.** Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address as indicated in this Security Agreement, or any other address designated in writing. Notice to one party is notice to all parties.

**WAIVER/CONFESSION (LOUISIANA ONLY).** Debtor waives the benefit of appraisal as provided in the Louisiana Code of Civil Procedure and all other laws with regard to appraisal upon sales. For purposes of foreclosure under Louisiana executory process procedures, Debtor confesses judgment in Lender's favor up to the full amount of the Secured Debts including collection costs and attorneys' fees.

**NOTICE (Arizona only):** It is unlawful to fail to return a motor vehicle subject to a security interest within thirty days after receiving notice of default. Any notice of default Lender sends will be mailed to Debtor's address as indicated in this agreement. It is Debtor's responsibility to tell Lender if Debtor's address changes. Unlawful failure to return a motor vehicle subject to a security interest is a class 6 felony which for a first offense carries a maximum jail sentence of 1.5 years. The maximum jail sentence may be greater if the defendant has a prior criminal record. The court also may impose a fine of no more than \$150,000.



**ADDENDUM TO COMMERCIAL SECURITY AGREEMENT**

This Addendum made this 1<sup>st</sup> day of \_\_\_\_\_, 2018, is made to and a part of the Commercial Security Agreement (the "Agreement"), executed simultaneous herewith, by and between \_\_\_\_\_, individually ("Debtor") and Capital Resources, LLC ("Secured Party").

1. For purposes of the Agreement, Debtor may also be referred to as "Borrower."  
2. In addition to the Property (as such term is defined in the Commercial Security Agreement), Debtor gives Secured Party a purchase money security interest in all of the following additional Property;

A) All of Borrower's personal property, whether tangible or intangible, and all of Borrower's interest in property and fixtures, now owned or existing or hereafter acquired and wherever located, including without limitation, the following: (i) all furniture, inventory, machinery, equipment, goods and supplies; (ii) all accounts, including without limitation, the Borrower's Operating Account, the agent's account and customer accounts; (iii) all instruments, documents (including, without limitation, the customer files) policies and certificates of insurance, money, chattel paper, investment property, deposits, warehouse receipts and things in action; (iv) all general intangibles and rights to payment or proceeds of any kind, including without limitation, rights to insurance proceeds and letter of credit proceeds; (v) all contract rights and interests of any kind, including without limitation, the rights and interests set forth in the R3001 Agreement with Allstate to the extent Borrower can assign such rights; and (vi) the Book of Business;

B) Any and all telephone numbers, rights to the lease of office space, post office boxes or other mailing addresses, rights to trademarks and use of trade names, rights to software licenses, and rents received by Borrower for the lease of office space;

C) All deposit accounts, disbursement accounts, accounts receivable, commission receivables, economic interest of Borrower and any and all termination payments due to Borrower (as that term is defined in the Allstate R3001 Exclusive Agency Agreement executed by Borrower with Allstate Insurance Company) whether now in existence or hereafter coming into existence, all chattel paper, contract rights, instruments documents, general intangibles, inventory and goods in process of Borrower, whether now in existence or owned or hereafter coming into existence or acquired, wherever located, and all returned goods, and repossessions and replacements thereof;

D) Commissions payable to Borrower and any assignment thereof;

E) A primary or first Security Interest and Collateral Assignment of Termination Payments and Economic Interest;

F) Any and all life insurance proceeds and cash value and any Assignment of Life Insurance; and,

G) any and all additions, attachments, parts, repairs, accessories, accessions, replacements and substitutions to or for any of the forgoing and any proceeds and products of the above property, whether now owned or hereinafter acquired.

3. Debtor agrees that Lender, without liability to Debtor and subject to applicable law, may take actual possession of the Collateral without the necessity of commencing legal action and that actual possession is deemed to occur when Lender or its agent notifies Debtor of default, Debtor fails to cure such default within the time allowed hereunder, and demands that the Collateral be transferred and paid directly to Lender. Debtor agrees that, upon Debtor's default and failure to cure default within the time allowed hereunder, Lender may, without liability to Debtor, transfer any of the Collateral or evidence thereof into its own name or that of its designee and/or demand, collect, convert, redeem, receipt for, settle, compromise, adjust, sue for, foreclose or realize upon its collateral in its own name, its designee's name or in the name of Debtor.

4. Lender, without appointing a receiver, shall be entitled, but is not required, to take possession and control of the Collateral and collect the rents, issues, and profits thereof. However, Lender shall be entitled, but is not required, to have a receiver appointed by a court of competent jurisdiction to take possession and control of the Collateral and collect the rents, issues, and profits thereof. In the event a receiver is appointed, the amount so collected by the receiver shall be applied under the direction of the court to the payment of any judgment rendered or amount found due under the loan documents. However, under no circumstances whatsoever shall the appointment of the receiver be considered to create a control of Debtor's business by Lender and at all times the receiver shall be an agent apart from Lender and responsible only to the appointing court.

5. Debtor shall cooperate fully with Lender or a receiver and promptly endorse, set over, transfer and deliver to Lender or a receiver any Collateral in Debtor's possession or held by a third party. Debtor expressly agrees and acknowledges Lender's or a receiver's right to Collateral, right to possession of Collateral and right to operate Debtor's business without the necessity of commencing legal action and without Debtor's further action or authorization.

Unless specifically amended hereby, all provisions, terms and conditions shall remain as set forth in the Agreement and any other Loan Document.

This Addendum is executed this 1<sup>st</sup> day of \_\_\_\_\_, 2018.

DEBTOR:

SECURED PARTY:

By: \_\_\_\_\_  
Individually

By: James McKernan  
Title: Chief Operating Officer

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here  and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME					
OR	1b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here  and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME					
OR	3b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

4. COLLATERAL: This financing statement covers the following collateral:

5. Check only if applicable and check only one box: Collateral is  held in a Trust (see UCC1Ad, item 17 and Instructions)  being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

Public-Finance Transaction  Manufactured-Home Transaction  A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

Agricultural Lien  Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable):  Lessee/Lessor  Consignee/Consignor  Seller/Buyer  Bailee/Bailor  Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

**Collateral Description**

A) All of Borrower's personal property, whether tangible or intangible, and all of Borrower's interest in property and fixtures, now owned or existing or hereafter acquired and wherever located, including without limitation, the following: (i) all furniture, inventory, machinery, equipment, goods and supplies; (ii) all accounts, including without limitation, the Borrower's Operating Account, the agent's account and customer accounts; (iii) all instruments, documents (including, without limitation, the customer files) policies and certificates of insurance, money, chattel paper, investment property, deposits, warehouse receipts and things in action; (iv) all general intangibles and rights to payment or proceeds of any kind, including without limitation, rights to insurance proceeds and letter of credit proceeds; (v) all contract rights and interests of any kind, including without limitation, the rights and interests set forth in the R3001 Agreement with Allstate to the extent Borrower can assign such rights; and (vi) the Book of Business;

B) Any and all telephone numbers, rights to the lease of office space, post office boxes or other mailing addresses, rights to trademarks and use of trade names, rights to software licenses, and rents received by Borrower for the lease of office space;

C) All deposit accounts, disbursement accounts, accounts receivable, commission receivables, economic interest of Borrower and any and all termination payments due to Borrower (as that term is defined in the Allstate R3001 Exclusive Agency Agreement executed by Borrower with Allstate Insurance Company) whether now in existence or hereafter coming into existence, all chattel paper, contract rights, instruments documents, general intangibles, inventory and goods in process of Borrower, whether now in existence or owned or hereafter coming into existence or acquired, wherever located, and all returned goods, and repossessions and replacements thereof;

D) Commissions payable to Borrower and any assignment thereof;

E) A primary or first Security Interest and Collateral Assignment of Termination Payments and Economic Interest;

F) Any and all life insurance proceeds and cash value and any Assignment of Life Insurance; and,

G) any and all additions, attachments, parts, repairs, accessories, accessions, replacements and substitutions to or for any of the forgoing and any proceeds and products of the above property, whether now owned or hereinafter acquired.

BORROWER:

LENDER:

By: \_\_\_\_\_

By: James McKernan  
Title: Chief Operating Officer

**AUTHORIZATION  
FOR COLLECTION OF LOAN PAYMENTS, ETC.**

This Authorization for Collection of Loan Payments is made this \_\_\_ day of \_\_\_\_\_, 2018, by and between \_\_\_\_\_, Individually ("Borrower"), \_\_\_\_\_ ("Operating Account Depository") and Capital Resources, LLC ("Lender").

1. From the date of this Agreement and thereafter until all liabilities of Borrower to Lender are paid in full, Borrower covenants and agrees that it shall maintain Borrower's Operating Account (as such term is defined in that certain Commercial Loan Agreement executed simultaneously herewith among Borrower and Lender) with the Operating Account Depository stated herein.
2. Borrower covenants and agrees that the following information is true and accurate and that the Operating Account Depository and Borrower Operating Account shall not be revoked, amended, closed, changed, altered, moved, transferred or otherwise affected by Borrower or Operating Account Depository until such time as all liabilities of Borrower to Lender are paid in full:

**OPERATING ACCOUNT DEPOSITORY:**

**ROUTING NUMBER:**

**BORROWER(S) NAME:**

**BORROWER OPERATING ACCOUNT:**

**LENDER NAME:**

**Capital Resources, LLC  
7960 West 135<sup>th</sup> Street, Suite 200  
Overland Park, Kansas 66223**

3. Borrower hereby authorizes Lender to initiate debit entries electronically, by paper means or by any other commercially accepted method, from the above-referenced Borrower Operating Account, and authorizes the Operating Account Depository named above to initiate debit and, if necessary, credit entries and adjustments for any debit entries in error to such account. Borrower and Lender understand that the origination of ACH (automatic clearing house) transactions must comply with the provisions of United States law. Borrower acknowledges that pursuant to this Authorization, in the event of Borrower's default, which Borrower fails to cure during any cure period described in the Loan Documents, Lender shall be entitled to and is instructed to deduct an additional late charge equal to five percent (5%) of the late payment. Moreover, in the event of Borrower's default, which Borrower fails to cure during any cure period described in the Loan Documents, Lender shall be entitled to retain, for the retirement of indebtedness due Lender by Borrower, any amounts on deposit in Borrower's Operating Account Depository.
4. Borrower hereby authorizes Lender to access Borrower's Operating Account for the purpose of initiating wire transfers and/or ACH (automatic clearing house) transfers from Borrower's Operating Account Depository to Lender's operating account in accordance with the instructions provided by Borrower to Lender.
5. Borrower and Lender shall indemnify and hold Operating Account Depository harmless from and against any and all liability arising out of or in connection with this Authorization; provided however, Operating Account Depository shall remain liable for its own gross negligence or willful misconduct.
6. This authority is to remain in full force and effect until Borrower has paid all debts to Lender in full.
7. This authorization shall not be revoked, amended, closed, changed, altered, moved, transferred or otherwise affected by Borrower or Operating Account Depository without Lender's prior written consent. Written notification of termination must be received in such time and in such manner as to afford Lender and Operating Account Depository a reasonable opportunity to act on such notice.

**BORROWER:**

**LENDER:**

By: \_\_\_\_\_  
Individually

By: James McKernan  
Title: Chief Operating Officer

**BORROWER LOAN SETTLEMENT STATEMENT**

This Borrower Loan Settlement Statement is made this \_\_\_ day of \_\_\_\_\_, 2018, by and between \_\_\_\_\_, Individually (collectively "Borrower"), and Capital Resources, LLC ("Lender").

1. Borrower covenants and agrees that the following information is true and accurate:

**BORROWER:**

**LOAN #:** 2018-\_\_\_\_\_

**AGENCY ADDRESS:**

**SETTLEMENT DATE:** \_\_\_\_\_, 2018

**LENDER:** Capital Resources, LLC

**PREPARED BY:** Taylor Talmage

2. Borrower agrees that the proceeds Borrower's Loan from Lender shall be distributed in accordance with the following:

<u>Description</u>	<u>Debit</u>	<u>Credit</u>
1. Principal Amount of New Loan to:		\$
2. Proceeds to	\$	
3. Lender Fees (Underwriting, Filings, Doc. Prep.)	\$	
4. Origination Fee	\$	
<b>TOTALS:</b>	<b>\$</b>	<b>\$</b>

3. The above settlement statement is approved as of the settlement date shown above and Lender is hereby authorized to disburse funds in the amounts and to the payees indicated above.

**BORROWER:**

**LENDER:**

\_\_\_\_\_  
By:  
Individually

\_\_\_\_\_  
By: James McKernan  
Title: Chief Operating Officer

**BORROWER’S AUTHORIZATION ALLOWING  
FOR RELEASE OF INFORMATION**

This Authorization is made this \_\_\_ day of \_\_\_\_\_, 2018, by \_\_\_\_\_, Individually (collectively “Borrower”) in favor of Capital Resources, LLC (“Lender”).

1. Borrower understands that Borrower’s loan and Loan Documents may be selected for review by auditors, regulators, attorneys, consultants, analysts, prospective purchasers of Borrower’s loan, or other persons or entities needing or requesting such information for legitimate purposes from Lender. A review may also be performed by Lender, Lender’s designee and/or the Lender’s successors and assigns to ensure compliance with the terms and conditions of Borrower’s Loan and Loan Documents. Such a review, which may occur at any time after the closing of the loan, may include but is not limited to a re-verification of credit information and a review of Borrower’s financial information, and verification of Borrower’s life insurance policy and its assignment to Lender.
2. Borrower hereby authorizes the release to the Lender, its agents and/or successors, assigns, and designees, or such other person or entity referenced above, any information required to allow the conducting of such review or verification.
3. Borrower hereby agrees that the authorization provided for herein shall remain in full force and effect until such time as all liabilities of Borrower to Lender are paid in full.
4. A photocopy of this form may be deemed as acceptable authorization for release of any above information of documentation requested.
5. The original signed form is maintained by the Lender.

BORROWER:

LENDER:

\_\_\_\_\_  
By:  
Individually

\_\_\_\_\_  
By: James McKernan  
Title: Chief Operating Officer

**BORROWER'S AUTHORIZATION ALLOWING  
FOR RELEASE OF INFORMATION**

This Authorization is made this \_\_\_\_ day of \_\_\_\_\_, 2018, by \_\_\_\_\_, Individually (collectively "Borrower") in favor of Capital Resources, LLC ("Lender").

1. Borrower understands that Borrower's loan and Loan Documents require Borrower to obtain and assign a valid and in force life insurance policy to Lender which is equal to, or in excess of, the loan amount extended to Borrower by Lender.
2. Borrower has voluntarily and knowingly executed an "Assignment of Life Insurance Policy As Collateral" which assigns to Lender an interest in the life insurance policy.
3. Borrower hereby authorizes the Lender, its agents and/or successors, assigns, and designees, or such other person or entity referenced above, to act on its behalf, without further authorization and/or participation by the Borrower, to secure the assignment of such life insurance policy.
4. Borrower hereby authorizes the release to the Lender, its agents and/or successors, assigns, and designees, or such other person or entity referenced above, any information required by Lender to verify that the assignment of such life insurance policy has been accomplished and that the policy, itself, remains in full force and effect.
5. Borrower hereby agrees that the authorization provided for herein shall remain in full force and effect until such time as all liabilities of Borrower to Lender are paid in full.
6. A photocopy of this form may be deemed as acceptable authorization for release of any above information of documentation requested.
7. The original signed form is maintained by the Lender.

BORROWER:

LENDER:

By: \_\_\_\_\_

By: James McKernan  
Title: Chief Operating Officer

**CORPORATE AUTHORIZATION RESOLUTION**

Capital Resources, LLC  
 7960 W. 135th Street, Suite 200  
 Overland Park, KS 66223

By: \_\_\_\_\_

Referred to in this document as "Financial Institution"

Referred to in this document as "Corporation"

I, \_\_\_\_\_, certify that I am Secretary (clerk) of the above named corporation organized under the laws of \_\_\_\_\_, Federal Employer I.D. Number \_\_\_\_\_, engaged in business under the trade name of \_\_\_\_\_, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the Board of Directors of the Corporation duly and properly called and held on \_\_\_\_\_ (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

**AGENTS** Any Agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

Name and Title or Position	Signature	Facsimile Signature (if used)
A. _____	X _____	X _____
B. _____	X _____	X _____
C. _____	X _____	X _____
D. _____	X _____	X _____
E. _____	X _____	X _____
F. _____	X _____	X _____

**POWERS GRANTED** (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

Indicate A, B, C, D, E, and/or F	Description of Power	Indicate number of signatures required
A	(1) Exercise all of the powers listed in this resolution.	1
	(2) Open any deposit or share account(s) in the name of the Corporation.	_____
	(3) Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.	_____
	(4) Borrow money on behalf and in the name of the Corporation, sign, execute and deliver promissory notes or other evidences of indebtedness.	_____
	(5) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Corporation as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.	_____
	(6) Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution.	_____
	(7) Other _____	_____

**LIMITATIONS ON POWERS** The following are the Corporation's express limitations on the powers granted under this resolution.

**EFFECT ON PREVIOUS RESOLUTIONS** This resolution supersedes resolution dated \_\_\_\_\_. If not completed, all resolutions remain in effect.

**CERTIFICATION OF AUTHORITY**

I further certify that the Board of Directors of the Corporation has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the resolutions on page 2 and to confer the powers granted above to the persons named who have full power and lawful authority to exercise the same. (Apply seal below where appropriate.)

If checked, the Corporation is a non-profit corporation. In Witness Whereof, I have subscribed my name to this document and affixed the seal of the Corporation on \_\_\_\_\_ (date).

Attest by One Other Officer \_\_\_\_\_

Secretary \_\_\_\_\_



## RESOLUTIONS

The Corporation named on this resolution resolves that,

- (1) The Financial Institution is designated as a depository for the funds of the Corporation and to provide other financial accommodations indicated in this resolution.
- (2) This resolution shall continue to have effect until express written notice of its rescission or modification has been received and recorded by the Financial Institution. Any and all prior resolutions adopted by the Board of Directors of the Corporation and certified to the Financial Institution as governing the operation of this corporation's account(s), are in full force and effect, until the Financial Institution receives and acknowledges an express written notice of its revocation, modification or replacement. Any revocation, modification or replacement of a resolution must be accompanied by documentation, satisfactory to the Financial Institution, establishing the authority for the changes.
- (3) The signature of an Agent on this resolution is conclusive evidence of their authority to act on behalf of the Corporation. Any Agent, so long as they act in a representative capacity as an Agent of the Corporation, is authorized to make any and all other contracts, agreements, stipulations and orders which they may deem advisable for the effective exercise of the powers indicated on page one, from time to time with the Financial Institution, subject to any restrictions on this resolution or otherwise agreed to in writing.
- (4) All transactions, if any, with respect to any deposits, withdrawals, rediscounts and borrowings by or on behalf of the Corporation with the Financial Institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.
- (5) The Corporation agrees to the terms and conditions of any account agreement, properly opened by any Agent of the Corporation. The Corporation authorizes the Financial Institution, at any time, to charge the Corporation for all checks, drafts, or other orders, for the payment of money, that are drawn on the Financial Institution, so long as they contain the required number of signatures for this purpose.
- (6) The Corporation acknowledges and agrees that the Financial Institution may furnish at its discretion automated access devices to Agents of the Corporation to facilitate those powers authorized by this resolution or other resolutions in effect at the time of issuance. The term "automated access device" includes, but is not limited to, credit cards, automated teller machines (ATM), and debit cards.
- (7) The Corporation acknowledges and agrees that the Financial Institution may rely on alternative signature and verification codes issued to or obtained from the Agent named on this resolution. The term "alternative signature and verification codes" includes, but is not limited to, facsimile signatures on file with the Financial Institution, personal identification numbers (PIN), and digital signatures. If a facsimile signature specimen has been provided on this resolution, (or that are filed separately by the Corporation with the Financial Institution from time to time) the Financial Institution is authorized to treat the facsimile signature as the signature of the Agent(s) regardless of by whom or by what means the facsimile signature may have been affixed so long as it resembles the facsimile signature specimen on file. The Corporation authorizes each Agent to have custody of the Corporation's private key used to create a digital signature and to request issuance of a certificate listing the corresponding public key. The Financial Institution shall have no responsibility or liability for unauthorized use of alternative signature and verification codes unless otherwise agreed in writing.

**Pennsylvania.** The designation of an Agent does not create a power of attorney; therefore, Agents are not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code) unless the agency was created by a separate power of attorney. Any provision that assigns Financial Institution rights to act on behalf of any person or entity is not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code).

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### FOR FINANCIAL INSTITUTION USE ONLY

Acknowledged and received on \_\_\_\_\_ (date) by \_\_\_\_\_ (initials)  This resolution is superseded by resolution dated \_\_\_\_\_ .

Comments:

**SOLE PROPRIETORSHIP RESOLUTION OF AUTHORITY**

Capital Resources, LLC  
 7960 W. 135th Street, Suite 200  
 Overland Park, KS 66223

By: \_\_\_\_\_

Referred to in this document as "Financial Institution"

Referred to in this document as "Proprietorship"

I, \_\_\_\_\_, certify that I am the sole owner of the above named proprietorship, Federal Tax I.D. Number \_\_\_\_\_, engaged in business under the trade name of \_\_\_\_\_.

**AGENTS** Any Agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

Name and Title or Position	Signature	Facsimile Signature (if used)
A. _____	X _____	X _____
B. _____	X _____	X _____
C. _____	X _____	X _____
D. _____	X _____	X _____
E. _____	X _____	X _____
F. _____	X _____	X _____

**POWERS GRANTED** (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

Indicate A, B, C, D, E, and/or F	Description of Power	Indicate number of signatures required
A _____	(1) Exercise all of the powers listed in this resolution.	1 _____
_____	(2) Open any deposit or share account(s) in the name of the Proprietorship.	_____
_____	(3) Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.	_____
_____	(4) Borrow money on behalf and in the name of the Proprietorship, sign, execute and deliver promissory notes or other evidences of indebtedness.	_____
_____	(5) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Proprietorship as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.	_____
_____	(6) Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution.	_____
_____	(7) Other _____	_____

**LIMITATIONS ON POWERS** The following are the Proprietorship's express limitations on the powers granted under this resolution.

**EFFECT ON PREVIOUS RESOLUTIONS** This resolution supersedes resolution dated \_\_\_\_\_. If not completed, all resolutions remain in effect.

**CERTIFICATION OF AUTHORITY** I further certify that the Proprietorship has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the resolutions on page 2 and to confer the powers granted above to the person named who have full power and lawful authority to exercise the same.

Optional Notarization:

Subscribed and sworn to before me this

\_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

In Witness Whereof I have subscribed my name to this document on \_\_\_\_\_ (date).

\_\_\_\_\_  
 \_\_\_\_\_  
 (Type Name of Proprietor Below Signature)

As used in this agreement, "I" means the owner of the sole proprietorship designated on page one. The term "resolution" means this agreement or any other agreement granting authority to others to act on behalf of the Proprietorship. I warrant that I am the sole owner of the business whose trade name is designated on this resolution. If any other parties acquire an ownership interest in the business (for example if I were to include a partner in ownership or if I were to incorporate), or if the ownership is changed in any way and I do not notify the Financial Institution of that fact, I will remain fully liable personally in accordance with the terms of this resolution and any other agreements that I have signed. In consideration of the Financial Institution's acceptance of this account under the designated trade name, and/or for the purpose of cashing or negotiating checks, drafts or other negotiable instruments payable to the designated trade name, that I endorse in my name as owner, that are endorsed in the designated trade name, or by those authorized on page one as Agents, I agree that:

**The Proprietorship named on this resolution resolves that,**

- (1) The Financial Institution is designated as a depository for the funds of the Proprietorship and to provide other financial accommodations indicated in this resolution.
- (2) This resolution shall continue to have effect until express written notice of its rescission or modification has been received and recorded by the Financial Institution. Any and all prior agreements or resolutions adopted by the Proprietorship and certified to the Financial Institution as governing the operation of this proprietorship's account(s), are in full force and effect, until the Financial Institution receives and acknowledges an express written notice of its revocation, modification or replacement. Any revocation, modification or replacement of a resolution or agreement must be accompanied by documentation, satisfactory to the Financial Institution, establishing the authority for the changes.
- (3) The signature of an Agent on this resolution is conclusive evidence of their authority to act on behalf of the Proprietorship. Any Agent, so long as they act in a representative capacity as an Agent of the Proprietorship, is authorized to make any and all other contracts, agreements, stipulations and orders which they may deem advisable for the effective exercise of the powers indicated on page one, from time to time with the Financial Institution, subject to any restrictions on this resolution or otherwise agreed to in writing.
- (4) All transactions, if any, with respect to any deposits, withdrawals, rediscounts and borrowings by or on behalf of the Proprietorship with the Financial Institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.
- (5) I agree to the terms and conditions of any account agreement, properly opened by any Agent of the Proprietorship. I authorize the Financial Institution, at any time, to charge the Proprietorship for all checks, drafts, or other orders, for the payment of money, that are drawn on the Financial Institution, so long as they contain the required number of signatures for this purpose.
- (6) I acknowledge and agree that the Financial Institution may furnish at its discretion automated access devices to Agents of the Proprietorship to facilitate those powers authorized by this resolution or other writings in effect at the time of issuance. The term "automated access device" includes, but is not limited to, credit cards, automated teller machines (ATM), and debit cards.
- (7) I acknowledge and agree that the Financial Institution may rely on alternative signature and verification codes issued to or obtained from the Agent named on this resolution. The term "alternative signature and verification codes" includes, but is not limited to, facsimile signatures on file with the Financial Institution, personal identification numbers (PIN), and digital signatures. If a facsimile signature specimen has been provided on this resolution, (or that are filed separately by the Proprietorship with the Financial Institution from time to time) the Financial Institution is authorized to treat the facsimile signature as the signature of the Agent(s) regardless of by whom or by what means the facsimile signature may have been affixed so long as it resembles the facsimile signature specimen on file. I authorize each Agent to have custody of the Proprietorship's private key used to create a digital signature and to request issuance of a certificate listing the corresponding public key. The Financial Institution shall have no responsibility or liability for unauthorized use of alternative signature and verification codes unless otherwise agreed in writing.

**Pennsylvania.** The designation of an Agent does not create a power of attorney; therefore, Agents are not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code) unless the agency was created by a separate power of attorney. Any provision that assigns Financial Institution rights to act on behalf of any person or entity is not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code).

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FOR FINANCIAL INSTITUTION USE ONLY

Acknowledged and received on \_\_\_\_\_ (date) by \_\_\_\_\_ (initials)  This resolution is superseded by resolution dated \_\_\_\_\_

Comments:

AGREEMENT TO PROVIDE INSURANCE

DATE AND PARTIES. The date of this Agreement to Provide Insurance (Agreement) is \_\_\_\_\_ The parties and their addresses are:

OWNER:

SECURED PARTY: Capital Resources, LLC
7960 W. 135th Street, Suite 200
Overland Park, KS 66223

The pronouns "you" and "your" refer to the Secured Party. The pronouns "I," "me" and "my" refer to each person or entity signing this Agreement as Owner.

1. LOAN, LEASE, OR CONTRACT DESCRIPTION (Loan).

- A. Date:
B. Loan Number:
C. Loan Amount:
D. Additional Information:

2. AGREEMENT TO PROVIDE INSURANCE. As part of my Loan, I agree to do all of the following (in addition to any requirements specified in the Loan documents).

- A. I will insure the Property as listed and with the coverages shown in the COVERAGES section.
B. I will have you named on the policy, with the status listed under the STATUS section.
C. I will arrange for the insurance company to notify you that the policy is in effect and your status has been noted.
D. I will pay for this insurance, including any fee for this endorsement.
E. I will keep the insurance in effect until the Property is no longer subject to your security interest. (I understand that the Property may secure debts in addition to any listed in the LOAN DESCRIPTION section.)

3. DESCRIPTION OF PROPERTY. The Property subject to this Agreement is described as follows.

See attachment to Agreement to Provide Insurance - Description of Collateral dated \_\_\_\_\_, 2018.

4. COVERAGES. I agree to insure the Property according to the following described risks, amount of coverage, and maximum deductible allowed.

[X] If checked, all coverages will be for the full replacement value of the Property.

Homeowner's Coverage. [ ] H.O. [ ] Other (Describe) \_\_\_\_\_

Insurable Value: \_\_\_\_\_ Deductible: \_\_\_\_\_

Automobile Coverages. [ ] Fire [ ] Theft [ ] Collision [ ] Comprehensive [ ] Liability [ ] Other \_\_\_\_\_

Insurable Value: \_\_\_\_\_ Deductible: \_\_\_\_\_ Minimum limits: \_\_\_\_\_

Property Coverage. [X] Fire [X] Theft [ ] Collision [X] Comprehensive [X] Liability [ ] Other \_\_\_\_\_

Insurable Value: \_\_\_\_\_ Deductible: \_\_\_\_\_

5. STATUS. Your status shall be listed on the insurance policy as follows.

[ ] Lienholder [ ] Certificate Holder [X] Additional Insured [ ] Mortgagee [ ] Other \_\_\_\_\_

California Real Property: Hazard insurance exceeding the replacement value of the improvements on the property is not required as a condition of this loan.

6. ADDITIONAL TERMS. Owner shall maintain replacement coverage on all personal property. Owner shall maintain a General Liability policy with limits of at least \$1,000,000.

Owner shall maintain Errors & Omissions coverage with limits of at least \$1,000,000.

7. INSURANCE COMPANY. The insurance policy covering the Property and the insurance company issuing the policy are as follows.

A. Policy Number: \_\_\_\_\_ Effective From \_\_\_\_\_ To \_\_\_\_\_

B. Insurance Company Name, Address, and Phone Number:

8. INSURANCE AGENCY AND AGENT. The insurance agency through which I have purchased, or intend to purchase, the required insurance is as follows.

A. Agent Name: \_\_\_\_\_

B. Agency Name, Address, and Phone Number:

9. SIGNATURES.

SIGNATURES FOR OWNER(S) AND AUTHORIZATION TO INSURANCE AGENT AND COMPANY. By signing below, I agree to the terms contained in this Agreement and acknowledge receipt of a copy of this Agreement. I request the listed insurance company and agency to provide the indicated coverage and list you on the policy with the indicated status. I also request the insurance company or its authorized agent to immediately confirm that the policy is in effect by signing this form and forwarding a copy of the policy to you.

X \_\_\_\_\_ Date \_\_\_\_\_

X \_\_\_\_\_ Date \_\_\_\_\_

SIGNATURE FOR SECURED PARTY AND REQUEST FOR CONFIRMATION. Upon receipt of this Agreement, the insurance company or agency named above is requested to confirm the policy coverages shown above.

By X \_\_\_\_\_ Date \_\_\_\_\_

James McKernan, Chief Operating Officer

SIGNATURE FOR INSURANCE COMPANY AND CONFIRMATION. By signing below, Insurance Company confirms the existence of the insurance coverages agreed to be provided by our insured and that you will be notified not less than 10 days before cancellation.

Insurance Company

By X \_\_\_\_\_ Date \_\_\_\_\_

Please return to Secured Party at the address listed in the DATE AND PARTIES section.

Attachment to Agreement to Provide Insurance  
Description of Collateral

This Attachment made this 1<sup>st</sup> day of \_\_\_\_\_, 2018, is made to and a part of the Agreement to Provide Insurance (the "Agreement"), executed simultaneous herewith, by and between \_\_\_\_\_, individually ("Borrower") and Capital Resources, LLC ("Lender").

1. From the date of this Agreement and thereafter until all liabilities of Borrower to Lender are paid in full, Borrower covenants and agrees that it shall maintain property and casualty insurance coverage at full replacement value on all personal property of Borrower, including but not limited to the following:

A) All of Borrower's personal property, whether tangible or intangible, and all of Borrower's interest in property and fixtures, now owned or existing or hereafter acquired and wherever located, including without limitation, the following: (i) all furniture, inventory, machinery, equipment, goods and supplies; (ii) all accounts, including without limitation, the Borrower's Operating Account, the agent's account and customer accounts; (iii) all instruments, documents (including, without limitation, the customer files) policies and certificates of insurance, money, chattel paper, investment property, deposits, warehouse receipts and things in action; (iv) all general intangibles and rights to payment or proceeds of any kind, including without limitation, rights to insurance proceeds and letter of credit proceeds; (v) all contract rights and interests of any kind, including without limitation, the rights and interests set forth in the R3001 Agreement with Allstate to the extent Borrower can assign such rights; and (vi) the Book of Business;

B) Any and all telephone numbers, rights to the lease of office space, post office boxes or other mailing addresses, rights to trademarks and use of trade names, rights to software licenses, and rents received by Borrower for the lease of office space;

C) All deposit accounts, disbursement accounts, accounts receivable, commission receivables, economic interest of Borrower and any and all termination payments due to Borrower (as that term is defined in the Allstate R3001 Exclusive Agency Agreement executed by Borrower with Allstate Insurance Company) whether now in existence or hereafter coming into existence, all chattel paper, contract rights, instruments documents, general intangibles, inventory and goods in process of Borrower, whether now in existence or owned or hereafter coming into existence or acquired, wherever located, and all returned goods, and repossessions and replacements thereof;

D) Commissions payable to Borrower and any assignment thereof;

E) A primary or first Security Interest and Collateral Assignment of Termination Payments and Economic Interest;

F) Any and all life insurance proceeds and cash value and any Assignment of Life Insurance; and,

G) any and all additions, attachments, parts, repairs, accessories, accessions, replacements and substitutions to or for any of the forgoing and any proceeds and products of the above property, whether now owned or hereinafter acquired.

2. From the date of this Agreement and thereafter until all liabilities of Borrower to Lender are paid in full, Borrower covenants and agrees that it shall maintain a General Liability policy with limits of not less than One Million and No/100 Dollars (\$1,000,000.00).

3. From the date of this Agreement and thereafter until all liabilities of Borrower to Lender are paid in full, Borrower covenants and agrees that it shall name Lender as an additional insured on all policies listed herein.

Accepted and agreed on this 1<sup>st</sup> day of \_\_\_\_\_, 2018.

BORROWER:

LENDER:

By: \_\_\_\_\_  
Individually

By: James McKernan  
Title: Chief Operating Officer

ASSIGNMENT OF LIFE INSURANCE POLICY AS COLLATERAL

A. FOR VALUE RECEIVED the undersigned hereby assign, transfer and set over to Capital Resources, LLC of 7960 W. 135th Street, Suite 200, Overland Park, KS 66223

its successors and assigns, (herein called the "Assignee") Policy No. issued by the

(herein called the "Insurer") and any supplementary contracts issued in connection therewith (said policy and contracts being herein called the "Policy"), upon the life of

of and all claims, options, privileges, rights, title and interest therein and thereunder (except as provided in Paragraph C hereof), subject to all the terms and conditions of the Policy and to all superior liens, if any, which the Insurer may have against the Policy. The undersigned by this instrument jointly and severally agree and the Assignee by the acceptance of this assignment agrees to the conditions and provisions herein set forth.

B. It is expressly agreed that, without detracting from the generality of the foregoing, the following specific rights are included in this assignment and pass by virtue hereof:

- 1. The sole right to collect from the Insurer the net proceeds of the Policy when it becomes a claim by death or maturity;
2. The sole right to surrender the Policy and receive the surrender value thereof at any time provided by the terms of the Policy and at such other times as the Insurer may allow;
3. The sole right to obtain one or more loans or advances on the Policy, either from the Insurer or, at any time, from other persons, and to pledge or assign the Policy as security for such loans or advances;
4. The sole right to collect and receive all distributions or shares of surplus, dividend deposits or additions to the Policy now or hereafter made or apportioned thereto, and to exercise any and all options contained in the Policy with respect thereto;
5. The sole right to exercise all nonforfeiture rights permitted by the terms of the Policy or allowed by the Insurer and to receive all benefits and advantages derived therefrom.

C. It is expressly agreed that the following specific rights, so long as the Policy has not been surrendered, are reserved and excluded from this assignment and do not pass by virtue hereof:

- 1. The right to collect from the Insurer any disability benefit payable in cash that does not reduce the amount of insurance;
2. The right to designate and change the beneficiary;
3. The right to elect any optional mode of settlement permitted by the Policy or allowed by the Insurer.

The reservation of these rights shall in no way impair the right of the Assignee to surrender the Policy completely with all its incidents or impair any other right of the Assignee hereunder, and any designation or change of beneficiary or election of a mode of settlement shall be made subject to this assignment and to the rights of the Assignee hereunder.

D. This assignment is made and the Policy is to be held as collateral security for any and all liabilities of the undersigned, or any of them, to the Assignee, either now existing or that may hereafter arise in the ordinary course of business between any of the undersigned and the Assignee (all of which liabilities secured or to become secured are herein called "Liabilities").

E. The Assignee covenants and agrees with the undersigned as follows:

- 1. That any balance of sums received hereunder from the Insurer remaining after payment of the then existing Liabilities, matured or unmatured, shall be paid by the Assignee to the persons entitled thereto under the terms of the Policy had this assignment not been executed;
2. That the Assignee will not exercise either the right to surrender the Policy or (except for the purpose of paying premiums) the right to obtain policy loans from the Insurer, until there has been default in any of the Liabilities or a failure to pay any

- E. (continued) premium when due, nor until twenty days after the Assignee shall have mailed, by first-class mail, to the undersigned at the addresses last supplied in writing to the Assignee specifically referring to this assignment, notice of intention to exercise such right; and
3. That the Assignee will upon request forward without unreasonable delay to the Insurer the Policy for endorsement of any designation or change of beneficiary or any election of an optional mode of settlement.

F. The Insurer is hereby authorized to recognize the Assignee's claims to rights hereunder without investigating the reason for any action taken by the Assignee, or the validity or the amount of the Liabilities or the existence of any default therein, or the giving of any notice under Paragraph E (2) above or otherwise, or the application to be made by the Assignee of any amounts to be paid to the Assignee. The sole signature of the Assignee shall be sufficient for the exercise of any rights under the Policy assigned hereby and the sole receipt of the Assignee for any sums received shall be a full discharge and release therefor to the Insurer. Checks for all or any part of the sums payable under the Policy and assigned herein, shall be drawn to the exclusive order of the Assignee if, when, and in such amounts as may be, requested by the Assignee.

G. The Assignee shall be under no obligation to pay any premium, or the principal or interest on any loans or advances on the Policy whether or not obtained by the Assignee, or any other charges on the Policy, but any such amounts so paid by the Assignee from its own funds, shall become a part of the Liabilities hereby secured, shall be due immediately, and shall draw interest at the annual percentage rate then in effect for the note or other evidence of any Liability.

H. The exercise of any right, option, privilege or power given herein to the Assignee shall be at the option of the Assignee, but (except as restricted by Paragraph E (2) above) the Assignee may exercise any such right, option, privilege or power without notice to, or assent by, or affecting the liability of, or releasing any interest hereby assigned by the undersigned or any of them.

I. The Assignee may take or release other security, may release any party primarily or secondarily liable for any of the Liabilities, may grant extensions, renewals or indulgences with respect to the Liabilities, or may apply to the Liabilities, in such order as the Assignee shall determine, the proceeds of the Policy hereby assigned or any amount received on account of the Policy by the exercise of any right permitted under this assignment, without resorting or regard to the other security.

J. In the event of any conflict between the provisions of this assignment and provisions of the note or other evidence of any Liability with respect to the Policy or rights of collateral security therein, the provisions of this assignment shall prevail.

K. Each of the undersigned declares that no proceedings in bankruptcy are pending against him and that his property is not subject to any assignment for the benefit of creditors.

Signed and sealed this day of

Witness

Witness

Witness

Owner (L.S.)

Address

Beneficiary (L.S.)

Address

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF COUNTY OF

On the day of before me personally came to me known to be the individual described in and who executed this assignment of life insurance policy and acknowledged to me that executed the same.

Notary Public

My commission expires

CORPORATE ACKNOWLEDGEMENT

STATE OF COUNTY OF

On the day of before me personally came who being by me duly sworn, did depose and say that he resides in

; that he is the of the corporation described in and which executed this assignment of life insurance policy; that he knows the seal of said corporation; that the seal affixed to said assignment is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Notary Public

My commission expires

\* \* \* \* \*

Duplicate received and filed at the home office of the Insurer in this day of

By Authorized Officer

NOTE: When executed by a corporation, the corporation seal should be affixed and there should be attached to the assignment a certified copy of the resolution of the Board of Directors authorizing the signing officer to execute and deliver the assignment in the name and on behalf of the corporation.

**Limited Power of Attorney**

Be it known that I, \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, the undersigned (“Borrower”), do hereby grant a limited power of attorney to Capital Resources, LLC (“Capital Resources”), as my true and lawful attorney in fact for me and in my name, place, and stead, giving unto my attorney in fact full power and authority to undertake and perform the following on my behalf upon failing to cure a written Default within the cure periods identified in the Loan Documents:

1) Notify Allstate Insurance Company and elect the Termination Payment Plan on Borrower’s behalf, without delay or interference, if Borrower fails to fulfill or perform any term, condition or obligation set forth in any agreement between Borrower and Capital Resources and/or executed by Borrower for the benefit of Capital Resources (“Loan Document(s)”) and make demand for, and receive, any additional remedy available to Capital Resources under the Loan Document(s). I also authorize Capital Resources to notify any brokered insurance carrier represented by the Borrower and make demand for, and receive, any additional remedy available to Capital Resources under the Loan Documents. For purposes hereof, Loan Document(s) shall include, without limitation, any promissory notes, loan agreements, security agreements, guaranties or any other document signed by me simultaneously herewith or at any time while any indebtedness of mine is owed to Capital Resources.

I hereby grant my attorney in fact every power necessary to carry out the limited purposes for which this power of attorney is granted.

This power of attorney in fact shall not be affected by and shall continue in full force and effect for as long as Borrower maintains an indebtedness to Capital Resources, LLC.

The rights, powers and authority of my attorney in fact herein granted shall commence and be in full force and effect from the date I sign this power of attorney.

Officer:

\_\_\_\_\_, President

\_\_\_\_\_  
Date

**Limited Power of Attorney**

Be it known that I, \_\_\_\_\_, the undersigned (“Borrower”), do hereby grant a limited power of attorney to Capital Resources, LLC (“Capital Resources”), as my true and lawful attorney in fact for me and in my name, place, and stead, giving unto my attorney in fact full power and authority to undertake and perform the following on my behalf upon failing to cure a written Default within the cure periods identified in the Loan Documents:

1) Notify Allstate Insurance Company and elect the Termination Payment Plan on Borrower’s behalf, without delay or interference, if Borrower fails to fulfill or perform any term, condition or obligation set forth in any agreement between Borrower and Capital Resources and/or executed by Borrower for the benefit of Capital Resources (“Loan Document(s)”) and make demand for, and receive, any additional remedy available to Capital Resources under the Loan Document(s). I also authorize Capital Resources to notify any brokered insurance carrier represented by the Borrower and make demand for, and receive, any additional remedy available to Capital Resources under the Loan Documents. For purposes hereof, Loan Document(s) shall include, without limitation, any promissory notes, loan agreements, security agreements, guaranties or any other document signed by me simultaneously herewith or at any time while any indebtedness of mine is owed to Capital Resources.

I hereby grant my attorney in fact every power necessary to carry out the limited purposes for which this power of attorney is granted.

This power of attorney in fact shall not be affected by and shall continue in full force and effect for as long as Borrower maintains indebtedness to Capital Resources, LLC.

The rights, powers and authority of my attorney in fact herein granted shall commence and be in full force and effect from the date I sign this power of attorney.

\_\_\_\_\_, Individually

\_\_\_\_\_  
Date

With Marital Consent of:

\_\_\_\_\_, Individually

\_\_\_\_\_  
Date



**JOINT PROPERTY NOTICE AND SPOUSAL WAIVER**

Capital Resources, LLC (“Lender”) has agreed to advance your spouse, \_\_\_\_\_, a commercial loan in the amount of \_\_\_\_\_ and No/100 Dollars (\$ \_\_\_\_\_). In addition to the commercial loan referenced above, your spouse may from time to time request that the Lender extend credit, financial, or other accommodations to your spouse either in the form of direct loans or loans to other persons or entities with your spouse guaranteeing such loans (collectively known as “Obligations”). In consideration of Lender extending such Obligations to your spouse, Lender and the undersigned AGREE to the following:

1. The intent of this document is to inform the undersigned that all joint property owned by the undersigned and his or her spouse at the time of enforcement of the Obligations shall be available to satisfy the Obligations to the extent allowable by law.
2. The undersigned hereby guarantees payment and performance of the Obligations, but ONLY to the extent of the undersigned’s interest in property (real, personal, tangible or intangible) which the undersigned at present, or from in the future, owns jointly with his or her spouse (the “Joint Property”).
3. The undersigned shall have no **personal** obligation for any deficiency as a result of signing this agreement.

The undersigned further acknowledges and waives (i) notice of the creation, renewal, or accrual of any present or future Obligations covered by this agreement; (ii) protest, presentment, demand for payment, notice of default or non-payment, or notice of dishonor with respect to the Obligations; (iii) granting any indulgences or extensions of time with respect to payment of the Obligations; (iv) releasing any persons obligated or collateral securing the Obligations or any other action that might increase or vary the risk assumed by the undersigned under this agreement; and (v) the necessity of proceeding against other parties or other collateral prior to enforcing this agreement. The undersigned also authorized Lender, without notice and without lessening the undersigned’s liability hereunder, to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment and other terms of the Obligations, including increases and decreases in the rate of interest, principal amount, fees, or other charges on the Obligations.

CAPITAL RESOURCES, LLC

By: \_\_\_\_\_  
(Printed Name)

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_

Spouse

By: \_\_\_\_\_  
(Printed Name)

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_