LOAN AGREEMENT

THIS AGREEMENT, made and entered into this \_\_\_ day of \_\_\_\_\_\_\_\_, 201\_\_, by and between (business name and address), Kansas (Zip Code), hereinafter sometimes referred to as “Company,” and (County) County Economic Development E-Community Fund, hereinafter sometimes referred to as “Provider” for Network Kansas funds.

WITNESSETH:

WHEREAS, the Company applied for a loan of $\_\_\_\_\_\_\_\_\_\_\_ to be paid out of proceeds received by Provider from Network Kansas E-Community Fund, and

WHEREAS, the purpose of the loan is to enable the Company to expand it’s business, all as specified in the application submitted to (County) County Economic Development’s Program Administrator,

WHEREAS, the (County) County Economic Development, Program Administrator, is authorized to make this loan under applicable Kansas Law.

NOW THEREFORE, in consideration of the mutual promises, covenants and agreements, the parties agree as follows:

1. As soon as practicable after the funds are received from Network Kansas, Provider shall loan to the Company the sum of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dollars ($\_\_\_\_\_\_\_\_\_) upon the terms and conditions hereinafter set forth. Said sum shall be advanced to the Company in accordance with loan conditions in the Network Kansas E-Community Award Agreement with the Provider.

2. This loan agreement is subject to:

A. The accuracy of representations made by the Company to (County) County Economic Development in the application and documentation presented by the Company.

B. The Provider’s determination, in its’ sole discretion, that there has been no unremedied adverse change in the financial or any other condition of the Company’s initial application.

C. An agreement executed by the Company that the funds and capital provided by all sources, more particularly identified in the Loan application, will allow the Company to operate its facility as indicated in the application.

D. An agreement executed by the Company providing that in the event the Company refinances its debt to the Provider, relocates to another area outside of the State of Kansas, or sells 30% or more of its’ assets, this loan shall be accelerated and immediately due and payable. Further, the loan may be immediately due and payable in the event there is a change of ownership or control of the business without prior consent of the (County) County Economic Development.

E. Execution of a note in the principal amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ dollars ($\_\_\_\_\_\_\_) in the form and manner designated by the Provider, including but not limited to the following provisions:

1) Commencing on the date of execution of the loan agreement between the Provider and the Company, any outstanding note balanceshall draw interest at the rate of \_\_\_\_ percent (\_\_%) per annum, with monthly principal and interest payments.

2) The note term shall be \_\_\_\_ monthly payments as follows: $\_\_\_\_\_\_\_\_ beginning \_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_ and continuing on the same day of each month until \_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_.

3) The Company shall have the right to prepay any part or all of the unpaid balance at any time without penalty.

F. Personal Guaranty executed by \_\_\_\_\_\_\_\_\_\_\_\_\_ on a loan guaranty form provided by the (County) County Economic Development.

G. To secure repayment of the note designated above, said note shall be secured by the following collateral:

1) Security interest properly attached, recorded and perfected pursuant to the Kansas Uniform Commercial Code, securing all equipment, inventory and accounts receivable, now owned, to be acquired with loan proceeds, or hereafter acquired and subject to prior liens.

H. Before disbursement, the (County) County Economic Development will assure that its lien position is or will be as designated herein.

I. The Security Agreement shall remain in full force and effect until the principal and interest on said note have been paid in full and at which time the (County) County Economic Development agrees to fully release the Security Agreement.

J. The Security Agreement shall contain the usual provisions to protect the lien position, including but not limited to requirements concerning payment of insurance and conditions precipitating default and notice of such default and remedies upon default, including but not limited to foreclosure of the Security Agreement.

3. In consideration of this loan, the Company further agrees as follows:

A. To fully complete the project as described in the loan application submitted to (County) County Economic Development, and approved for funding by the Network Kansas within the time schedule set forth in the application. A copy of said application is either attached to this loan agreement or the same is hereby incorporated herein by reference.

B. To indemnify the Provider against any loss incurred by reason of the Company’s failure to fully comply with the terms of this agreement.

4. The Company agrees to operate its facilities in \_\_\_\_\_\_\_ County, Kansas, in full compliance with applicable federal, state and local laws including without limitations federal laws relating to equal employment opportunity and occupational health and safety standards and the Kansas Building Code and local ordinances, resolutions or regulations which may be applicable.

5. The Company further agrees that until this transaction is closed and all indebtedness repaid by the Company to the Provider, the Company will make available to the (County) County Economic Development and their authorized employees and agents, the Company’s books, accounts, records, reports, files and other papers pertaining to funds provided under this agreement for the purpose of making audits, examinations, and monitoring.

6. The Company agrees to provide the (County) County Economic Development and their authorized employees and agents, yearly financial statements (balance sheet, profit and loss and cash flow statement) until the Company fully repays its’ indebtedness to the County.

7. The Company agrees to provide and maintain at its own expense casualty and hazard insurance in a total amount sufficient to pay the Provider in full, together with accrued interest thereon. Said insurance shall provide coverage for loss by fire or wind with extended coverage and shall cover all of the fixtures and improvements and all business machinery, equipment, furnishings and furniture secured by the security agreement between the Company and the Provider.

8. Before or at the time of Promissory Note execution between (County) County Economic Development and Company, if applicable, the Company must be able to provide evidence that it is duly organized, in good standing in the State of its formation, authorized to do business in the State of Kansas, and authorized to borrow money; and evidence shall be provided that the person executing the note and security instruments is authorized to act on behalf of the company in such a transaction.

9. The Company shall provide evidence that it has injected the necessary capital to comply with the requirements designated in the application.

10. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement, or any part thereof.

11. The parties further agree that this agreement may not be assigned by either party without prior approval of the other party.

12. The parties further agree that this agreement shall be binding upon their successors and assigns.

IN WITNESS WHEREOF, the parties have signed their names on the day and year first above written.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

(Name)

ATTEST: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**INDIVIDUAL’S GUARANTY AGREEMENT**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce you, at your option, to make loans or engage in any other transactions with borrower from time to time, I the undersigned \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ absolutely and unconditionally guarantee the full payment of the following debts when due (whether at maturity or upon acceleration):

A certain Promissory Note executed by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, as borrower, and (County) County Economic Development E-Community Fund, as lender, dated \_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_ in the amount of \_\_\_\_\_\_\_\_\_\_\_\_ Dollars ($\_\_\_\_\_\_\_\_\_).

Definitions. As used in this agreement, the terms “I,” “we” and “my” mean all persons signing this guaranty agreement, individually and jointly, and their heirs, executors, administrators and assigns.

The term “debt” means all debts, liabilities, and obligations of the borrower (including, but not limited to, all amounts agreed to be paid under the terms of any notes or security agreements; the payment of any debt, liability or obligation; overdrafts; letters of credit; guaranties; advances for taxes; insurance; repairs and storage; and all extensions, renewals, refinancings and modifications of these debts) whether now existing or created or incurred in the future, due or to become due, or absolute or contingent.

Applicable Law. This agreement is governed by the law of the state in which you are located. Any term of this agreement that does not comply with applicable law will not be effective if that law does not expressly or impliedly permit variations by agreement. If any part of this agreement cannot be enforced according to its terms, this fact will not affect the balance of this agreement.

Revocation. I agree that this is an absolute and continuing guaranty. If this guaranty is limited to the payment of a specific debt of the borrower described above, this agreement cannot be revoked and will remain in effect until the debt is paid in full. If this guaranty covers both the borrower’s present and future debts, I agree that this guaranty will remain binding on me, whether or not there are any debts outstanding, until you have actually received written notice of my revocation or written notice of my death or incompetence.

Notice of revocation or notice of my death or incompetence will not affect my obligations under this guaranty with respect to any debts incurred by or for which you have made a commitment to borrower before you actually receive such notice, and all renewals, extensions, refinancings, and modifications of such debts. I agree that if any other person signing this agreement provides a notice of revocation to you, I will still be obligated under this agreement until I provide a notice of revocation to you. If any other person signing this agreement dies or is declared incompetent, such fact will not affect my obligations under this agreement.

Obligations Independent. I agree that I am obligated to pay according to the terms of this guaranty even if any other person has agreed to pay the borrower’s debt. You may, without notice to me: (1) release any borrower or other person who may be liable for borrower’s debt, (2) release or substitute any collateral, (3) fail to perfect any security interest or otherwise impair any collateral, (4) waive or impair any right you may have against any borrower or other person who may be liable for borrower’s debt, (5) settle or compromise any claim against the borrower or any person who may be liable for the borrower’s debt, (6) procure any additional security or persons who agree to be liable for borrower’s debt, (7) delay or fail to pursue enforcement of the debt, (8) apply amounts you receive from the borrower or other persons to payment of the debt in any order you select, (9) make any election with respect to the debt provided by law or any agreement with any person liable for the debt, (10) exercise or fail to exercise any rights you have with respect to the debt, (11) extend new credit to the borrower, or (12) renew, extend, refinance or modify the borrower’s debt on any terms agreed to by you and the borrower (including, but not limited to, changes in the interest rate or in the method, time, place or amount of payment) without affecting my obligation to pay under this guaranty.

I will remain obligated to pay on this guaranty even if any other person who is obligated to pay the borrower’s debt (including the borrower) has such obligation discharged in bankruptcy or otherwise discharged by law. I also agree that if my liability is limited to a stated principal amount (plus other agreed charges), you may allow the borrower to incur debt in excess of the specified amount and apply to the payment of such excess any amounts you receive for payment of the debt from the borrower or any other person, any amounts resulting from any collateral, or amounts received from any other source, without affecting my obligations under this agreement. No modification of this agreement is effective unless in writing and signed by you and me.

Waiver. I waive presentment, demand, protest, notice of dishonor, and notice of acceptance of this guaranty. I also waive, to the extent permitted by law, all notices, all defenses and claims that the borrower could assert, any right to require you to pursue any remedy or seek payment from any other person before seeking payment under this agreement, and all other defenses to the debt, except payment in full. I agree that I will not exercise or enforce any right of subrogation, contribution or reimbursement against any person liable for the borrower’s debt or any claim to any collateral for such debt until you have received full payment of borrower’s debt. You may without notice to me and without my consent, enter into agreements with the borrower from time to time for purposes of creating or continuing the borrower’s debt. I agree that I will be liable for any deficiency remaining after foreclosure (or repossession) and sale or any collateral without regard to whether borrower’s obligation to pay such deficiency is discharged by law. If any payments on the debt are set aside, recovered or required to be returned in the event of the insolvency, bankruptcy or reorganization of the borrower, my obligations under this agreement will continue as if such payments had never been made.

Remedies. If I fail to keep any promise contained in this agreement or any agreement securing this agreement, you may make this agreement and the borrower’s debt immediately due and payable, you may set-off this obligation against any right I have to receive money from you (however, you may not set-off against any accounts in which my rights are only as a fiduciary or my IRA or other tax-deferred retirement account), you may use any remedy you have under state or federal law, and you may use any remedy given to you by any agreement securing this agreement. If I die, am declared incompetent, or become insolvent (either because my liabilities exceed my assets or because I am unable to pay my debts as they become due), you may make the debt immediately due and payable.

IN WITNESS WHEREOF, I have signed my name and affixed my seal on this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_, and by doing so agree to the terms of this guaranty.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By: (Name)

**PROMISSORY NOTE**

**FOR VALUE RECEIVED,** (Business name and address) hereinafter referred to as the "Debtor", promises to pay to the order of the (County) County Economic Development E-Community Fund, hereinafter referred to as the "Lender" at the office of its authorized agent, (County) County Economic Development, (address), Kansas, (Zip Code) the principal sum of \_\_\_\_\_\_\_\_\_\_\_\_\_ dollars ($\_\_\_\_\_\_\_\_) with interest thereon at the rate of \_\_\_\_\_ percent (\_\_\_%) per annum after execution of this note, all in accordance with the following terms and conditions:

1. **LOAN AGREEMENT.**

The "Debtor" and the "Lender" acknowledge that this note is made pursuant to and subject to the terms and conditions of the Loan Agreement dated \_\_\_\_\_\_\_\_\_, \_\_\_\_\_, entered into between the parties referred to herein as the "Loan Agreement".

1. **PAYMENT OF PRINCIPAL AND INTEREST.**

This Promissory Note evidences the "Debtor's" obligation to repay the loan made to the "Debtor" by the "Lender" pursuant to the Loan Agreement, and the principal amount of the loan proceeds together with interest shall be repaid in the following manner.

(a) Payments shall be due monthly, starting on \_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_.

(b) Commencing on the date of this first draw-down, the note shall draw interest at the rate of \_\_\_\_\_\_\_ percent (\_\_\_\_%) per annum and be paid to the "Lender".

(c) The principal shall be paid in (number) (\_\_\_) consecutive, monthly installments of $\_\_\_\_\_\_\_ beginning \_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_ and continuing on the same day of each month until \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_.

(d) A late fee in an amount not to exceed \_\_\_\_\_\_ percent (\_\_%) of the unpaid payment due becomes due if payment is not received within 15 days of the due date unless a waiver is granted by the "Lender".

(e) The payment of the entire outstanding balance of the indebtedness may be made prior to the maturity date hereof provided the timing of the payment is arranged with (County) County Economic Development. The amount required to prepay this Note shall be the aggregate of the outstanding principal balance, including accumulated interest to the prepayment date, expenses (including those related to the care and preservation of the collateral), and late charges.

1. **WAIVERS.**

The "Debtor" hereby waives the presentment, demand of payment, protest, and any and all other notices and demands whatsoever. No waiver of any payment or other right by the "Lender" under this note shall operate as a waiver of any other payment or right.

1. **SECURITY.**

This note is secured by a subordinate lien position security interest in machinery, equipment, inventory and accounts receivable, located in the City of \_\_\_\_\_\_, \_\_\_\_\_\_\_\_ County, State of Kansas, more specifically described in the Loan Agreement, Security Agreement and perfection documents and attachments.

1. **PREPAYMENT.**

This note may be prepaid, at any time, as set forth in 2(e).

1. **DEFAULT.**

This note shall be considered in default:

1. Upon any default or failure to properly perform under the Loan Agreement dated \_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_
2. Upon any occurrence under such Loan Agreement or Security Agreements by which this note may or shall become due and payable.
3. Upon failure to pay any installment required hereunder on the date it is due.
4. At any time that the "Lender" determines in good faith that the prospect of any payment required by this note is impaired.

In the event of continued default following fifteen (15) days written notice of the default, the "Lender" may, at its option, declare all unpaid indebtedness evidenced by this note and any modifications hereof, immediately due and payable, without further notice, and regardless of the date of maturity. The "Lender's" failure at any time to exercise its rights under this paragraph shall not constitute a waiver thereof. Should it become necessary to collect this note through an attorney, the "Debtor" agrees to pay all of the costs of collecting this note, including reasonable attorneys' fees to the extent permitted by law, whether collected by demand, suit, foreclosure or otherwise.

1. **BINDING EFFECT.**

The provisions of this note shall both bind and benefit the "Debtor's" successors, assigns, guarantors, endorsers, and any other person or entity now or hereafter liable hereon.

Dated this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_.

\_(Business Name)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

(Name)

Attest: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SECURITY AGREEMENT**

(Date)

\_\_\_\_\_\_\_\_\_\_, Kansas

TO: (County) County Economic Development

The undersigned and each of the undersigned grant to (County) County Economic Development, as “Provider” for the Network Kansas E-Community Fund, a security interest in the following property and any and all increases, additions, accessions, substitutions and proceeds thereto and therefore (herein call “Collateral”): described as follows:

A subordinate lien position security interest in machinery, equipment, inventory and accounts receivable now and hereby to be acquired, subordinate to any prior liens, to be located and kept in \_\_\_\_\_\_\_\_ County, Kansas, along with a personal guarantee by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, together with all rights relating thereto,

Should the Provider deem any Collateral inadequate or unsatisfactory, or should the value of the Collateral decline the Provider shall have the right to call for additional Collateral to its satisfaction.

The security interest granted to the Provider hereunder shall secure all obligations of the undersigned to the Provider, howsoever created, evidenced or arising, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due to become due (“Liabilities”).

If any notification of intended disposition by the Provider of any of the Collateral is required by law, such notification, if mailed, shall be deemed reasonably and properly given of mailed at least ten (10) days before such disposition, postage prepaid, addressed to the undersigned either at the address shown below, or at any other address of the undersigned appearing on the records of the Provider. The rights, duties, and obligations hereunder of the Provider and the undersigned shall unless otherwise required by law, be governed by the provisions of the Uniform Commercial Code as in effect from time to time in the State of Kansas and other laws of the State of Kansas, or the laws in the State where filed.

If more than one party shall sign the Agreement, the term “undersigned” shall mean and include all parties signing this Agreement and each of them, jointly and severally.

The Debtor agrees that he has read this agreement and that this agreement includes and is subject to the additional provisions set forth below and attachments hereto, such additional provisions, without limitation because of enumeration, being incorporated herein by reference.

|  |  |  |
| --- | --- | --- |
| (Business Name) |  | (County) County Economic Development Program Administrator |
|  |  |  |
|  |  |  |
| By: (Name) |  | Attest By: |
|  |  |  |
|  |  |  |
|  |  |  |

**Additional Provisions**

DEBTOR WARRANTS AND COVENANTS: (1) That except for the security interest granted hereby Debtor is, or the extent that this agreement states that the Collateral is to be acquired after the date hereof, will be, the owner of the Collateral free from any adverse lien, security interest or encumbrance; and that Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein. (2) The Debtor agrees to do such acts and things as the Provider may from time to time request to maintain a valid security interest on the part of the Provider in the Collateral (free of all other liens and claims whatsoever) to secure the payment of the liabilities. (3) That no financing statement covering the Collateral or any thereof is on file in any public office and that at the request of the Secured Party, Debtor will join with Secured Party in executing one or more financing statements pursuant to the Kansas Uniform Commercial Code in form satisfactory to Secured Party and will pay the cost of filing such financing statement, this security agreement and any continuation or termination statement, in all public offices wherever filing is deemed by Secured Party to be necessary or desirable; and if the Collateral is attached to real estate prior to the perfection of the security interest granted hereby or if the Collateral includes crops or oil, gas or minerals to be extracted to timber to be cut, Debtor will, on demand of Secured Party, furnish Secured Party with a disclaimer or disclaimers or subordination agreement signed by all persons having an interest in the real estate, disclaiming or subordinating any interest in the Collateral which is prior the to the interest of Secured Party. (4) Not so sell, transfer or dispose of the Collateral, nor take the same or attempt to take the same from the county where kept as above stated, without the prior written consent of the Secured Party. (5) To pay all taxes and assessments of every nature which may be levied or assessed against the Collateral. (6) Not to permit or allow any adverse lien, security interest or encumbrance whatsoever upon the Collateral, and not to permit the same to be attached or replevined. (7) That the Collateral is in good condition, and that he will at his own expense, keep the same in good condition and from time to time, forthwith, replace and repair all such parts if the Collateral as may be broken, worn out or damaged without allowing any lien to be created upon the Collateral on account of such replacement or repairs, and that the Secured Party may examine and inspect the Collateral at any time, wherever located. (8) The he will at his own expense keep the Collateral insured in company satisfactory to Secured Party against loss, as appropriate, by theft, collision, fire and extension coverage, will loss payable to Secured Party as its interest may appear, and will on demand deliver said policies of insurance or furnish proof of such insurance to Secured Party. (9) At its option Secured Party may procure such insurance, discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral and may pay for the repair of any damage or injury to or for the preservation and maintenance of the Collateral. Debtor agrees to reimburse Secured Party on demand for any payment or expense incurred by Secured Party pursuant to the foregoing authorization. Until such reimbursement, the amount of any such payment, with interest at the rate of 8% per annum from date of payment until reimbursement, shall be added to the indebtedness owed by Debtor and shall be secured by this agreement. (10) That he will not use the Collateral in violation of any applicable statute, regulation or ordinance and if any of the Collateral is motor vehicles that same will not be rented, used in rental service, nor in any speed or endurance contest. (11) That in the event this security agreement is placed in the hands of an attorney for enforcement Debtor will pay the reasonable attorney’s fees of Secured Party, and will pay Secured Party any and all costs and expenses incurred in recovering possession of the Collateral and incurred in enforcing this security agreement, and the same shall be secured by this security agreement.

UNTIL DEFAULT Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with this agreement and not inconsistent any policy of insurance thereon, and upon default Secured Party shall have the right to the immediate possession of the Collateral.

DEBTOR SHALL BE IN DEFAULT under this agreement upon the happening of any of the following events or conditions: (1) default in the payment or performance of any obligation, covenant or liability contained or referred to herein or in any note evidencing the same; (2) any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor is found to have been false in any material respect when made or furnished; (3) any event which results in the acceleration of the maturity of the indebtedness of Debtor to others under any indenture, agreement or undertaking; (4) loss, theft, damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon; (5) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor or surety for Debtor.

UPON SUCH DEFAULT and at any time thereafter, or if it deems itself insecure, Secured Party may declare all obligations secured hereby immediately due and payable and shall have the remedies of a secured party under the Kansas Uniform Commercial Code. The secured party may assess a collection charge on each installment in default for a period of 15 days or more as an additional charge against the debtor(s), in an amount of $20.00. Secured Party may require Debtor to assemble the Collateral and deliver or make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. Expenses or retaking, holding, preparing for sale, selling or the like shall include Secured Party’s reasonable attorney’s fees and legal expenses.

No waiver by Secured Party of any default shall operate as a waiver of any other default on a future occasion. The taking of this security agreement shall not waive or impair any other security said Secured Party may have hereafter acquire for the payment of the above indebtedness, nor shall the taking of any such additional security waive or impair this security agreement, but said Secured Party may resort to any security it may have in the order it may deem proper, and notwithstanding any collateral security, Secured Party shall retain its rights of setoff against Debtor.

All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns; and all promises and duties of Debtor shall bind heirs, executors or administrators or his or its successors or assigns. If there be more than one Debtor, their liabilities shall be joint and several.

This agreement shall become effective when it is signed by the Debtor.