

AUTHORIZATION TO CHARGE ACCOUNT VIA ACH

For Loan Principal and Interest Payments and Fees

Borrower's Name(s): [REDACTED]

THE UNDERSIGNED ACKNOWLEDGES AND AGREES THAT THIS **AUTHORIZATION TO CHARGE ACCOUNT VIA ACH** ("AUTHORIZATION") IS A MATERIAL PART OF THE CONSIDERATION TO INDUCE [REDACTED] ("LENDER") TO ENTER INTO THE LOAN TRANSACTION AND MAKE AN EXTENSION OF CREDIT (THE "LOAN") TO BORROWER PURSUANT TO A CERTAIN LOAN AND SECURITY AGREEMENT DATED July 1, 2011. THE BORROWER ACKNOWLEDGES AND AGREES THAT THIS AUTHORIZATION CANNOT BE CANCELLED BY THE BORROWER DURING THE TERM OF THE LOAN. THE BORROWER FURTHER ACKNOWLEDGES AND AGREES THAT THE PURPOSE OF THIS AUTHORIZATION IS TO AUTHORIZE AND ALLOW LENDER TO ELECTRONICALLY DRAW FUNDS FROM THE DESIGNATED ACCOUNT IN AMOUNTS REQUIRED TO PAY THE PRINCIPAL AND INTEREST PAYMENTS UNDER THE PROMISSORY NOTE EXECUTED PURSUANT TO THE LOAN AND SECURITY AGREEMENT AND OTHER COSTS AND FEES DUE FROM BORROWER TO LENDER UNDER THE LOAN AND SECURITY AGREEMENT.

This Authorization to charge the below listed account at the bank shown below shall be the same as if Borrower(s) had personally signed a check to Lender. A record of the payment made to Lender pursuant to this Authorization shall be included on the Borrower's bank statement and will serve as the Borrowers' receipt. In the event of an error, and only with the written consent of Lender, Borrower may have the right to reverse the charge to the account. Provided, however, that Borrower must notify the Bank and the Lender in writing within fifteen (15) days after the date of the Bank Statement or forty five (45) days following the erroneous charge to Borrower's account. Borrower acknowledges and agrees that the Bank is not responsible for any error in the amounts of any charges to the Account. In the event of an error Borrower will reconcile the error directly with the Lender.

BORROWER(S) FURTHER AGREES THAT, IN THE EVENT THE BANK FAILS TO HONOR ANY ACH TRANSFER REQUEST BY LENDER DUE TO INSUFFICIENT FUNDS OR BECAUSE THE ACCOUNT HAS BEEN CLOSED OR THE PAYMENT AUTHORIZATION HAS BEEN STOPPED FOR ANY OTHER REASON, A SERVICE CHARGE OF \$75.00 WILL BE ASSESSED AND BILLED TO THE BORROWER(S).

AMOUNT OF CHARGE AUTHORIZED:**ON THE DATE OF:**

1. August 15 th , 2011	\$2,383.33	\$8,000.00	\$10,383.33
2. September 15 th , 2011	\$2,296.66	\$6,000.00	\$8,296.66
3. October 31 st , 2011	\$2,111.50	\$206,000.00	\$208,211.50

All other amounts that may become due under the terms of the Note and/or Loan and Security Agreement.

Depository:
Bank Name:
Address:
City, State, Zip:

Account No.:
Routing No.:

A COPY OF BORROWER'S/ACCOUNT HOLDER'S VOIDED CHECK MUST BE ATTACHED TO THIS AUTHORIZATION

Account holder names:

Authorized Signatory:

Print Name:

Date:

(signature)

7/1/2011

AUTHORIZATION TO CHARGE ACCOUNT VIA ACH

For Loan Principal and Interest Payments and Fees

AGREEMENT DATED [REDACTED] ON [REDACTED]
CANNOT BE CANCELLED BY THE BORROWER DURING THE TERM OF THE LOAN. THE BORROWER
ACKNOWLEDGES AND AGREES THAT THE PURPOSE OF THIS AUTHORIZATION IS TO AUTHORIZE AND PERMIT LENDER
TO ELECTRONICALLY DRAW FUNDS FROM THE DESIGNATED ACCOUNT IN AMOUNTS REQUIRED TO PAY THE PRINCIPAL
AND INTEREST PAYMENTS UNDER THE PROMISSORY NOTE EXECUTED PURSUANT TO THE LOAN AND SECURITY
AGREEMENT AND OTHER COSTS AND FEES DUE FROM BORROWER TO LENDER UNDER THE LOAN AND SECURITY
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BORROWER(S) FURTHER AGREES THAT, IN THE EVENT THE BANK FAILS TO HONOR ANY ACH TRANSFER REQUEST BY LENDER DUE TO INSUFFICIENT FUNDS OR BECAUSE THE ACCOUNT HAS BEEN CLOSED OR THE PAYMENT AUTHORIZATION HAS BEEN STOPPED FOR ANY OTHER REASON, A SERVICE CHARGE OF \$75.00 WILL BE ASSESSED AND

[REDACTED] read, understand and

AMOUNT OF CHARGE AUTHORIZED:

ON THE DATE OF:

1. August 15 th , 2011	\$2,383.33	\$8,000.00	\$10,383.33
2. September 15 th , 2011	\$2,296.66	\$6,000.00	\$8,296.66
3. October 31 st , 2011	\$2,111.50	\$206,000.00	\$208,211.50

And all other amounts that may become due under the terms of the Note and/or Loan and Security Agreement.

Bank Name:

Address:

City, State, Zip:

Account No.:

Routing No.:

A COPY OF BORROWER'S/ACCOUNT HOLDER'S VOIDED CHECK MUST BE ATTACHED TO THIS AUTHORIZATION

Account holder names:

Authorized Signatory:

Print Name:

Date:

(signature)

___/___/2011

PROMISSORY NOTE

\$ 220,000.00

July 1st, 2011**FOR VALUE RECEIVED**, Frederick I. [REDACTED]

[REDACTED] (Lender), or its assigns, at Lender's address, or at such place as Lender designates from time to time, the principal sum of **TWO HUNDRED TWENTY THOUSAND and no/100 Dollars US (\$220,000.00)** (the "Loan") in lawful money of the United States of America, together with interest thereon, as described in this Promissory Note. Unless the term of this Promissory Note is extended by the Lender, the entire then remaining outstanding principal balance of the Loan and all accrued but unpaid interest shall be due and payable October 31st, 2011.

1. **Payments.** Borrower shall make shall make interest payments on the principal balance of the Loan outstanding from time to time at the fixed interest rate of THIRTEEN PERCENT (13.0%) per annum together with such portion of the principal as is included in the scheduled payments according to the following schedule:

Date:	Interest	Principal	Total
1. August 15 th , 2011	\$2,383.33	\$8,000.00	\$10,383.33
2. September 15 th , 2011	\$2,296.66	\$6,000.00	\$8,296.66
3. October 31 st , 2011	\$2,111.50	\$206,000.00	\$208,211.50

Notwithstanding the foregoing, the entire principal balance then outstanding together with accrued and unpaid interest thereon shall be due and payable i) within 30 days of commencement of the 2011 National Football League season, or ii) within 24 hrs of payment to Borrower of the "2011 One-Time Training Camp Reporting Bonus" referenced in Addendum D to the Borrower's professional football (National Football League) contract with The Oakland Raiders, a California limited partnership, whichever occurs first.

Interest shall be payable in arrears and shall be computed on the basis of a 360-day year.

2. **Prepayment of Principal.** During the entire term of the Loan, prepayment of all or part of the principal may be made by Borrower without penalty; *provided, however* that, except for payments occurring as a result of the acceleration by Lender of the principal amount of this Promissory Note, all such principal prepayments shall be in even multiples of ONE THOUSAND and no/100 DOLLARS US (\$1,000.00 US). Prepayments shall be applied against the outstanding principal balance of the Loan and shall not extend or postpone the due date of any subsequent monthly interest payment or change or reduce the minimum monthly payments set forth in the foregoing payment schedule, unless Lender shall agree otherwise in writing. As used herein, the term prepayment shall include all voluntary payments and all payments occurring as a result of the acceleration by Lender of the principal amount of this Promissory Note.

3. **Loan Documents.** This Promissory Note is secured by

(a) A Loan and Security Agreement creating a security interest in all of Borrower's tangible and intangible personal property assets including, without limitation, all of Borrower's deposit accounts of any kind and nature whatsoever and wherever located and Borrower's professional football (National Football

League) contract with The Oakland Raiders, a California limited partnership, (d/b/a "The Oakland Raiders") the address of which is 1220 Harbor Bay Parkway, Alameda, CA 94502.

This Promissory Note, and the Loan and the Security Agreement and such other related documents are collectively referred to in this Promissory Note as the "Loan Documents."

4. Default. A breach of any of the terms of this Promissory Note by Borrower or a default by Borrower hereunder shall constitute a default under each of the Loan Documents; a default by Borrower or any guarantor under any of the Loan Documents shall constitute a default under this Promissory Note (each an "Event of Default"). Upon the occurrence of an Event of Default the entire outstanding balance of principal and accrued interest, together with all other amounts payable hereunder and/or under any one or more of the Loan Documents and all costs and reasonable attorneys' fees incurred by Lender in collecting or enforcing the terms of the Loan Documents and/or the payment of such amounts, shall be due and payable at the option of Lender, without further notice, which notice Borrower waives.

5. Late Charge. If any payment of principal, interest or any other sums due to Lender hereunder or under any one or more of the Loan Documents is not received by Lender within ten (10) calendar days from the date it is due, including the payment due on the Maturity Date, a late charge in an amount equal to the greater of 5% of the regularly scheduled payment or \$250.00 shall be due from Borrower. Borrower agrees and acknowledges that the late fee constitutes an administrative fee and is not interest for any purpose. This late payment charge shall apply individually to all payments past due, including the final balloon payment of principal due hereunder, and no daily pro rata adjustment shall be made. Until said late charge is paid, it shall accrue interest at the same rate as is then in effect under this Promissory Note. Should default be made in the payment of any amount due under this Promissory Note on the date it is due and if such default is not cured prior to the expiration of ten (10) days following Lender's delivery of written notice of such default to Borrower, then Lender may, at its election, declare all of the principal and interest immediately due and payable without notice, presentation or demand for payment.

In the event of a default in the payment of any monthly installment of interest due hereunder on the date on which it is due, and which default continues for a period of ten (10) days, said unpaid interest shall accrue interest at the rate of Ten Percent (10%) per annum beginning on the date upon which said payment was due and said interest shall continue to accrue from day to day until all interest in arrears is paid.

6. Application of Payments. All payments shall be applied, in the following order: i) first to costs of collection as set forth in section 9, below, ii) next to late charges and prepayment fee, if any, iii) next, to the repayment of advances by Lender (as described below) for the benefit of Borrower, plus interest on such advances at the rate set forth herein above iv) next, to accrued interest on the principal of this Promissory Note, and v) next, to principal. Advances by Lender for the benefit of Borrower shall include advances resulting from the occurrence of a default under the terms of this Promissory Note or a default under any of the Loan Documents. If any such advance is not repaid on demand, Lender may apply, at its option, any money received from Borrower to repay such advances plus interest on such advances.

7. Waivers. Borrower, and any guarantors and endorsers, for themselves and their legal representatives, successors and assigns, severally waive presentment for payment, protest, demand and notice of presentment, notice of protest, demand and dishonor and nonpayment of this Promissory Note.

8. Maximum Rate of Interest. No provision of this Promissory Note or any of the other the Loan Documents shall be deemed to require Borrower to pay or be liable for the payment of interest in excess of the maximum legal rate of interest (if there is any maximum) allowable under applicable law. If for any reason interest in excess of such amount will have been paid under this Promissory Note, as a result of acceleration or otherwise, any such excess shall constitute and be treated as a payment of principal under this Promissory Note, and shall reduce the principal balance of this Promissory Note by the amount of such excess, or if in excess of the principal balance, such excess shall be refunded.

9. Costs of Enforcement. Borrower agrees to pay all costs of enforcement of the terms of this Promissory Note and the costs of enforcement of the terms of any of the Loan Documents and costs of collection, including reasonable attorneys' fees, that Lender incurs in connection with any default hereunder or under any of the Loan Documents (whether before or after any cure). Additionally, Borrower agrees to pay all costs, fees and expenses, including reasonable attorneys' fees, that Lender incurs, before or after any default, in endeavoring to protect, enforce and realize on this Promissory Note or any one of the Loan Documents or as result of any litigation or other action in which Lender becomes involved as a party, witness or otherwise as a result of or in any way relating to this Promissory Note, and of the Loan Documents or the Loan being made to Borrower. Any and all such costs paid or incurred by Lender shall bear interest at the same rate set forth herein for the principal balance due hereunder and shall become due and payable immediately upon demand by Lender.

10. Nature of Obligations. Borrower is obligated to pay the principal, interest, late charges and prepayment premium, if any, on this Promissory Note and any other sums payable hereunder and under any of the Loan Documents, and Lender shall have full recourse against Borrower and all of Borrower's property of every kind or nature whatsoever and wherever located in the collection of the amounts due under this Promissory Note and/or under the Loan Documents. If this Promissory Note is signed by more than one maker, the singular includes the plural, and the makers of this Promissory Note are jointly and severally liable for all obligations described in this Promissory Note.

11. Applicable Law; Severability. This Promissory Note shall be governed by the internal laws of the State of South Dakota. In any litigation in any way relating to this Promissory Note or any of the Loan Documents, Borrower hereby consents to the jurisdiction of the Circuit Court of Genesee County, State of Michigan, or any District Court of the State of Michigan within the boundaries of Genesee County, Michigan, or any state court in the State of South Dakota having jurisdiction. Invalidity of any provision of this Promissory Note shall not affect the validity of any other provision. Without affecting the liability of Borrower, or any guarantor or endorser, Lender may, without notice, renew or extend the time for payment, accept partial payments, release or impair any security for the payment of this Promissory Note, agree not to sue any party liable under this Promissory Note or any one or more of the Loan Documents, or otherwise modify the terms of payment of all or any part of the indebtedness evidenced by this Promissory Note. Waiver of any default shall not constitute a waiver of any subsequent default.

12. Transferability; Modification. Lender may freely transfer and assign this Promissory Note. This Promissory Note may only be modified, extended or discharged by a written agreement executed by the party against whom enforcement of any modification, extension or discharge is sought.

13. Waiver of Right to Trial by Jury. To the fullest extent allowed by law, Borrower hereby waives his right to a trial by jury in any suit or legal or administrative proceeding in connection with this Security Agreement, the Note or any other document executed in connection with the loan transaction contemplated under this Note or any other documents or transactions contemplated or referred to herein, including, without limitation, trial by jury with respect to any third party in any lawsuit or proceeding in which the Borrower, the Lender and/or any Guarantor(s) are parties.

14. Consent to Garnishment. The Borrower hereby consents to the issuance of a Writ of Garnishment and the garnishment of Borrower's accounts and wages in the enforcement of any collection action taken by Lender in connection with the enforcement of the terms of this Promissory Note or any one or more of the Loan Documents.

15. Time. Time shall be deemed to be of the essence of this Promissory Note and of each covenants, agreements and conditions to be performed hereunder.

16. Binding Effect. This terms, conditions, representations, warranties and covenants of this Promissory Note shall be binding upon the Borrower and shall inure to the benefit of the Lender, and their respective successors, representatives, heirs, devisees, administrators, successors and assigns.

17. Conduct Not a Waiver. No waiver of default by Lender shall be effective unless in writing signed by Lender and a waiver of any default by Lender or any forbearance of the enforcement of its rights under this Promissory or under any of the Loan Documents or any other document executed in connection with the loan transaction contemplated under this Promissory Note, shall not operate as a waiver of any other right or of any subsequent default or the same default on any future occasion.

18. Remedies Cumulative. No right or remedy conferred upon or reserved to Lender hereunder is intended to be exclusive of any other right or remedy and every right and remedy shall be cumulative and in addition to every other right or remedy given or reserved hereunder or under applicable law. Every right or remedy under this Promissory Note or any other document executed in connection with the loan transaction contemplated under this Promissory Note, or under applicable law may be exercised as may be deemed necessary or convenient by Lender.

This Promissory Note has been executed and is effective on the date(s) set forth below.

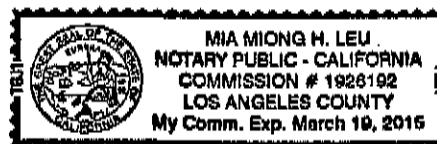
BORROWER:

Notary Acknowledgment:

STATE of California }
COUNTY of Los Angeles } ss.

Mia Miong H. Leu
(signature)
MIA MIONG H. LEU
(printed name)
Notary Public
Los Angeles County, California (State)
My Commission Expires: MARCH 19, 2015 (if applicable)
Acting in: _____ (County)

SEAL:



Los Angeles

LOAN and SECURITY AGREEMENT

[REDACTED]

[REDACTED] (the "Lender" or "Secured Party").

RECITALS

A. Lender has agreed to make a Loan to Borrower in the amount of TWO HUNDRED TWENTY THOUSAND and no/100 Dollars US (\$220,00.00) (the "Loan Amount").

B. To evidence his indebtedness to Lender, Borrower has, or will, execute and deliver to Lender a Promissory Note (the "Note") of even date herewith made in the stated principal amount of TWO HUNDRED TWENTY THOUSAND and no/100 Dollars US (\$220,00.00), pursuant to the terms of which interest shall be in an amount equal to THIRTEEN PERCENT (13.0%) of balance due thereunder from time to time with installments of principal and interest to be paid as provided in the Note, and the entire principal and accrued interest thereon must be paid in full on October 31, 2011.

C. In order to secure the repayment of the indebtedness evidenced by the Note, Borrower has agreed to grant to Lender a security interest in all of Borrower's tangible and intangible personal property assets including, without limitation, and Borrower's professional football (National Football League) contract with The Oakland Raiders, a California limited partnership, (d/b/a "The Oakland Raiders") the address of which is 1220 Harbor Bay Parkway, Alameda, CA 94502 (the "Player Contract") all of Borrower's accounts and deposit accounts of any kind and nature whatsoever and wherever located and all other tangible and intangible personal property and all products and proceeds of same as more fully described herein below.

NOW, THEREFORE, for value received, and in order to secure the a) the timely repayment of all sums due or to become due under the Note; b) the observance and performance of the covenants and agreements contained herein and any and all moneys expended by Lender in connection therewith; c) the payment of all sums due or to become due, the performance of all obligations under and the performance of all covenants of Borrower under any other or further agreements or instruments between Borrower and Lender made or given in connection therewith; and d) the repayment of any and all other or further indebtedness, obligations or liabilities of Borrower to Lender of any kind or nature whatsoever, whether now or hereafter existing, secured or unsecured, direct or indirect, absolute or contingent, joint and/or several, arising by operation of law or otherwise, whether now existing or hereafter arising, and whether incurred or assumed by Borrower as principal, surety, endorser, guarantor, or otherwise and to secure the performance of the obligations of the Guarantors under certain Guaranty agreements executed and delivered for the benefit of the Lender of even date herewith (all of the aforementioned indebtedness, obligations, and liabilities of Borrower being herein referred to as the "Secured Obligations"), the Borrower agrees as follows:

1. Borrower's Obligations. As consideration for Lender extending the credit facility to Borrower, Borrower shall pay Lender the following fees:

- a. On the funding of the Loan a service fee to Lender in the amount of TWENTY THOUSAND and no/100 Dollars (\$20,000.00) which amount shall be included as a part of the loan principal amount;
- b. On the funding of the Loan a loan underwriting fee to Gracie Ventures in the amount of SIX THOUSAND and no/100 Dollars (\$6,000.00);
- c. On the funding of the loan, a fee to Sure Sports Lending in the amount of EIGHT THOUSAND and no/100 Dollars (\$8,000.00).

Borrower agrees and acknowledges that the above fees are not and shall not be construed to be "Interest" for any purpose.

2. Lender's Costs. At closing, Borrower shall pay all of Lenders costs and expenses relating to Lender's due diligence, legal fees, loan documentation and all other usual and customary costs, fees and expenses relating to or incurred in connection with the Loan transaction.

3. Scheduled Payments. The Borrower shall make payments to Lender according to the following schedule:

Date:	Interest	Principal	Total
1. August ____, 2011	\$2,383.33	\$8,000.00	\$10,383.33
2. September ____, 2011	\$2,296.66	\$6,000.00	\$8,296.66
3. October ____, 2011	\$2,111.50	\$206,000.00	\$208,211.50

Notwithstanding the foregoing, the entire principal balance then outstanding together with accrued and unpaid interest thereon shall be due and payable i) within 30 days of commencement of 2011 NFL season, or ii) within 24 hrs of payment to Borrower of the "2011 One-Time Training Camp Reporting Bonus" referenced in Addendum D to the Player Contract, whichever occurs first.

4. Direct Deposit and ACH Authorization. Borrower agrees to instruct his employer, The Oakland Raiders, a California limited partnership, to deposit, during the initial term of the Loan and any extension thereof or until all amounts due under the Note and this Agreement are paid in full, Borrower's weekly or bi-weekly wage payments and all other payments due or to become due to Borrower under the Player Contract, including, without limitation, the "2011 One-Time Training Camp Reporting Bonus" under Addendum D to the Player Contract in Borrower's bank account at Bank

Lender shall notify Borrower into which account Borrower's wage and/or other payments due or to become due from The Oakland Raiders shall be deposited. Borrower shall then immediately notify his employer, The Oakland Raiders, which of the accounts said payments shall be deposited into.

Lender shall be authorized and empowered to debit Borrower's bank account(s) and securities account(s) by Automated Clearing House (ACH) transaction for the purpose of making the payments required under the Note and this Agreement, including the regularly scheduled payments required under the Note and any other payments due or to become due hereunder or under the Note. Borrower agrees to deliver to Lender and/or Borrower's bank and/or securities broker, a completed, fully executed Authorization to Charge Account via ACH form substantially similar in form and content to the forms attached hereto as Exhibit A, for the purpose of initiating such debit transactions.

5. Grant of Security Interest. As collateral for the Loan Borrower/Debtor hereby assigns and pledges to Lender all of the Borrower's, but not his obligations under the Player Contract, the Bank of America

accounts, electronic chattel paper, documents, general intangibles of any kind or nature, instruments, investment property, letter of credit rights, records, and supporting obligations, and tangible chattel paper relating to borrower's accounts and contracts, including but not limited to the Player Contract, including, without limitation, any signing, performance and other bonuses granted under the terms of the Player Contract or any other or related or replacement or successor contract between the Borrower

and any professional sports club or organization (including any collective agreements between the Club and the Player or the Player Association as defined in the Player Contract) and insurance policies; all accessories, accessions, replacements, substitution for any of the foregoing; any ancillary rights in, to or arising under any of the foregoing and all proceeds of the foregoing.

All licenses and permits of any kind or nature whatsoever.

Borrower's professional football (National Football League) contract with The Oakland Raiders, a California limited partnership, (d/b/a "The Oakland Raiders") the address of which is 1220 Harbor Bay Parkway, Alameda, CA 94502, including, without limitation, any and all replacements and extensions thereof.

Secured Party shall be entitled to file such financing statements and/or take such further actions as may be necessary to perfect the security interest granted hereunder. Borrower agrees to cooperate in the perfection of the security interest in favor of the Lender by the execution and delivery of any and all filings necessary to document and/or perfect the security interests created hereby.

Borrower agrees that the Loan funding shall be contingent on the co-owner(s) of any of the collateral execution of this Loan and Security Agreement for purposes of creating a valid security interest in such collateral.

Borrower further agrees that they shall execute and deliver to Lender, Bank of America, N.A. and TD

7. Representations, Warranties, Covenants and Agreements of the Borrower. The Borrower represents, warrants, covenants and agrees as follows:

- a. The Borrower is an individual and a citizen of the United States of America with full power and authority to enter into this Agreement;
- b. This Agreement constitutes a legal and binding obligation of the Borrower fully enforceable according to its terms;
- c. The Borrower is the lawful owner of the Collateral and has the full power, right and authority to subject the Collateral to the security interest of the Lender;
- d. The security interest created in favor of Lender herein is and shall remain, during the term of this Security Agreement a valid first lien on all of the Collateral in favor of Lender to the extent of Borrower's interest in the Collateral, subject and subordinate, however, only to any validly perfected prior liens on the Collateral;
- e. The fair and salable value of Borrower's assets exceeds the total of all of Borrower's liabilities;
- f. Borrower is meeting his current liabilities as they mature;
- g. There are no pending or threatened legal proceedings in any court or before any administrative body against Borrower and there are no undischarged or unsatisfied judgments against Borrower;
- h. No federal or state tax liens have been filed or threatened against Borrower in any jurisdiction;
- i. The Borrower is not in default or claimed default under any agreement with any party, including, without limitation, any agreement for borrowed money;

8. Events of Default. A breach of any of the terms of this Loan and Security Agreement by Borrower or default by Borrower or any co-borrower under the terms of the Note shall constitute a default hereunder; a default by Borrower under this Loan and Security Agreement shall constitute a default under the Note; a default by any guarantor

under any Guaranty given in connection with the loan evidenced by the Note and secured hereby shall constitute a default hereunder (each an "Event of Default").

9. Remedies. Upon the occurrence of an Event of Default the Secured Party shall have and may exercise any one or more of the rights and remedies provided to Secured Party under this Agreement, and/or as provided by law, including, without limitation, all of the rights and remedies of a secured party under the Uniform Commercial Code ("UCC") or such other statute, law or regulation of the same or similar import, or as otherwise may be provided by law. Without limiting the generality of the foregoing, Borrower hereby agrees that upon the occurrence of an event of default, Secured Party may, in its sole and absolute discretion, do or require any one or more of the following:

- a. Secured Party may reduce its claim to judgment, foreclose or otherwise enforce its claim or security interest by any available judicial procedure;
- b. Secured Party may, with or without demand, immediately seize and take possession of all or any part of the Collateral either pursuant to judicial process or without judicial process. Borrower agrees that it shall not constitute a "breach of the peace" for purposes of the UCC for Secured Party to enter onto Borrower's premises and seize all or any part of the Collateral even if said entry is obtained by means of or with the assistance of any person capable of defeating any security or lock system used or employed by Borrower as to the Borrower's premises and/or the collateral;
- c. Secured Party may require Borrower to, and Borrower agrees to immediately upon Secured Party's request, assemble the Collateral and make it available to the Secured Party at a place designated by the Secured Party that is reasonably convenient to both Borrower and Secured Party;
- d. Secured Party may sell, lease, license or otherwise dispose of all or any part of the Collateral, either at a private or public sale, either in its present condition or following any commercially reasonable preparation or processing and either at Borrower's place of business or as some other place designated by Secured Party under section 3 c, above. The proceeds of such sale shall first be applied to all costs of such sale and or the preparation therefore, including attorney's fees and costs and then to repayment of the indebtedness and the satisfaction of other Secured Obligations;
- e. Secured Party may, at its option, release its security interest in the Collateral and proceed directly against the Borrower as though the Secured Obligations were unsecured.

Any requirement of reasonable notice required under the UCC or any other provision of law shall be deemed satisfied if notification of disposition is given is sent after Borrower's default and 10 days or more prior to the earliest time of disposition. Lender may be the purchaser at any such sale. The proceeds of the disposition of Collateral at any sale thereof shall be applied according to the requirements of and shall otherwise be subject to the terms of the Note. Secured Party shall have no obligation to preserve rights against prior parties. Borrower hereby waives any right of subrogation or marshalling of any Collateral for the Secured Obligations. Borrower hereby expressly agrees that any and all Collateral of Borrower or of any other party which Secured Party may hold, or which may come into the possession of any of them may be dealt with in all respects as though there was no other collateral securing the Secured Obligations. Borrower and Secured Party agree that a public sale of the Collateral conducted in any county in which the Borrower does business after public advertisement of the time and place of such sale by print media, Internet, direct mail or other public means and to merchants in the business of selling the Collateral in the ordinary course of their business shall be deemed to be a commercially reasonable disposition of the Collateral.

10. Remedies Cumulative. No right or remedy conferred upon or reserved to Secured Party hereunder is intended to be exclusive of any other right or remedy and every right and remedy shall be cumulative and in addition to every other right or remedy given or reserved hereunder or under applicable law. Every right or remedy under the Note or any other document executed in connection with the loan transaction contemplated under the Note, or under applicable law may be exercised as may be deemed necessary or convenient by Secured Party.

11. Conduct Not a Waiver. No waiver of default shall be effective unless in writing signed by Secured Party and a waiver of any default by Secured Party or any forbearance of the enforcement of its rights under this Security Agreement, the Note or any other document executed in connection with the loan transaction contemplated under the Note, shall not operate as a waiver of any other right or of any subsequent default or the same default on any future occasion.

12. Governing Law and Venue. This Security Agreement is a contract made under and the agreements, rights and obligations of the parties hereunder shall be interpreted under and construed in accordance with the laws of the State of South Dakota and, as applicable, the local law of the jurisdictions in which any of the collateral is located with regard to the creation and perfection security interests and realizing on said collateral under the Uniform Commercial Code or any other statute or regulation of the same or similar import. Borrower hereby consents to the jurisdiction of the Circuit Court of Genesee County, State of Michigan, or any District Court of the State of Michigan within the boundaries of Genesee County, Michigan, or any state court in the State of South Dakota having subject matter jurisdiction.

13. Waiver of Right to Trial by Jury. To the fullest extent allowed by law, Borrower hereby waives trial by jury in any suit or legal or administrative proceeding in connection with this Agreement, the Note or any other document executed in connection with the loan transaction contemplated under the Note or any other documents or transactions contemplated or referred to herein, including, without limitation, trial by jury with respect to any third party in any lawsuit or proceeding in which the Borrower, the Lender and/or any Guarantor(s) are parties.

14. Secured Party's Rights Not Construed as Duties. Secured Party neither assumes nor shall it have any duty of performance or the responsibility to perform under any contracts in which Secured Party has or obtains a security interest hereunder. If Borrower fail to perform any agreement contained herein Secured Party shall not in any way be obligated to perform or cause the performance of any such contract and any expenses incurred by Secured Party in connection therewith shall be payable and paid by Borrower.

15. Severability. Whenever possible, each provision in this Agreement shall be interpreted in such manner as to be effective and valid under applicable law. However, if any provision of this Agreement shall be prohibited by or deemed to be invalid under any applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

16. Costs and Expenses. Borrower hereby agrees to be responsible for and to pay all costs and expenses, including reasonable attorney's fees incurred by the Lender/Secured Party in connection with the collection of all sums under the Note and in enforcing any of the terms and provisions of the Note, any Guaranty executed in connection herewith or therewith and any other document executed in connection with the loan transaction contemplated under the Note or in defending or enforcing Lender/Secured Party's security interest or the priority thereof, or in pursuing any of Secured Party's rights or remedies hereunder, under the Note, hereunder and the defense or enforcement of any of the Lender's rights hereunder or thereunder, any Guaranty executed in connection herewith or therewith and any other document executed in connection with the loan transaction contemplated under the Note, whether or not suit is filed, and whether such collection or enforcement be from the Borrower or from a guarantor or any other party.

17. Consent to Garnishment. The Borrower hereby consents to the Issuance of a Writ of Garnishment and the garnishment of Borrower's accounts and wages in the enforcement of any collection action taken by Lender in connection with the enforcement of the terms of this Agreement or the Promissory Note or any one or more of the Loan Documents.

18. Construction. All parties to this Agreement having participated fully and equally in the negotiation and preparation hereof, and all parties having been represented by counsel in connection with the negotiation, preparation and execution of this Agreement, the fact that any one of the parties to this Agreement, or its attorney, may have drafted or structured any provision of this Agreement shall not be considered in construing or interpreting any particular provision of this Agreement, either in favor of or against such party.

19. Amendments. No amendment, modification, termination or waiver of this Agreement or any provision hereof nor any consent to any departure herefrom shall be effective unless the same is in writing and signed by the party to be bound thereby and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on either party shall entitle such party to any other or further notice or demand in similar or other circumstances.

20. Counterparts. This Agreement may be executed in two or more identical counterparts. If so executed, each of such counterparts is to be deemed an original for all purposes and all such counterparts shall, collectively, constitute one agreement.

21. Time. Time shall be deemed to be of the essence of this Agreement and of each covenants and conditions to be performed hereunder.

22. Notices. All notices, requests, demands, directions, declarations and other communications permitted or required herein shall be in writing and shall, except as otherwise expressly provided, be mailed by registered or certified mail, return receipt requested, sent by overnight courier or facsimile transmission, or delivered by hand to the applicable party at its address indicated below:

Secured Party:

With Copy to:

Borrower:

With Copy to:

23. Continuing Effect. This Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until the full payment and performance of all of the Secured Obligations. The duties and obligations under this Security Agreement shall be binding on Borrower and all of its administrators, successors and assigns. The rights and remedies granted herein shall inure to the benefit of Secured Party and its administrators, successors and assigns. Upon the full payment and/or performance of all of the Secured Obligations, Secured Party shall release the security interests created hereby and file or deliver to Borrower any documents necessary to release or terminate same.

24. Binding Effect. The terms, conditions, representations, warranties and covenants of this Agreement shall be binding upon the Borrower and shall inure to the benefit of the Lender, and their respective successors, representatives, heirs, devisees, administrators, successors and assigns.

IN WITNESS WHEREOF, the Borrower has executed this Loan and Security Agreement on the date appearing below his signature.

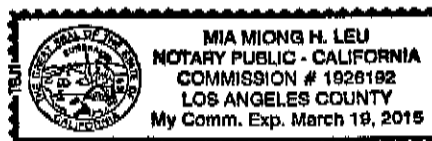
Date: 7/1/2011

STATE of California } ss.
COUNTY of Los Angeles

The foregoing Loan and Security Agreement was acknowledged before me on July 1, 2011 by [redacted], personally known to me, or who has proved by an acceptable form of identification the foregoing instrument and he acknowledged that he signed the same for the purposes and to the effect set forth therein.

SEAL:

MIA MIONG H. LEU
(printed name)
Notary Public
Los Angeles California
(County) (State)



My Commission Expires: MARCH 19, 2015 (if applicable)
Acting in: LOS ANGELES COUNTY