



Horizon Business Funding LLC

- SECURITY AGREEMENT AND GUARANTEE

Merchant's Legal Name: Ryan D. Battles, Sole Proprietor

D/B/A:

K&R Property Services

Physical Address: 7469 Bunnell Hill Road

City: Springfield

State: OH

Zip: 45066

Federal ID# 163-66-6710

## SECURITY AGREEMENT

**Security Interest.** This Agreement will constitute a security agreement under the Uniform Commercial Code. Merchant grants to HBF a security interest in and then upon: (a) all accounts, chattel paper, documents, equipment, inventory, and other assets, as those terms are defined in Article 9 of the Uniform Commercial Code (the "UCC"), now or hereafter owned or acquired by Merchant; (b) all proceeds, as that term is defined in Article 9 of the UCC (c) all funds in any time in the Merchant's Account, regardless of the source of such funds; (d) present and future Electronic Check Transactions; and (e) any amount which may be due to HBF under this Agreement, including but not limited to all rights to receive any payments or credits under this Agreement (collectively, the "Secured Assets"). Merchant agrees to provide other security to HBF upon request to secure Merchant's obligations under this Agreement. Merchant agrees that, if at any time there are insufficient funds in Merchant's Account to cover HBF's entitlements under this Agreement, HBF is granted a further security interest in all of Merchant's assets of any kind whatsoever, and such assets shall then become Secured Assets. These security interests and liens will secure all of HBF's entitlements under this Agreement and any other agreements now existing or later entered into between Merchant, HBF or an affiliate of HBF. HBF is authorized to file any and all notices or filings it deems necessary or appropriate to enforce its entitlements hereunder.

This security interest may be exercised by HBF without notice or demand of any kind by making an immediate withdrawal or freezing the Secured Assets. Pursuant to Article 9 of the Uniform Commercial Code, as amended from time to time, HBF has control over and may direct the disposition of the Secured Assets, without further consent of Merchant. Merchant hereby represents and warrants that no other person or entity has a security interest in the Secured Assets. With respect to such security interests and liens, HBF will have all rights afforded under the Uniform Commercial Code, any other applicable law and in equity. Merchant will obtain from HBF written consent prior to granting a security interest of any kind in the Secured Assets to a third party. Merchant agrees that this is a contract of recapitulation and HBF is not required to file a motion for relief from a bankruptcy action automatic stay to realize on any of the Secured Assets. Nevertheless, Merchant agrees not to contest or object to any motion for relief from the automatic stay filed by HBF. Merchant agrees to execute and deliver to HBF such instruments and documents HBF may reasonably request to perfect and confirm the lien, security interest and right of setoff set forth in this Agreement. HBF is authorized to execute all such instruments and documents in Merchant's name.

**Additional Collateral.** To secure Guarantor's payment and performance obligations to HBF under the Guaranty, the Guarantor hereby grants HBF a security interest in:

1. Additional Collateral. Guarantor understands that HBF will have a security interest in the aforesaid Additional Collateral upon execution of this Agreement.

2. Cross-Collateral. Merchant and Guarantor each acknowledge and agree that any security interest granted to HBF under any other agreement between Merchant or Guarantor and HBF (the

Merchant and Guarantor each agrees to execute any documents or take any action in connection with this Agreement as HBF deems necessary to perfect or maintain HBF's first priority security interest in the Collateral and the Additional Collateral, including the execution of any account control agreements. Merchant and Guarantor each hereby authorizes HBF to file any financing statements deemed necessary by HBF to perfect or maintain HBF's security interest, which financing statements may contain notification that Merchant and/or Guarantor have granted a negative pledge to HBF with respect to the Collateral, and the Additional Collateral, and that any subsequent lienor may be tortuously interfering with HBF's rights. Merchant and Guarantor shall be liable for, and HBF may charge and collect, all costs and expenses, including but not limited to attorney's fees, which may be incurred by HBF in protecting, preserving and enforcing HBF's security interest and rights.

**Negative Pledge.** Merchant and Guarantor each agrees not to create, incur, assume, or permit to exist, directly or indirectly, any lien on or with respect to any of the Collateral or the Additional Collateral, as applicable.

**Consent to Lien, Premises and Assign, Lease.** HBF shall have the right to cure Merchant's default in the payment of rent on the following terms. In the event Merchant is served with papers in an action against Merchant for nonpayment of rent or for summary eviction, HBF may execute its rights and remedies under the Assignment of Lease. Merchant also agrees that HBF may enter into an agreement with Merchant's landlord giving HBF the right: (a) to enter Merchant's premises and to take possession of the fixtures and equipment therein for the purpose of protecting and preserving same; and/or (b) to assign Merchant's lease to another qualified business capable of operating a business comparable to Merchant's at such premises.

**Remedies.** Upon any Event of Default, HBF may pursue any remedy available at law (including those available under the provisions of the UCC), or in equity to collect, enforce, or satisfy any obligations then owing to HBF, whether by acceleration or otherwise.

## GUARANTEE

**Personal Guaranty of Performance.** The undersigned Guarantor(s) hereby guarantees to HBF, Merchant's good faith, truthfulness and performance of all of the representations, warranties, covenants made by Merchant in the Merchant Agreement in connection with the Merchant Agreement. Guarantor's obligations are due at the time of any breach by Merchant of any representation, warranty, covenant, or otherwise modified (the "Guaranteed Obligations"). Guarantor's obligations are due at the time of any breach by Merchant of any representation, warranty, covenant, or otherwise modified (the "Guaranteed Obligations").

**Guarantor Waivers.** In the event of a breach of the above, HBF may seek recovery from Guarantors for all of HBF's losses and damages by enforcement of HBF's rights under this Agreement without first seeking to obtain payment from Merchant, any other guarantor, or any collateral or additional collateral HBF may hold pursuant to this Agreement or any other guaranty.

HBF does not have to notify Guarantor of any of the following events and Guarantor will not be released from its obligations under this Agreement if it is not notified of: (i) Merchant's failure to pay timely any amount owed under the Merchant Agreement; (ii) any adverse change in Merchant's financial condition or business; (iii) any sale or other disposition of any collateral securing the Guaranteed Obligations or Merchant's other obligations to HBF; (iv) HBF's acceptance of this Agreement; and (v) any renewal, extension or other modification of the Merchant Agreement or Merchant's other obligations to HBF. In addition, HBF may take any of the following actions without releasing Guarantor from any of its obligations under this Agreement: (i) renew, extend or otherwise modify the Merchant Agreement or Merchant's other obligations to HBF; (ii) release Merchant from its obligations to HBF; (iii) sell, release, impair, waive or otherwise fail to realize upon any collateral securing the Guaranteed Obligations or any other guaranty of the Guaranteed Obligations; and (iv) foreclose on any collateral securing the Guaranteed Obligations or any other guaranty of the Guaranteed Obligations. Until the Merchant Amount plus any accrued but unpaid interest and Merchant's other obligations to HBF under the Merchant Agreement and this Agreement are paid in full, Guarantor shall not seek





Business Growth Capital, LLC.  
3001 N. Rocky Pointe Dr. E, STE 200  
Tampa, Florida 34668  
(855) 565-Grow (4769)

## MERCHANT AGREEMENT

Agreement dated September 30, 2013 (Month) (Day) (Year)  
between Horizon Business Funding, LLC ("HBF") and the Merchant listed below ("MERCHANT")

### MERCHANT INFORMATION

Merchant's Legal Name: Ryan D. Battles, Sole Proprietor

D/B/A: K&R Property Services

State of Incorporation / Organization: OH

Type of Entity (circle one) Corporation Limited Liability Company Limited Partnership Sole Proprietorship

Physical Address: 7469 Bunnell Hill Road

City: Springboro State: OH

Zip: 45066

Contact Name: Ryan D. Battles

Contact Number: 513-594-0012

Mailing Address: 7469 Bunnell Hill Road

City: Springboro State: OH

Zip: 45066

### PURCHASE AND SALE OF FUTURE RECEIVABLES

Merchant ("Merchant") hereby sells, assigns and transfers to HBF ("HBF") or "Buyer" (making HBF the absolute owner) in consideration of the funds provided ("Purchase Price") specified below, all of Merchant's future accounts, contract rights and other entitlements arising from or relating to the payment of monies from Merchant's customers' and/or other third party payors (the "Receipts" deemed as all payments made by cash, check, electronic transfer or other form of monetary payment in the ordinary course of the Merchant's business), for the payments due to Merchant as a result of Merchant's sale of goods or services (the "Transactions") until the amount specified below (the "Purchased Amount") has been delivered by or on behalf of Merchant to HBF.

The Purchased Amount shall be paid to HBF by Merchant's irrevocably directing and authorizing that there be only one depositing bank account, which account must be acceptable to, and pre-approved by, HBF (the "Account") into which Merchant and Merchant's customers shall remit the percentage specified below (the "Specified Percentage") of the Merchant's settlement amounts due from each Transaction, until such time as HBF receives payment in full of the Purchased Amount. Merchant hereby authorizes HBF to ACH Debit the specified remittances from the Merchant's Account on a daily basis and with HBF with all required access codes, and manually bank statements on or about the eighth day of each month reconcile the Merchant's Account by debit the specified daily amount each business day and upon receipt of the Merchant's monthly bank statements on or about the eighth day of each month reconcile the Merchant's Account by either crediting or debiting the difference from or back to the Merchant's Account so that the amount debited per month equals the specified percentage. HBF may, upon Merchant's request, adjust the amount of any payment due under this Agreement at HBF's sole discretion and as it deems appropriate. Notwithstanding anything to the contrary in this Agreement or any other agreement between HBF and Merchant, upon the violation of any provision contained in Section 1.11 of the MERCHANT AGREEMENT TERMS AND CONDITIONS or the occurrence of an Event of Default under Section 3 of the MERCHANT AGREEMENT TERMS AND CONDITIONS, the Specified Percentage shall equal 100%. A list of all fees applicable under this Agreement is contained in Appendix A.

Purchase Price: \$ 5,000.00 Specified Percentage: 10 % Specified Daily Amounts: 169.00 Receipts Purchased Amount: \$ 7,440.00

THE MERCHANT AGREEMENT TERMS AND CONDITIONS SET FORTH ON PAGE 2, THE "SECURITY AGREEMENT AND GUARANTEE" AND THE "ADMINISTRATIVE FORM HEREOF, ARE ALL HEREBY INCORPORATED IN AND MADE A PART OF THIS MERCHANT AGREEMENT.

FOR THE MERCHANT (#1)

By Ryan D. Battles

(Print Name and Title)

FOR THE MERCHANT (#2)

By

(Print Name and Title)

By Ryan D. Battles

(Print Name)

OWNER #2

By

(Print Name)

HORIZON BUSINESS FUNDING, LLC

(Company Officer)

By

Sales Associate Name:

(Signature)



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3001 N. Rocky Pointe Dr. E. STE 200  
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Dear Merchant,

Thank you for accepting an offer from Horizon Business Funding. ("HBF") We look forward to being your funding partner for as long as you need.

Please note that the way your advance is set up HBF needs viewing access to your bank account each business day in order to calculate the amount of your daily payment. Please be assured that we will carefully safeguard your confidential information and only essential personnel will have access to it.

Please fill out the form below with the access information for your account.

Bank portal website: www.USBank.com

Username: battles 28

Password: collin 28

Security Question/Answer 1: Maddie, 28

Security Question/Answer 2: 2004

Security Question/Answer 3: Springboard

Any other information necessary to access your account: \_\_\_\_\_

Please note in the event we can not access your account we will take an estimated payment plus a \$39 fee for each day we don't have access. If you have any questions please feel free to contact our cash management department directly at (800) 807-4079 x 10



Landlord info for office  
Name: Chad Newdigate  
Phone: 513-826-3581  
Amount per month: \$ 200.00



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## AUTHORIZATION AGREEMENT FOR DIRECT DEPOSIT (ACH CREDIT) AND DIRECT PAYMENTS (ACH DEBITS)

This Authorization Agreement for Direct Deposit (ACH Credit) and Direct Payments (ACH Debits) is part of (and incorporated by reference into) the Merchant Agreement. Seller should keep this important legal document for Seller's records.

**DISBURSMENT OF ADVANCE PROCEEDS.** By signing below, Seller authorizes Buyer to disburse the Advance proceeds less the amount of any applicable fees upon Advance approval by initiating an ACH credit to the checking account indicated below (or a substitute checking account Seller later identifies and is acceptable to Buyer) (hereinafter referred to as the "Designated Checking Account"). This authorization is to remain in full force and effect until Buyer has received written notification from Seller of its termination in such time and in such manner as to afford Buyer and Seller's depository bank a reasonable opportunity to act on it.

**BUSINESS PURPOSE ACCOUNT.** By signing below, Seller attests that the Designated Checking Account was established for business purposes and not primarily for personal, family or household purposes.

**MISCELLANEOUS.** Buyer is not responsible for any fees charged by Seller's bank as the result of credits or debits initiated under this agreement. The origination of ACH transactions to Seller's account must comply with the provisions of U.S. law.

I, (We) Ryan D. Battles

Hereby Authorize, Horizon Business Funding, LLC  
(Hereinafter known as "HBF") to Electronically (ACH) debit the Bank Account Below, of which I am a

signer:

Bank Name: USBank

Branch:

Tax ID: 163-66-6710

ABA: Routing: 071904779 DDA: Account: 1 993 7267 6064 For the

amount of: \$ 169.00

(Or) Percentage of each Banking Deposit: % 10

On the Following Days: Monday through Friday

This authorization is to remain in full force and effect until COMPANY has received written notification from me at least 5 banking days prior of its termination to afford COMPANY a reasonable opportunity to act on it.

Signer: (Print Name/Title) Ryan D. Battles

Date: September 30, 2013





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# APPENDIX A: THE FEE STRUCTURE:

- A. Origination Fee - \$100.00 to cover Underwriting and related expenses.
- B. ACH Program Fee - \$199.00 (or n/a% of the funded amount, depending on size of advance) ACH's are labor intensive and are not an automated process, requiring us to charge this fee to cover costs.
- C. NSF Fee (Standard) - \$35.00 (each) Up to FOUR TIMES ONLY before a default is declared.
- D. Rejected ACH - \$100.00 -- When Merchant directs the bank to reject our Debit ACH.
- E. Bank Change Fee - \$50.00 -- When Merchant requires a change of Bank Account to be Debited, requiring us to adjust our system.
- F. Blocked Account - \$2,500.00 -- When Merchant BLOCKS Account from our Debit ACH which places them in default (per contract).
- G. Default Fee - \$2,500.00 -- When Merchant changes bank Account cutting us off from our collections.
- H. Account Management Fee - At the end of each month, Merchant will pay to HBF an Account Management Fee. This fee will not be applied towards the reduction of the Purchased Amount. This monthly fee will equal the average of all the payments received as a "Specified Percentage" of the Merchants settlement amount for that Month.
- I. Miscellaneous Service Fees - Merchant shall pay certain fees for services related to the origination and maintenance of Accounts. Each Merchant shall receive their funding electronically to their designated bank account and will be charged \$30.00 for a Fed Wire or \$0.00 for a bank ACH. The Current charge for the underwriting and origination of each Merchant Agreement is \$n/a paid from the funded amount. Merchant will be charged \$25.00 for every additional change of their operating bank account once they are active with HBF. Additional copies of prior monthly statements will incur a fee of \$10.00 each.

Merchant 1 (Sign) X  
Print: Ryan D. Battles

Merchant 2 (Sign) \_\_\_\_\_  
Print: \_\_\_\_\_



reimbursement from Merchant or any other guarantor for any amounts paid by it under this Agreement. Guarantor permanently waives and shall not seek to exercise any of the following rights that it may have against Merchant, any other guarantor, or any collateral provided by Merchant or any other guarantor, for any amounts paid by it, or any amount paid by Merchant or any other guarantor of the Guaranteed Obligations because that person has become subject to a proceeding under the United States Bankruptcy Code or any similar law. Guarantor's obligations under this Agreement shall include that amount.

**Guarantor Acknowledgment.** Guarantor acknowledges that: (i) He/She understands the seriousness of the provisions of this Agreement; (ii) He/She has had a full opportunity to consult with counsel of his/her choice; and (iii) He/She has consulted with counsel of his choice or has decided not to avail himself/herself of that opportunity.

**Joint and Several Liability.** The obligations hereunder of the persons or entities constituting Guarantor under this Agreement are joint and several. THE TERMS, DEFINITIONS, CONDITIONS AND INFORMATION SET FORTH IN THE "MERCHANT AGREEMENT", INCLUDING THE "TERMS AND CONDITIONS", ARE HEREBY INCORPORATED IN AND MADE A PART OF THIS SECURITY AGREEMENT AND GUARANTY. CAPITALIZED TERMS NOT DEFINED IN THIS SECURITY AGREEMENT AND GUARANTY, SHALL HAVE THE MEANING SET FORTH IN THE MERCHANT AGREEMENT, INCLUDING THE TERMS AND CONDITIONS.

MERCHANT#1

By Ryan D. Battles

SS# 163-66-6710

MERCHANT#2

By \_\_\_\_\_

(Print Name and Title)

OWNER/GUARANTOR#1

Ryan D. Battles

SS# 163-66-6710

OWNER/GUARANTOR #2

By:

(Print Name)

SS#

Drivers License Number

(Signature)

25413326

Sign Here

Drivers License Number

(Signature)

Sign Here

Drivers License Number

(Signature)

Sign Here

Drivers License Number

(Signature)

Sign Here