

Assigned for all purposes to: Chatsworth Courthouse, Judicial Officer: Karen Moskowitz

1 COLLECTION AT LAW, INC.  
2 A PROFESSIONAL LAW CORPORATION  
3 Jon O. Blanda (State Bar No. 217222)  
4 Angela A. Velen (State Bar No. 217292)  
5 Jeffrey Mukai (State Bar No. 273338)  
6 3835 East Thousand Oaks Blvd., Suite R349  
7 Westlake Village, California 91362  
8 Phone Number (818) 716-7630  
9 Facsimile (818) 716-7775

10 Attorneys for Plaintiff  
11 FORWARDLINE FINANCIAL, LLC., a California Limited Liability Company  
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14    **SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES**  
15    **NORTH VALLEY DISTRICT - LIMITED JURISDICTION**

16    FORWARDLINE FINANCIAL, LLC., a                                  ) CASE NO.  
17    California Limited Liability Company,                                  )  
18    Plaintiff,    ) Amount of Demand is under \$25,000.00,  
19    v.    ) LIMITED JURISDICTION)  
20    ) COMPLAINT FOR MONEY  
21    MAGIC WAND CARPET CLEANING                                  )  
22    LLC., a Colorado Limited Liability                                  )  
23    Company dba MAGIC WAND CARPET                                  )  
24    CLEANING; KEVIN MCGILLICK, an                                  )  
25    individual; and DOES 1 through 100,                                  )  
26    inclusive,    )  
27    ) )  
28    ) )  
29    Defendant(s).    )

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**DEFINITIONS AND PRELIMINARY ALLEGATIONS:**

- 31         1.         As used herein, the term "PLAINTIFF" refers to FORWARDLINE FINANCIAL,  
32    LLC., a California Limited Liability Company;  
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34         2.         As used herein, the term "DEFENDANTS" refers to MAGIC WAND CARPET  
35    CLEANING LLC., a Colorado Limited Liability Company dba MAGIC WAND CARPET  
36    CLEANING; KEVIN MCGILLICK, an individual;  
37  
38         3.         As used herein, the term "DEBT" and "said DEBT" refers to the following sum:

1 \$7,219.00;

2 4. As used herein, the term "Due Date" refers to the following date: December 31,  
3 2019;

4 5. Plaintiff is a limited liability company, duly organized and existing under and by  
5 virtue of the laws of the State of California, and licensed and operating under and pursuant to the  
6 laws of the State of California;

7 6. Plaintiff is informed, believes, and thereon alleges that Defendant, MAGIC  
8 WAND CARPET CLEANING LLC., is a company, duly organized under and pursuant to the  
9 laws of the State of Colorado and is doing business as MAGIC WAND CARPET CLEANING;

10 7. Plaintiff is informed, believes, and thereon alleges that Defendant, KEVIN  
11 MCGILLICK, an individual, is an individual of competent age and mental capacity residing in  
12 the State of Colorado;

13 8. [INTENTIONALLY LEFT BLANK];

14 9. The true names and capacities of Defendants named herein as DOES 1 through  
15 100, inclusive, are unknown to Plaintiff, who therefore sues Defendants by fictitious names.  
16 Plaintiff will amend this complaint to show their true names and capacities when they have been  
17 ascertained. Plaintiff is informed and believes, and thereon alleges, that each of said named  
18 Defendants is responsible in some manner for the occurrences herein alleged, and that Plaintiff's  
19 injuries and damages herein alleged were proximately caused thereby. Each reference in this  
20 complaint to "Defendant," "Defendants," or specifically named Defendant refers also to all  
21 Defendants sued under fictitious names;

22 10. The obligations and claims sued upon herein were made and entered into and are  
23 due and payable in the above-mentioned Judicial District and County, State of California, and are  
24 not subject to the provisions of Sections 1812.10 and 2984.4 of the California Civil Code, and  
25 Section 395(b) of the California Code of Civil Procedure;

26 11. Plaintiff is informed and believes, and thereon alleges, that at all times herein  
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1 mentioned, each Defendant was the agent, servant, employee, joint venturer, partner,  
2 representative and/or alter ego of the remaining Defendants; and in doing the things hereinafter  
3 mentioned, each Defendant was acting within said course, scope and authority as an agent,  
4 servant, employee, joint venturer, partner, representative and/or alter ego, whether such capacity  
5 was actual or apparent, with the knowledge and consent of each other Defendant, and as  
6 authorized and/or ratified by each of the remaining Defendants;

7       12. The cause of action which is subject to this lawsuit arose in this judicial district;

8       13. On or about November 2016 Plaintiff Forwardline Financial LLC,  
9 entered into a Loan Sale Agreement whereby Plaintiff agreed to purchase certain loans funded  
10 by FinWise pursuant to a Loan Program Agreement.

11       14. The price which Plaintiff paid for each loan was determined on the date Plaintiff  
12 paid FinWise for that loan.

13       15. The loan which is the subject of this lawsuit was purchased by Plaintiff and as  
14 such, all obligations under the loan were due to Plaintiff.

15       16. Plaintiff filed and recorded a UCC against all the assets of WEALTH PALM, INC., a  
16 New York Corporation dba OMANI CHICKEN & SANDWICH in connection with the funding,  
17 and funded the loan to the business. Moreover, Plaintiff began servicing the loan from August 9,  
18 2019 through the date of date of default in December 31, 2019.

19                          FIRST CAUSE OF ACTION

20                          (OPEN BOOK ACCOUNT as to ALL DEFENDANTS)

21       16. Plaintiff repeats, re-alleges and incorporates herein by reference paragraphs 1  
22 through 15 as though fully set forth herein;

23       17. Within four years preceding the commencement of this action, Defendants  
24 became indebted to Plaintiff in the amount of "the DEBT" for a balance due on a book account  
25 for services rendered by Plaintiff to Defendants, at Defendants' request. Said DEBT has not been  
26 paid although payment has been demanded, and said DEBT is now due, owing and unpaid,

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1 together with interest thereon at the rate of ten percent (10%) per annum since demanded on the  
2 DUE DATE;

3       18.     The DEBT sued upon herein was incurred on or after January 1, 1987 and is  
4 subject to the provisions of the California Civil Code Section 1717.5 and that Plaintiff is entitled  
5 to be awarded attorney's fees pursuant to said section;

6    **SECOND CAUSE OF ACTION**

7    (ACCOUNT STATED as to ALL DEFENDANTS)

8       19.     Plaintiff repeats, re-alleges and incorporates herein by reference paragraphs 1  
9 through 18 as though fully set forth herein;

10      20.     Within four years preceding the commencement of this action, an account was  
11 stated by and between Plaintiff and Defendants, wherein it was ascertained and agreed that said  
12 Defendants owed said DEBT to Plaintiff, together with interest thereon at the rate of ten percent  
13 (10%) per annum from the DUE DATE;

14      21.     The DEBT sued upon herein was incurred on or after January 1, 1987 and is  
15 subject to the provisions of the California Civil Code Section 1717.5 and that Plaintiff is entitled  
16 to be awarded attorney's fees pursuant to said section;

17    **THIRD CAUSE OF ACTION**

18    (REASONABLE VALUE as to ALL DEFENDANTS)

19      22.     Plaintiff repeats, re-alleges and incorporates herein by reference paragraphs 1  
20 through 21 as though fully set forth herein;

21      23.     Within two years preceding the commencement of this action Defendants became  
22 indebted to Plaintiff for the reasonable value of services rendered by Plaintiff to said Defendants,  
23 at said Defendants' request, the DEBT was and is the reasonable value of said services. No part  
24 of said DEBT has been paid although payment has been demanded, and said DEBT is now due,  
25 owing and unpaid together with interest at the rate of ten percent (10%) per annum since  
26 demanded on the DUE DATE;

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1           24. The DEBT sued upon herein was incurred on or after January 1, 1987, and is  
2 subject to the provisions of the California Civil Code Section 1717.5 and that Plaintiff is entitled  
3 to be awarded attorney's fees pursuant to said section;

4                                  **FOURTH CAUSE OF ACTION**

5                                  (MONEY LENT as to ALL DEFENDANTS)

6           25. Plaintiff repeats, re-alleges and reincorporates herein by reference paragraphs 1  
7 through 24 as though fully set forth herein;

8           26. On or about December 31, 2019, the Defendants became indebted to Plaintiff in  
9 the sum of \$7,219.00. Said amount represents the balance on their account at the time of default.  
10 In equity and good conscience, the Defendants owe the Plaintiff this sum of money. Attached  
11 hereto as Exhibit "1" and incorporated herein by reference is a copy of the Statement of Account;

12           27. Plaintiff has demanded that the Defendants pay Plaintiff the money they have  
13 received. The most recent demand was made on or about October 20, 2020. The Defendants have  
14 not made payment on any part of the money they were lent and there is now due and owing the  
15 sum of \$7,219.00, together with interest of 10%;

16                                  **FIFTH CAUSE OF ACTION**

17                                  (BREACH OF WRITTEN CONTRACT as to MAGIC WAND CARPET CLEANING LLC., a  
18 Colorado Limited Liability Company dba MAGIC WAND CARPET CLEANING)

19           28. Plaintiff repeats and re-alleges and reincorporates herein by reference paragraphs  
20 1 through 27 as though fully set forth herein;

21           29. On or about August 9, 2019, Defendant, MAGIC WAND CARPET CLEANING  
22 LLC., a Colorado Limited Liability Company dba MAGIC WAND CARPET CLEANING  
23 received a loan from Plaintiff, pursuant to the Loan and Security Agreement ("Agreement")  
24 attached.

25           30. The terms of the agreement provided that, Plaintiff would loan Defendant  
26 \$9,000.00 ("the Principal Amount") in consideration for the Defendant's repayment of this

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1 principal plus interest in accordance with the Agreement;

2       31. Plaintiff performed all promises, covenants, and conditions under the Agreement  
3 and lent the monies to Defendants;

4       32. On or about December 31, 2019, the Defendant failed to fulfill its obligations  
5 under paragraph 6 of the Agreement, and thus has materially breached the contract between the  
6 parties;

7       30. As a direct and proximate cause of the Defendant's breach, the Plaintiff is  
8 entitled to the balance under the Agreement, which is, \$7,219.00.

9       34. The Agreement further provides for costs, interest and attorney's fees;

10                                  SIXTH CAUSE OF ACTION

11                                  (BREACH OF WRITTEN GUARANTEE as to KEVIN MCGILLICK, an individual)

12       35. Plaintiff repeats and re-alleges and reincorporates herein by reference paragraphs  
13 1 through 34 as though fully set forth herein;

14       36. On or about August 9, 2019, Defendant, KEVIN MCGILLICK, executed a  
15 Personal Guarantee in favor of Plaintiff, whereby, if MAGIC WAND CARPET CLEANING  
16 LLC., a Colorado Limited Liability Company dba MAGIC WAND CARPET CLEANING  
17 defaulted upon the loan, he would be personally and unconditionally responsible to Plaintiff.

18       37. A material basis for the loan to MAGIC WAND CARPET CLEANING LLC., a  
19 Colorado Limited Liability Company dba MAGIC WAND CARPET CLEANING was  
20 Defendant KEVIN MCGILLICK's personal guarantee.

21       38. Under the terms of the Guarantee, Plaintiff may pursue the Defendant at anytime;

22       39. The Guarantee has been breached, in that Defendant KEVIN MCGILLICK has  
23 failed to and continues to refuse to pay any amounts due to the Plaintiff;

24       40. Plaintiff performed all promises, covenants, and conditions under the agreement;

25       41. As a direct and proximate cause of the Defendant's breach, the Plaintiff is  
26 entitled to \$7,219.00 the amount due under the Agreement, plus interest, costs, and attorneys

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1 fees.

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1 WHEREFORE, as to the FIRST, SECOND, THIRD, and FOURTH CAUSES OF  
2 ACTION, Plaintiff prays judgment against Defendants as follows:

- 3       1. For the sum of \$7,219.00, together with interest thereon at the rate of ten percent  
4 (10%) the legal rate, from December 31, 2019;  
5       2. For costs of suit incurred herein;  
6       3. For attorney's fees pursuant to California Civil Code Section 1717.5 and pursuant  
7 to the Agreement(s);  
8       4. For such other and further relief as the Court may deem just and proper.

9 WHEREFORE, as to the FIFTH CAUSE OF ACTION, Plaintiff prays for judgment  
10 against Defendants as follows:

- 11      1. For the sum of \$7,219.00, together with interest thereon at the rate of ten percent  
12 (10%) per annum from December 31, 2019;  
13      2. For costs of suit incurred herein;  
14      3. For attorney's fees pursuant to the agreement;  
15      4. For such other and further relief as the Court may deem just and proper.

16 DATED: February 19, 2021  
17                            3/2/22

COLLECTION AT LAW, INC.  
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By:   
JON O. BLANDA  
Attorney for Plaintiff

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# Exhibit “1”



## LOAN AND SECURITY AGREEMENT, PAGE 1 of 7

LOAN AND SECURITY AGREEMENT

<b>Borrower:</b>	MAGIC WAND CARPET CLEANING LLC
<b>Address:</b>	10295 Taliesin Dr Ste 413 Englewood, CO 80112
<b>Telephone:</b>	(720) 569-0025
<b>Faxsimile:</b>	
<b>Federal Tax ID (EIN):</b>	27-4618620
<b>Contract Date:</b>	08/09/2019
<b>Maturity Date:</b>	08/09/2020
<b>Principal Amount:</b>	\$9,000.00
<b>Total Repayment Amount:</b>	\$12,575.00
<b>Early Payoff Discount:</b>	Per section 5.4, up to 25% of remaining interest at time of early payoff request
<b>Daily Repayment Amount:</b>	\$50.50
<b>Borrower Bank:</b>	Canvas Credit Union
<b>Primary Business Checking Account Number:</b>	[REDACTED]
<b>Primary Business Checking Account Routing Number:</b>	[REDACTED]
<b>Average Monthly Gross Sales:</b>	\$8,753.58

This Loan and Security Agreement is entered into on the above date between **FinWise Bank, a Utah state chartered bank ("Lender")**, whose address is 756 East Winchester, Suite 100, Murray, UT 84107 and the borrower named above ("Borrower"), whose chief executive office is located at the above address. For purposes of this Agreement, the term Lender shall refer to Lender, its representatives, agents, assigns, or successors in interest, including, without limitation, Servicer (as defined below). Definitions of certain capitalized terms used in this Agreement have the meanings set forth in Section 7 of this Agreement and also as such meanings are set forth and identified above in the heading to this Agreement. Borrower agrees to be bound by all the terms and conditions of this Agreement when Borrower signs this Agreement. This Agreement shall not become effective until Lender receives and accepts this Agreement in Utah, such acceptance evidenced by Lender's disbursement of the proceeds of the Loan to Borrower.

**1. LOANS.** Lender will make a loan to Borrower (the "Loan") in the Principal Amount, provided no Event of Default has occurred and is continuing. Borrower shall repay the Loan to Lender by paying, in accordance with the terms and conditions of this Agreement, the Principal Amount plus an additional amount, which aggregate sum equals the Total Repayment Amount; provided, that after the occurrence of an Event of Default, Borrower shall also pay to Lender interest on any portion of the Total Repayment Amount then outstanding at a per diem rate of up to 0.083%, as determined by

Lender in its sole and absolute discretion. Notwithstanding the foregoing, in the event a condition to funding remains outstanding, Lender shall have the right, in its sole and absolute discretion, to make the Loan to Borrower in an amount less than the Principal Amount ("Partial Funding") with the remainder of the Principal Amount to be funded when Lender determines, in its sole and absolute discretion, that all conditions to funding have been met ("Final Funding"). If after Partial Funding, but prior to Final Funding, an Event of Default occurs, Borrower shall be deemed to be in material breach of this Agreement and Lender shall have no further obligation whatsoever to Borrower to provide Final Funding ("Partial Funding Event of Default"). In the event of a Partial Funding Event of Default, the Principal Amount shall be deemed to be the actual amount funded and the Total Repayment Amount shall be adjusted according to Lender's formula for calculating total repayment amounts to such amount as would have constituted the Total Repayment Amount pursuant to such formula had the amount actually funded been the original Principal Amount and all other terms and conditions of this Agreement, including, without limitation, all of Lender's rights and remedies under this Agreement, shall apply to such Loan.

**2. SECURITY INTEREST.** To secure the prompt payment and performance of the Obligations when due, Borrower hereby grants to Lender a security interest in all of Borrower's interest in the Collateral. Borrower hereby authorizes Lender to file one or more financing statements, lien entry forms, or other documents Lender requires to perfect such security interest. Borrower hereby acknowledges and agrees that Lender may be using "doing business as" or "d/b/a" names or a third party representative in connection with various matters relating to the Loan, including, without limitation, the filing of any financing statement in connection with this Agreement. Lender shall have the right to pay a portion of the Principal Amount directly to a third party on behalf of Borrower in order to satisfy an existing debt of Borrower and secure the release of an existing security interest in the Collateral, provided Lender shall inform Borrower of such payoff.

**3. BORROWER'S REPRESENTATIONS, WARRANTIES, AND COVENANTS.** Borrower represents and warrants to Lender as follows, and Borrower covenants that the following representations will continue to be true, and that Borrower will at all times comply with all of the following covenants:

**3.1 Corporate Existence and Authority.** If a legal entity, Borrower is and will continue to be duly authorized, validly existing, and in good standing under the laws of the jurisdiction of its organization. Borrower is entering into this Loan strictly for commercial purposes and not for personal or household expenses. The execution, delivery, and performance by Borrower of this Agreement and all other documents contemplated by this Agreement have been duly and validly authorized under all applicable organizational documentation relating to Borrower, and do not violate any law or any provision of, and are not grounds for acceleration under, any agreement or instrument that is binding upon, or otherwise applicable to, Borrower.

**3.2 Name; Location.** The name of Borrower, the business address of Borrower, and the other information regarding Borrower, as set forth in this Agreement, are true and correct. Borrower shall give



## LOAN AND SECURITY AGREEMENT, PAGE 2 of 7

Lender fifteen (15) days' prior written notice before changing its name or its business address.

**3.3 Title to Collateral.** Except for any purchase money security interests in specific items of equipment, Lender has and will at all times continue to have a perfected security interest in all of the Collateral. Borrower will immediately advise Lender in writing of any material loss or damage to the Collateral. Borrower is now, and will at all times in the future be, the sole owner of all the Collateral.

**3.4 Financial Condition, Statements, and Reports.** All financial statements, applications, statements, reports, and other documents now or in the future delivered to Lender, or any third party in connection with this Loan, have and will completely and fairly reflect the financial condition of Borrower at the times and for the periods therein stated and will be truthful in all other respects. All information provided to Lender, or any third party in connection with this Loan, by Borrower regarding Borrower's historical Gross Sales Receipts and the financial condition of Borrower in general is true and accurate. Borrower is now solvent and has no reason to believe it will not continue to be solvent for at least the next twelve (12) months from the Contract Date.

**3.5 Tax Returns and Payments.** Borrower has timely filed and will timely file all tax returns and reports required by applicable law, and Borrower has timely paid and will timely pay all applicable taxes, assessments, deposits, and contributions now or in the future owed by Borrower.

**3.6 Compliance with Law.** Borrower has complied and will comply with all provisions of all applicable laws and regulations and all applicable rules, regulations, orders, and agreements pertaining to the conduct of Borrower's business and promises to hold Lender harmless from any damages, liabilities, costs, expenses (including reasonable attorneys' fees), or other harm arising out of any violation thereof.

**3.7 Litigation.** There is no claim, suit, litigation, proceeding, or investigation pending or threatened against or affecting Borrower involving a dollar amount that is equal to or greater than fifty percent (50%) of the Principal Amount. Borrower will promptly inform Lender in writing of any such item in the future threatened or instituted by or against Borrower involving fifty percent (50%) of the Principal Amount or more.

**3.8 Gross Sales Receipts.** Borrower's Gross Sales Receipts are and will continue to be *bona fide* transactions with Borrower's customers arising out of the sale/rental of goods and/or the rendition of services in the ordinary course of Borrower's business. Borrower represents and covenants that its business is and will continue to be of the same type and nature as represented to Lender in Borrower's loan application. Borrower is solvent and the Gross Sales Receipts are owned by and owing to Borrower and are free and clear of all liens, security interests, and encumbrances except as permitted by Section 3.3 of this Agreement.

**3.9 Use of Proceeds.** The proceeds of the Loan shall be used exclusively for business purposes and shall not be used for personal, family, or household purposes. Borrower understands and agrees that Borrower's representation and promise not to use any proceeds of the Loan for personal, family, or household purposes means that

certain important duties imposed upon entities making loans for consumer/personal purposes, and certain important rights conferred upon consumers pursuant to federal or state law will not apply to the Loan or the Agreement. Borrower also understands that Lender will be unable to confirm whether the use of the Loan conforms to this Section 3.9. Borrower agrees that a breach by Borrower of the provisions of this Section 3.9 will not affect Lender's right to (i) enforce Borrower's promise to pay for all amounts owed under this Agreement, regardless of the purpose for which the Loan was in fact obtained or (ii) use any remedy legally available to Lender, even if that remedy would not have been available had the Loan been made for consumer purposes.

### 4. BORROWER'S ADDITIONAL DUTIES.

**4.1 Insurance.** Borrower shall at all times insure all of the tangible personal property Collateral and carry such other business insurance as is reasonable and/or customary. Borrower shall show proof of such insurance upon the request of Lender.

**4.2 Minimum Account Balance.** Borrower shall at all times maintain in the business checking account located at Borrower Bank having the Primary Business Checking Account Number and Primary Business Checking Account Routing Number (or such other bank account as Borrower may designate from time to time with Lender's prior written consent (the "**Primary Business Checking Account**") the dollar amount that is necessary to ensure that Lender's debit of the Daily Repayment Amount does not reject for insufficient funds or any other similar reason. If Lender's debit of the Primary Business Checking Account rejects for any reason other than Lender's error or omission, Borrower agrees to pay to Lender a fee of up to \$15 per such occurrence.

**4.3 Access to Collateral, Books, and Records; Information.** At reasonable times, Lender, or its agents, shall have the right to inspect the Collateral and the right to audit and copy Borrower's books and records at Borrower's expense. Further, Borrower shall timely deliver to Lender such information and reports relating to Borrower's business and the Collateral, including, without limitation, Borrower's Primary Business Checking Account statements, and any other reasonably related documentation as Lender may request from time to time in its sole discretion. Borrower also hereby authorizes Lender, or its representatives, agents, assigns, or successors in interest, to obtain, at any time and for any purpose, including, without limitation, marketing purposes, credit reports or investigative reports pertaining to Borrowers and all Guarantors.

**4.4 Negative Covenants.** Borrower shall not, without Lender's prior written consent, do any of the following: (i) enter into any transaction outside the ordinary course of business, including terminating operations or selling or assigning or borrowing against all or any part of the business or Collateral (except for the sale of finished inventory in the ordinary course of Borrower's business); (ii) switch or change the Primary Business Checking Account or open another checking account into which some or all of Borrower's Gross Sales Receipts, including, without limitation, Borrower's Receivables are deposited; (iii) amend or terminate its authorization agreement with Lender for direct deposits and direct payments to and from the Primary Business Checking Account; (iv) permit any action or event to occur that would have an adverse or competitive effect on



## LOAN AND SECURITY AGREEMENT, PAGE 3 of 7

Borrower's Gross Sales Receipts; (v) sell, assign, or borrow against its Receivables, if any, or its Gross Sales Receipts to or from any other Person; (vi) agree to do any of the foregoing.

**4.5 Indemnity.** Borrower hereby agrees to indemnify Lender and hold Lender harmless, as and when incurred, from and against any and all claims, debts, liabilities, demands, obligations, actions, causes of action, penalties, costs, and expenses (including reasonable attorneys' fees), of every nature, character, and description, that Lender may sustain or incur based upon or arising out of, in any manner whatsoever, this Agreement, any of the Obligations, or any other matter, fact, cause, or thing relating to or arising in connection with Borrower. Notwithstanding any provision in this Agreement to the contrary, the indemnity agreement set forth in this Section 4.5 shall survive any termination of this Agreement and shall for all purposes continue in full force and effect.

### **5. PAYMENT OF OBLIGATIONS.**

**5.1 Repayment.** Borrower shall pay and perform in full all Obligations in favor of Lender, including, without limitation, the payment of the Total Repayment Amount and any and all interest thereon, as applicable, and such repayment shall be made daily pursuant to the provisions set forth in Section 5.2 of this Agreement. Further, and notwithstanding the foregoing, on the Maturity Date or on any earlier effective date of termination of this Agreement, all Obligations under this Agreement shall be repaid in full. Notwithstanding any termination of this Agreement, all of Lender's security interests in all of the Collateral and all of the terms and provisions of this Agreement shall continue in full force and effect until all Obligations have been indefeasibly paid and performed in full. Borrower may prepay the Obligations at any time as long as such Obligations are prepaid in full in their entirety. Notwithstanding the foregoing, Borrower shall have a ninety (90) day grace period beyond the Maturity Date to pay and perform in full all Obligations without penalty, provided, however, that Borrower is not otherwise in default under this Agreement in Lender's sole and absolute discretion.

**5.2 ACH Debit.** All Daily Repayment Amounts shall be due and payable by Borrower at Lender's or Servicer's (as defined below) principal place of business as designated in this Agreement or as hereinafter designated in writing by Lender. Borrower agrees that the Daily Repayment Amount or other amount then due under this Agreement shall be paid every business day (i.e. Monday through Friday) by an automatic bank account debit ("ACH") from the Primary Business Checking Account in the amount of the Daily Repayment Amount for credit to Lender's bank account in Utah or Servicer's bank account in California. Borrower is concurrently providing Lender with a voided check drawn on the Primary Business Checking Account and this Agreement shall constitute Borrower's ACH payment instruction notice to Lender and Servicer authorizing the daily debits to the Primary Business Checking Account. Borrower warrants that the Primary Business Checking Account is a legitimate, open, and active account. Borrower agrees to maintain immediately available funds in the Primary Business Checking Account sufficient to pay each Daily Repayment Amount on each business day (i.e. Monday through Friday) until the Total Repayment Amount and all other Obligations are paid in full. Notwithstanding anything to the contrary contained in this Agreement, the obligation of Borrower to

pay the Daily Repayment Amount is absolute and unconditional, regardless of whether there are sufficient funds to pay the Daily Repayment Amount in the Primary Business Checking Account and Lender shall have full recourse against Borrower (and/or the Guarantor(s)) to otherwise collect from Borrower and/or the Guarantor(s) the amounts due under this Agreement if there are insufficient funds in the Primary Business Checking Account. Notwithstanding any other provision of this Agreement, Lender and Servicer agree to attempt to contact Borrower by telephone or electronic mail in the event of three (3) consecutive days of returned payments prior to continuing to ACH debit the Primary Business Checking Account. If all or any Daily Repayment Amounts are not paid when due, Lender or Servicer is authorized, in its sole discretion, to debit the Primary Business Checking Account for a lesser or greater sum in Lender's sole and absolute discretion at any time. If Lender elects to debit for an amount that is less than the outstanding balance of the Total Repayment Amount then due, Lender may do so without waiver of any rights to collect the full amount due under this Agreement. Borrower hereby agrees to execute in a timely manner any and all documents, authorizations, forms, etc. that may be required by Lender, Servicer, or Borrower Bank in order to facilitate the provisions of this Agreement. This authorization shall remain in full force and effect until all Obligations under this Agreement have been paid in full, including, without limitation, the Total Repayment Amount and any and all interest thereon. For the purposes of this Agreement, Servicer shall mean ForwardLine Financial, LLC, a California limited liability company, with offices at 21700 Oxnard Street, Ste. 1400, Woodland Hills, CA 91367.

**5.3 Agreements Relating to Borrower Bank.** Borrower hereby irrevocably authorizes and instructs Borrower Bank to remit to Lender or Servicer the cash amount equal to the Daily Repayment Amount (as such amount may be adjusted in an Event of Default) until Borrower Bank receives written notice from Lender or Servicer that Lender or Servicer has received payment in full equal to the Obligations outstanding under this Agreement, provided that all Obligations are nevertheless required to be repaid in full on the Maturity Date. Borrower shall be solely responsible for all expenses of Borrower Bank in complying with any of Borrower's instructions and authorizations to Borrower Bank contained in this Agreement and in accommodating Borrower Bank in the performance of any of the Obligations. Borrower hereby agrees that Borrower Bank may follow the instructions of Lender or Servicer consistent with this Agreement without any independent verification, instructions, or consents from Borrower. In no event shall Lender, Servicer, or any of their respective officers, directors, affiliates, employees, agents, or representatives be liable to Borrower for any losses, damages, claims, liabilities, and expenses (including reasonable attorneys' fees) suffered or incurred by Borrower, arising in connection with Borrower's banking agreement with Borrower Bank or any other agreement between Borrower and Borrower Bank. In no event will Lender or Servicer be liable for any claims asserted by Borrower under any theory of law, including any tort or contract theory for lost profits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect, or consequential damages, each of which Borrower hereby expressly waives.



## LOAN AND SECURITY AGREEMENT, PAGE 4 of 7

**5.4 Application of Payments; Prepayment.** Subject to applicable law, Lender reserves the right to allocate and apply payments on Borrower's Loan among principal, interest, and fees in any manner Lender chooses in Lender's sole and absolute discretion; it being understood and agreed that payments made in the earlier portion of the term of the Loan will generally be applied to fees and interest more than payments made during the later portion of the term of the Loan. Provided no Event of Default has occurred, up until the day that is the last business day occurring within the first seventy-five percent (75%) of total days in the Loan term, Borrower may request in writing from Servicer an early payoff letter ("Early Payoff Letter"), which shall include a discount of up to 25% of the remaining interest on the Loan as determined by Lender in its sole and absolute discretion. Subject to the terms and conditions set forth in the Early Payoff Letter, Borrower may prepay Borrower's Loan. In the event that Borrower does not comply with the terms and conditions set forth in the Early Payoff Letter, any attempt or further request to prepay the Loan shall be treated as a new request and shall be subject to the terms and conditions of this Agreement, including, without limitation, the issuance of a new Early Payoff Letter by Servicer.

**6. EVENTS OF DEFAULT AND REMEDIES.** The occurrence of any of the following events shall constitute an "Event of Default" under this Agreement: (A) any representation, statement, report, or certificate given to Lender by Borrower or any of its officers, employees, or agents, now or in the future, whether or not contained in this Agreement, and whether or not given orally or in writing, is untrue or misleading; or (B) Borrower fails to pay when due any Loan or any interest thereon or any other monetary Obligation; or (C) Borrower fails to perform any other non-monetary Obligation after the date due therefor; or (D) dissolution, termination of existence, insolvency, or business failure of Borrower; or appointment of a receiver, trustee, or custodian, for all or any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding by or against Borrower under any reorganization, bankruptcy, insolvency, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, now or in the future in effect; or (E) a material change in the ownership of Borrower or the Collateral, without the prior written consent of Lender; or (F) a material adverse change in the business, operations, or financial or other condition of Borrower; or (G) an "Event of Default" occurs under any guarantee delivered in connection with this Agreement or otherwise relating to this Agreement; or (H) Borrower shall default in the performance or observance of any term, covenant, condition, or promise as provided in any agreement with Borrower Bank; or (I) Borrower shall default in the performance or observance of any term, covenant, condition, or promise as provided in this Agreement, including, without limitation any of the negative covenants set forth in Section 4.4 of this Agreement, or (J) Lender, for any reason, in good faith, determines itself insecure with respect to the prospect of repayment or performance of any of the Obligations, including, without limitation, if Borrower has less than sixty (60) days remaining in the term of Borrower's premise lease. If an Event of Default occurs, Lender shall have the right to accelerate and declare all of the Obligations to be immediately due and payable, and exercise all rights and remedies accorded it by applicable law and as otherwise are set forth in this Agreement. If an Event of Default occurs, then without limitation of the rights and

remedies afforded Lender under this Agreement and under applicable law, Borrower hereby irrevocably authorizes and directs Lender, without any further Borrower verification, to pay to Lender one hundred percent (100%) of the remaining Total Repayment Amount and any other Obligations owing under this Agreement from the Primary Business Checking Account.

**7. DEFINITIONS.** As used in this Agreement, the following terms have the following meanings: (A) "**Collateral**" means and consists of all of Borrower's right, title, and interest in and to all of Borrower's personal property, now owned, or hereafter acquired, including, without limitation, the following: accounts, chattel paper, electronic chattel paper, equipment, inventory, goods, deposit accounts, documents, investment property, general intangibles (as such terms are defined in the UCC in effect in Utah), all books, records, files, and electronic data relating thereto, and all proceeds of the foregoing; (B) "**Event of Default**" means any of the events set forth in Section 6 of this Agreement; (C) "**Gross Sales Receipts**" means the total receipts received by Borrower arising out of the sale/rental of goods and/or the rendition of services in the ordinary course of Borrower's business, regardless of payment form of such receipts; (D) "**Borrower Bank**" means the depository financial institution identified in the heading to this Agreement or, in the event Borrower designates, with Lender's prior written consent, another checking account as the Primary Business Checking Account, the depository financial institution at which such Primary Business Checking Account is located; (E) "**Obligations**" means all present and future loans, advances, debts, liabilities, obligations, guaranties, covenants, duties, and indebtedness at any time owing by Borrower to Lender or any of its affiliates, whether evidenced by this Agreement or any note or other instrument or document, absolute or contingent, due or to become due, including, without limitation, all interest, charges, expenses, fees, attorney's fees, and any and all other sums chargeable to Borrower under this Agreement or otherwise, and shall include, without limitation, the obligation by Borrower to pay the Total Repayment Amount; and (F) "**Person**" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, government, or any agency or political division thereof, or any other entity.

**8. SOLICITATIONS, PUBLICITY, AND COMMUNICATION POLICY.** Borrower agrees that it has an established business relationship with Lender and that Borrower and its representatives may be contacted from time to time regarding this transaction or other services of Lender and its affiliates and contractors. Borrower further agrees that such contacts are not considered unsolicited or inconvenient and may be made using any contact information provided by Borrower or its representatives, including, but not limited to, cellular phone numbers, facsimile numbers, and email addresses. Borrower and each Guarantor authorize Lender to use its, his, or her name, city, and state in a listing of Lender's clients and in Lender's advertising and marketing materials. To ensure proper service, Lender may choose to monitor and/or record telephone calls between Lender and its customers or other third parties. Borrower agrees that any call between Lender and Borrower (or its representative) may be monitored and/or recorded for this purpose.

**9. USURY SAVINGS CLAUSE.** It is the intention of the parties to this Agreement to comply strictly with applicable usury laws and,



## LOAN AND SECURITY AGREEMENT, PAGE 5 OF 7

accordingly, in no event and upon no contingency shall Lender ever be entitled to receive, collect, or apply as interest any interest, fees, charges, or other payments equivalent to interest, in excess of the maximum rate of interest that Lender may lawfully charge under applicable law (the "**Maximum Rate**"). In the event that Lender ever receives, collects, or applies as interest any such excess, such amount, which, but for this provision, would be excessive interest, shall be applied to the reduction of the principal balance owed under this Agreement; and if said principal balance, and all lawful interest thereon, is paid in full, any remaining excess shall forthwith be paid to Borrower or other party lawfully entitled thereto. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the Maximum Rate the parties shall, to the maximum extent permitted under applicable law, characterize any non-principal as a reasonable loan charge, rather than as interest. Any provision of this Agreement, or any other agreement between the parties that operates to bind, obligate, or compel Borrower to pay interest in excess of such Maximum Rate shall be construed to require payment of the Maximum Rate only. The provisions of this Section 9 shall be given precedence over any other provision contained in this Agreement or in any other agreement between the parties that is in conflict with the provisions of this Section 9.

**10. GENERAL PROVISIONS.** Borrower agrees, at its expense, on request by Lender, to execute all documents and take all actions as Lender may deem reasonably necessary or useful in order to perfect and maintain Lender's perfected security interest in the Collateral and in order to fully consummate the transactions contemplated by this Agreement. If any provision of this Agreement is held to be unenforceable, the remainder of this Agreement shall still continue in full force and effect; provided, however, that to the full extent that the provisions of any such applicable law can be waived, they are hereby waived to the end that this Agreement will be deemed to be a valid and binding agreement enforceable in accordance with its terms. This Agreement and any other written agreements, documents, and instruments executed in connection with this Agreement are the complete agreement between Borrower and Lender and supersede all prior and contemporaneous negotiations and oral representations and agreements, all of which are merged and integrated in this Agreement. There are no oral understandings, representations, or agreements between the parties that are not in this Agreement or in other written agreements signed by the parties in connection with this Agreement. The failure of Lender at any time to require Borrower to comply strictly with any of the provisions of this Agreement shall not waive Lender's right later to demand and receive strict compliance. Any waiver of an Event of Default shall not waive any other Event of Default. None of the provisions of this Agreement may be waived except by a specific written waiver signed by an officer of Lender and delivered to Borrower. The provisions of this Agreement may not be amended, except in a writing signed by Borrower and Lender. **Borrower shall reimburse Lender for all reasonable attorneys' fees (in the event lender utilizes a third party law firm specializing in debt collection in connection with the enforcement of this Agreement, such reasonable attorneys' fees shall constitute twenty-five percent (25%) of the Obligations then outstanding) and all other reasonable costs incurred by Lender arising from or in any way related to the enforcement of this Agreement or any term of this Agreement (whether or not a lawsuit is filed) and including, without**

**limitation, any collection and/or post-judgment costs.** Borrower may not assign any rights under this Agreement without Lender's prior written consent. Paragraph headings are only used in this Agreement for convenience. Borrower and Lender acknowledge that the headings may not describe completely the subject matter of the applicable paragraph, and the headings shall not be used in any manner to construe, limit, define, or interpret any term or provision of this Agreement. Time is of the essence in the performance by Borrower of each and every obligation under this Agreement. Neither Lender, nor any of its directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Lender shall be liable for any claims, demands, losses, or damages, of any kind whatsoever, made, claimed, incurred, or suffered by Borrower or any other party through the ordinary negligence of Lender, or any of its directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Lender, but nothing in this Agreement shall relieve Lender from liability for its own gross negligence or willful misconduct. Lender reserves the right to syndicate all or a portion of the Obligations or sell, assign, transfer, negotiate, or grant participations in all or any part of, or any interest in Lender's rights and benefits under this Agreement. In connection with any such syndication, assignment, or participation, Lender may disclose all documents and information that Lender now or hereafter may have relating to Borrower or Borrower's business. Further, to the extent that Lender assigns its rights and obligations under this Agreement to a third Person, Lender thereafter shall be released from any and all such assigned rights and obligations to Borrower. Borrower shall not make, publish, or otherwise disseminate in any manner a copy of this Agreement or any public statement or description of the terms of this Agreement, except to its employees, advisors, and similar persons who have a legitimate need to know its contents. A fully executed facsimile or electronically signed copy of this Agreement shall be deemed an original and Lender and Borrower shall each be entitled to rely on the authenticity of the facsimile or electronically signed copy as though it were an original; in addition, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**11. MANDATORY ARBITRATION. TO THE EXTENT THAT A CLAIM OR DISPUTE IS BASED UPON, ARISES OUT OF, OR IN ANY WAY RELATES TO THIS AGREEMENT, ANY PRIOR OR FUTURE AGREEMENTS, THE UNDERLYING TRANSACTION, ANY PRIOR OR FUTURE TRANSACTIONS, AND/OR ANY AND ALL OBLIGATIONS AND DUTIES THAT MAY EXIST NOW OR IN THE FUTURE BETWEEN LENDER AND BORROWER BY VIRTUE OF THEIR BUSINESS DEALINGS, INCLUDING PRIOR OR FUTURE BUSINESS DEALINGS, OR ANY CONDUCT, ACTS, OR OMISSIONS OF LENDER OR BORROWER OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH LENDER OR BORROWER, IN ALL OF THE FOREGOING CASES, WHETHER BASED IN CONTRACT OR TORT OR OTHERWISE, THE PARTIES HEREBY AGREE THAT THE CLAIM OR DISPUTE SHALL BE RESOLVED BY MANDATORY BINDING ARBITRATION IN SALT LAKE COUNTY, UTAH WITHIN A REASONABLE PERIOD NOT TO EXCEED ONE HUNDRED TWENTY (120) DAYS. THE PARTIES AGREE THAT THE ARBITRATION SHALL BE ADMINISTERED BY JAMS AND THE ARBITRATION SHALL BE**



## LOAN AND SECURITY AGREEMENT, PAGE 6 of 7

CONDUCTED IN ACCORDANCE WITH THE EXPEDITED PROCEDURES OF THE JAMS COMPREHENSIVE ARBITRATION RULES AND PROCEDURES EXCEPT AS OTHERWISE AGREED IN THIS AGREEMENT. THE ARBITRATOR SHALL BE CHOSEN IN ACCORDANCE WITH THE PROCEDURES OF JAMS, AND SHALL BASE THE AWARD ON APPLICABLE UTAH LAW. JUDGMENT ON THE AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION, SUBJECT TO SECTION 12 BELOW. THE PARTIES FURTHER AGREE THAT THE COSTS OF THE ARBITRATION SHALL BE DIVIDED EQUALLY BETWEEN THEM. EACH PARTY MAY PURSUE ARBITRATION SOLELY IN AN INDIVIDUAL CAPACITY, AND NOT AS A REPRESENTATIVE OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. THE ARBITRATOR MAY NOT CONSOLIDATE MORE THAN ONE PERSON'S OR ENTITY'S CLAIMS, AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING. THIS ARBITRATION SECTION IS GOVERNED BY THE FEDERAL ARBITRATION ACT, 9 U.S.C. §§ 1-16.

**12. UTAH CHOICE-OF-LAW AND EXCLUSIVE FORUM SELECTION.** THIS AGREEMENT, ANY PRIOR OR FUTURE AGREEMENTS, THE UNDERLYING TRANSACTION, ANY PRIOR OR FUTURE TRANSACTIONS, AND/OR ANY AND ALL OBLIGATIONS AND DUTIES THAT MAY EXIST NOW OR IN THE FUTURE BETWEEN LENDER AND BORROWER BY VIRTUE OF THEIR BUSINESS DEALINGS, INCLUDING PRIOR OR FUTURE BUSINESS DEALINGS, OR ANY CONDUCT, ACTS, OR OMISSIONS OF LENDER OR BORROWER OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS, OR ANY OTHER PERSON AFFILIATED WITH LENDER OR BORROWER, IN ALL OF THE FOREGOING CASES, WHETHER BASED IN CONTRACT OR TORT OR OTHERWISE ARE GOVERNED EXCLUSIVELY BY THE LAWS OF THE STATE OF UTAH. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE LENDER AND BORROWER AGREE THAT THE LAWS OF UTAH SHALL GOVERN THE ENTIRE RELATIONSHIP BETWEEN LENDER AND BORROWER, INCLUDING, WITHOUT LIMITATION, ALL ISSUES, CLAIMS, AND CONTROVERSIES ARISING OUT OF, RELATING TO, IN CONNECTION WITH, OR INCIDENT TO THIS AGREEMENT, ANY PRIOR OR FUTURE AGREEMENTS, THE UNDERLYING TRANSACTION, ANY PRIOR OR FUTURE TRANSACTIONS, AND/OR THE PARTIES' BUSINESS DEALINGS, INCLUDING PRIOR OR FUTURE BUSINESS DEALINGS, OR ANY CONDUCT, ACTS, OR OMISSIONS OF LENDER OR BORROWER OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS, OR ANY OTHER PERSON AFFILIATED WITH LENDER OR BORROWER, IN ALL OF THE FOREGOING CASES, WHETHER BASED IN CONTRACT OR TORT OR OTHERWISE. VENUE AND JURISDICTION OVER ANY ACTION ARISING OUT OF OR IN ANY WAY RELATING TO THIS AGREEMENT, ANY PRIOR OR FUTURE AGREEMENTS, THE UNDERLYING TRANSACTION, ANY PRIOR OR FUTURE TRANSACTIONS, AND/OR THE PARTIES' BUSINESS DEALINGS, INCLUDING PRIOR OR FUTURE BUSINESS DEALINGS, OR ANY CONDUCT, ACTS, OR OMISSIONS OF LENDER OR BORROWER OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS, OR ANY OTHER PERSON AFFILIATED WITH LENDER OR BORROWER, IN ALL OF THE FOREGOING CASES, WHETHER BASED IN CONTRACT OR TORT OR OTHERWISE, SHALL LIE EXCLUSIVELY IN ARBITRATION PROCEEDINGS LOCATED IN SALT LAKE COUNTY IN THE STATE OF

UTAH. BORROWER CONSENTS TO THE JURISDICTION OF ANY SUCH PROCEEDINGS AND CONSENTS TO THE SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING BY PERSONAL DELIVERY OR ANY OTHER METHOD PERMITTED BY LAW. BORROWER WAIVES ANY AND ALL RIGHTS BORROWER MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY SUCH ACTION OR PROCEEDING. BORROWER WAIVES ALL RIGHTS TO CONTEND THAT THE FORUM IS INCONVENIENT TO BORROWER AND BORROWER WAIVES ALL RIGHTS OF REMOVAL TO ANY OTHER LOCATION. BORROWER AND LENDER FURTHER EXPRESSLY AGREE THAT THE SCOPE AND INTERPRETATION OF THIS CHOICE-OF-LAW AND EXCLUSIVE FORUM SELECTION PROVISION SHOULD BE GOVERNED BY UTAH LAW, AND THAT THE PARTIES' INTENT IN ENTERING INTO THIS PROVISION IS TO HAVE IT INTERPRETED AND APPLIED AS BROADLY AS PERMISSIBLE UNDER ANY APPLICABLE LAW.

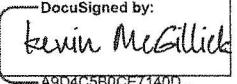
**13. ACKNOWLEDGEMENT OF UTAH'S CONTACTS WITH AGREEMENT.** BOTH BORROWER AND LENDER ACKNOWLEDGE UTAH'S SUBSTANTIAL CONNECTION TO THIS AGREEMENT AND THE PARTIES' RELATIONSHIP. THIS AGREEMENT SHALL HAVE NO FORCE AND EFFECT UNLESS AND UNTIL ACCEPTED BY AN OFFICER OF LENDER AT ITS PRINCIPAL OFFICES IN SALT LAKE COUNTY, UTAH. BORROWER UNDERSTANDS AND AGREES THAT (I) LENDER IS LOCATED IN UTAH, (II) LENDER MAKES ALL CREDIT DECISIONS FROM LENDER'S OFFICE IN UTAH, AND (III) THE LOAN IS MADE IN UTAH (THAT IS, NO BINDING CONTRACT WILL BE FORMED UNTIL LENDER RECEIVES AND ACCEPTS BORROWER'S SIGNED AGREEMENT IN UTAH).

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LOAN AND SECURITY AGREEMENT, PAGE 7 of 7

In witness whereof, the parties have executed this Agreement by their authorized officers as of the contract date first written above.

Merchant: MAGIC WAND CARPET CLEANING LLC				
Company	Federal Tax ID:	Guarantor Name	Title	Signature
MAGIC WAND CARPET CLEANING LLC	27-4618620	Kevin McGillick	Owner	<p>DocuSigned by:  A9D4C5B0CE7140D...</p>



## PERSONAL GUARANTEE, PAGE 1 of 2

For good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned (each a "Guarantor"), hereby jointly and severally (if there be more than one Guarantor) unconditionally guarantee the full and prompt payment by Borrower to Lender, its successors and assigns, of all sums due or becoming due under the Loan and Security Agreement, as amended from time to time (the "LSA"), and the full performance of all other Obligations of Borrower under the LSA. This Personal Guarantee ("PG") is absolute, complete, and continuing, and acceptance and notice of acceptance hereof by Lender are unnecessary and are hereby expressly waived by Guarantor. Guarantor hereby waives all rights of revocation and of subrogation, reimbursement, indemnification, and contribution and any other rights and defenses that are or may become available to Guarantor. This PG shall continue in full force until the payment and performance in full by Borrower of all Obligations under the LSA, including any extensions or renewals thereof. This obligation and liability on the part of each Guarantor shall be a primary and not a secondary obligation and liability, due immediately upon demand without recourse first having been had by Lender against Borrower. The Guarantors hereby authorize Lender and/or Borrower, without notice to or consent by Guarantors, from time to time, to (i) compromise with, or release any Guarantor under this PG; (ii) waive any rights of Lender under the LSA; and (iii) make demand for payment on, or bring suit against, Borrower or any one or more of the Guarantors, jointly or severally, all without hereby impairing the rights of Lender in any respect to demand, sue, and collect all unpaid amounts from the Guarantors. Guarantor hereby authorizes Lender, or its agents, to obtain, at any time and for any reason, credit reports or investigative reports pertaining to Guarantor. **Whether or not suit is instituted, Guarantor agrees to reimburse Lender on demand for all reasonable attorneys' fees (in the event Lender utilizes a third party law firm specializing in debt collection in connection with the enforcement of this PG, such reasonable attorney's fees shall constitute twenty-five percent (25%) of the Obligations then outstanding under the LSA) and all other reasonable costs and expenses incurred by Lender (including post-judgment costs) in enforcing this PG, or arising out of or relating in any way to this PG, or in enforcing and/or collecting any of Borrower's indebtedness under the LSA.** If any provision of this PG or the application thereof to any party or circumstance is held invalid, void, inoperative, or unenforceable, the remainder of this PG and the application of such provision to other parties or circumstances shall not be affected thereby, the provisions of this PG being severable in any such instance. This PG is the entire and only agreement between Guarantor and Lender with respect to the PG of Borrower's Obligations to Lender. Guarantor acknowledges that Guarantor has had the opportunity to consult with an attorney with respect to all terms and conditions set forth in this PG. **THIS PG, ANY PRIOR OR FUTURE PGS, THE UNDERLYING TRANSACTION, ANY PRIOR OR FUTURE TRANSACTIONS, AND/OR ANY AND ALL OBLIGATIONS AND DUTIES THAT MAY EXIST BETWEEN LENDER AND GUARANTOR BY VIRTUE OF THEIR BUSINESS DEALINGS, INCLUDING PRIOR OR FUTURE BUSINESS DEALINGS, OR ANY CONDUCT, ACTS, OR OMISSIONS OF LENDER OR GUARANTOR OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS, OR ANY OTHER PERSON AFFILIATED WITH LENDER OR GUARANTOR, IN ALL OF THE FOREGOING CASES, WHETHER BASED IN CONTRACT OR TORT OR OTHERWISE, ARE GOVERNED EXCLUSIVELY BY THE LAWS OF THE STATE OF UTAH. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE LENDER AND GUARANTOR AGREE THAT THE LAWS OF UTAH SHALL GOVERN THE ENTIRE RELATIONSHIP BETWEEN LENDER AND GUARANTOR, INCLUDING, WITHOUT LIMITATION, ALL ISSUES, CLAIMS, AND CONTROVERSIES ARISING OUT OF, RELATING TO, IN CONNECTION WITH, OR INCIDENT TO THIS PG, ANY PRIOR OR FUTURE PGS, THE UNDERLYING TRANSACTION, ANY PRIOR OR FUTURE TRANSACTIONS, AND/OR THE PARTIES' BUSINESS DEALINGS, INCLUDING PRIOR OR FUTURE BUSINESS DEALINGS, OR ANY CONDUCT, ACTS, OR OMISSIONS OF LENDER OR GUARANTOR OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS, OR ANY OTHER PERSON AFFILIATED WITH LENDER OR GUARANTOR, IN ALL OF THE FOREGOING CASES, WHETHER BASED IN CONTRACT OR TORT OR OTHERWISE. TO THE EXTENT THAT A CLAIM OR DISPUTE IS BASED UPON, ARISES OUT OF, OR IN ANY WAY RELATES TO, THIS PG, ANY PRIOR OR FUTURE PGS, THE UNDERLYING TRANSACTION, ANY PRIOR OR FUTURE TRANSACTIONS, AND/OR THE PARTIES' BUSINESS DEALINGS, INCLUDING PRIOR OR FUTURE BUSINESS DEALINGS, OR ANY CONDUCT, ACTS, OR OMISSIONS OF LENDER OR GUARANTOR OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS, OR ANY OTHER PERSON AFFILIATED WITH LENDER OR GUARANTOR, IN ALL OF THE FOREGOING CASES, WHETHER BASED IN CONTRACT OR TORT OR OTHERWISE.**



## PERSONAL GUARANTEE, PAGE 2 of 2

DEALINGS, OR ANY CONDUCT, ACTS, OR OMISSIONS OF LENDER OR GUARANTOR OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS, OR ANY OTHER PERSON AFFILIATED WITH LENDER OR GUARANTOR, IN ALL OF THE FOREGOING CASES, WHETHER BASED IN CONTRACT OR TORT OR OTHERWISE, THE PARTIES HEREBY AGREE THAT THE CLAIM OR DISPUTE SHALL BE RESOLVED BY MANDATORY BINDING ARBITRATION IN SALT LAKE COUNTY, UTAH WITHIN A REASONABLE PERIOD NOT TO EXCEED ONE HUNDRED TWENTY (120) DAYS. THE PARTIES AGREE THAT THE ARBITRATION SHALL BE ADMINISTERED BY JAMS AND THE ARBITRATION SHALL BE CONDUCTED IN ACCORDANCE WITH THE EXPEDITED PROCEDURES OF THE JAMS COMPREHENSIVE ARBITRATION RULES AND PROCEDURES EXCEPT AS OTHERWISE AGREED IN THIS PG. THE ARBITRATOR SHALL BE CHOSEN IN ACCORDANCE WITH THE PROCEDURES OF JAMS, AND SHALL BASE THE AWARD ON APPLICABLE UTAH LAW. JUDGMENT ON THE AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION, SUBJECT TO THE PROVISION BELOW. THE PARTIES FURTHER AGREE THAT THE COSTS OF THE ARBITRATION SHALL BE DIVIDED EQUALLY BETWEEN THEM. EACH PARTY MAY PURSUE ARBITRATION SOLELY IN AN INDIVIDUAL CAPACITY, AND NOT AS A REPRESENTATIVE OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. THE ARBITRATOR MAY NOT CONSOLIDATE MORE THAN ONE PERSON'S OR ENTITY'S CLAIMS, AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING. THIS ARBITRATION PROVISION IS GOVERNED BY THE FEDERAL ARBITRATION ACT, 9 U.S.C. §§ 1-16. VENUE AND JURISDICTION OVER ANY ACTION ARISING OUT OF OR IN ANY WAY RELATING TO THIS PG, ANY PRIOR OR FUTURE PGS, THE UNDERLYING TRANSACTION, ANY PRIOR OR FUTURE TRANSACTIONS, AND/OR THE PARTIES' BUSINESS DEALINGS, INCLUDING PRIOR OR FUTURE BUSINESS DEALINGS, OR ANY CONDUCT, ACT, OR OMISSIONS OF LENDER OR GUARANTOR OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS, OR ANY OTHER PERSON AFFILIATED WITH LENDER OR GUARANTOR, IN ALL OF THE FOREGOING CASES, WHETHER BASED IN CONTRACT OR TORT OR OTHERWISE, SHALL LIE EXCLUSIVELY IN ARBITRATION PROCEEDINGS LOCATED IN THE COUNTY OF SALT LAKE IN THE STATE OF UTAH. GUARANTOR CONSENTS TO THE JURISDICTION OF ANY SUCH PROCEEDINGS AND CONSENTS TO THE SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING BY PERSONAL DELIVERY OR ANY OTHER METHOD PERMITTED BY LAW. GUARANTOR WAIVES ANY AND ALL RIGHTS GUARANTOR MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY SUCH ACTION OR PROCEEDING. GUARANTOR WAIVES ALL RIGHTS TO CONTEND THAT THE FORUM IS INCONVENIENT TO GUARANTOR AND WAIVES ALL RIGHTS OF REMOVAL TO ANY OTHER LOCATION. GUARANTOR AND LENDER FURTHER EXPRESSLY AGREE THAT THE SCOPE AND INTERPRETATION OF THIS CHOICE-OF-LAW AND EXCLUSIVE FORUM SELECTION PROVISION SHOULD BE GOVERNED BY UTAH LAW, AND THAT THE PARTIES' INTENT IN ENTERING INTO THIS PROVISION IS TO HAVE IT INTERPRETED AND APPLIED AS BROADLY AS PERMISSIBLE UNDER ANY APPLICABLE LAW. A fully executed facsimile or electronically signed copy of this PG shall be deemed an original and the parties shall each be entitled to rely on the authenticity of the facsimile or electronically signed copy as though it were an original.

Guarantor Name	Signature
Kevin McGillick	<p style="text-align: right;">DocuSigned by:</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">  </div> <p style="text-align: right;">A9D4C5B0CE7140D...</p>



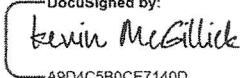
## LOAN REPRESENTATIONS

Date: August 09, 2019

Re: MAGIC WAND CARPET CLEANING LLC

In connection with the Loan and Security Agreement of even date herewith, I/we hereby make the following representations to the best of our knowledge.

- (1) MAGIC WAND CARPET CLEANING LLC is not past due on any bills or other obligations to third parties, except any past due amounts about which we have accurately informed Lender in writing.
- (2) MAGIC WAND CARPET CLEANING LLC is not past due on any tax obligations.
- (3) I/we have no plans or intentions to close the business of MAGIC WAND CARPET CLEANING LLC or file for bankruptcy protection and we do not have any reason to believe that the closure of the business of MAGIC WAND CARPET CLEANING LLC or the filing of bankruptcy protection is likely to occur during the next twelve (12) months.
- (4) The proceeds of the Loan shall at all times be used exclusively for business purposes and shall not at any time be used for personal, family, or household purposes.

Guarantor Name	Title	Signature
Kevin McGillick	Owner	<p>DocuSigned by:  A9D4C5B0CE7140D...</p>