

CRAZY DEBBIES FIREWORKS, LLC

CREDIT APPLICATION

Phone: 417/782-2977

Fax: 417/782-9798

Amount Requested:

Payment Date: 07/10/08

Proceeds of credit to be used for: Fireworks Inventory Purchase from Crazy
Debbies Fireworks, LLC

Section A – Information Regarding Applicant

Name of Business:

Established: Corporation
 Proprietorship
 Individual

Full Name (Last, First, Middle):

Date of Birth:

Drivers License:

Social Security No.:

Business Address (City, State, Zip):

Business Phone:

Home Address (City, State, Zip):

Home Phone:

Present Employer:

How long with present employer?

Your Position or Title:

Name of Supervisor:

Work Phone:

Cell #:

Previous Employer (Company Name & Address):

How long with previous employer?

Present Gross Salary or Commission:

Present Net Salary or Commission:

Have you ever received credit from us?

No

Yes

Business References:

Business Name: _____

Contact Person: _____

Address: _____

_____ City State Zip

Phone #: (_____) _____ - _____ Fax #: (_____) _____ - _____

Business Name: _____

Contact Person: _____

Address: _____

_____ City State Zip

Phone #: (_____) _____ - _____ Fax #: (_____) _____ - _____

Business Name: _____

Contact Person: _____

Address: _____

_____ City State Zip

Phone #: (_____) _____ - _____ Fax #: (_____) _____ - _____

We certify that all the above information is correct.

Authorized Signature: _____

Title: _____ Date: _____

Signature Authorization – Information Disclosure

To Whom It May Concern:

I (We) hereby authorize you to release to Crazy Debbies Fireworks, LLC for verification purposes, information concerning:

Employment History:	Dates, Titles, Income, Etc.
Mortgage History:	Credit Amount, Credit History

This information is for the confidential use of Crazy Debbies Fireworks, LLC.

Thank you for your prompt reply.

BORROWER

CO-BORROWER

Signature

Signature

Typed or Printed Name (First, Last, MI)

Typed or Printed Name (First, Last, MI)

Address #1

Address #1

Address #2

Address #2

City, State, Zip

City, State, Zip

Country

Country

Social Security Number

Social Security Number

Date of Birth

Date of Birth

The following states require sex and race to obtain information: AL, AR, FL, GA, IA, IL, IN, MI, OR, SC, TX, WI

Sex: Male Female

Race: Asian Black Hispanic White Other

Date

Date

Due to continuing tightening of Accounting practices and procedures required by the Banking industry, it has become necessary for us to adhere to a stronger credit policy. We thank you in advance for your indulgence and offer our help in continuing to meet your credit needs.

The following Promissory Note, Application For Commercial Inventory Financing and Security Agreement require that you be assigned as both the Borrower and the Guarantor of these documents. This requires completed signature blocks in all locations denoted as Borrower or Guarantor for each document. Failure to fully complete these documents will result in credit application denial. No inventory can be shipped without an approved credit application, advance payment in full or another form of guaranteed payment.

Further, all freight/shipping must be paid in advance and cannot be included as credit.

We have denoted areas to be completed with highlight.

PROMISSORY NOTE

Principal Amount: \$ [redacted] Interest Rate: 18% Date of Note: [redacted] Maturity Date: 07/10/2008

For value received and the extension of credit to the undersigned Borrower(s) for the purpose of purchasing goods, merchandise and inventory, the undersigned Borrowers promise to pay to the order of Crazy Debbies Fireworks, LLC (Secured Party), its successors or assigns, at its office in Joplin, MO, the Principal amount together with interest as set forth above. The unpaid balance of the Principal and interest shall become due and payable on the Maturity Date. All payments shall be applied first to interest as of the date the payment is received, with the remainder of the payment applied to reduce the Principal. Any amount not paid when due shall bear interest at a rate which is five percent (5%) greater than the per annum interest rate then in effect when the payment is due. It is expressly agreed that this is a delinquency charge established to offset the additional costs incurred by the Secured Party and is not a penalty. Notwithstanding the above, if Borrower(s) pay all indebtedness in full by the maturity date, the payment of interest shall be waived, but if any indebtedness remains unpaid, the entire amount of interest from the date of the extension of credit shall be due and owing.

This Note and all other obligations of the Borrower to the Secured Party, and all renewals and extensions thereof, whether or not related to, or of the same class as this Note and whether a prior obligation or a future advance, are secured by a separate security agreement executed by the Borrower and dated [redacted] / [redacted] / [redacted] granting the Secured Party a security interest in and to all Collateral described therein. That separate security agreement and security interest shall continue in full force and effect until released and terminated by the Secured Party in order to secure both this indebtedness and any and all future credit extended by the Secured Party.

At the option of the Secured Party, the unpaid balance of this Note, and all other obligations of indebtedness of the Borrower to the Secured Party, whether direct or indirect, absolute or contingent, now existing or hereafter arising, shall become immediately due and payable without notice or demand if any payment required by this or any other note, obligation or indebtedness of the Borrower to the Secured Party or to any additional creditor of the undersigned borrower(s) is not made when due, or upon the occurrence of any event of default listed in the separate security agreement.

Each Borrower and all sureties, endorsers and guarantors agrees that any Borrower, with the approval of the Secured Party and without notice to any other Borrower, endorser, surety or guarantor, may from time to time renew this Note or consent to one or more extensions or deferrals of the maturity date hereof for any term or terms and all Borrowers, sureties, endorsers and guarantors shall be liable in the same manner as on the original note. Each borrower and all sureties, endorsers and guarantors hereby waive presentment, notice of dishonor and protest, waive any right to a jury trial, and consent to partial payments, substitutions or releases of collateral and the addition or release of any Borrower, endorser guarantor or security.

It is specifically agreed that the sum of the advances under this Note may exceed the Principal Amount as shown above and that the Secured Party may advance additional credit to the Borrower at any time. Payments shall be recorded on the records of the Secured Party and such records shall be prima facie evidence of said advances, payments and unpaid principal balance of this Note. Subsequent advances shall be at the option of the Secured Party and shall be subject to the terms hereof and secured by the separate security interest granted and other collateral even though the principal amount owed plus interest may have been reduced to zero prior to said advance. This procedure shall not be construed or interpreted as granting a continuing line of credit for the Principal Amount.

No waiver of any payment or other right under this Note or any related agreement shall operate as a waiver of any other payment or right. Borrower, sureties, endorsers and guarantors agree to pay the reasonable costs of the Secured Party in collection of the indebtedness under this Note, including without limitation, court costs and attorney's fees or collection agency fees.

All of the undersigned parties have read and fully understand all of the terms and provisions of this agreement and agree to be bound by them. Borrower is a merchant and this is a commercial transaction for business purposes, not a consumer loan. This writing and any other written agreement between the parties, including any security agreement, application or guaranty agreement, constitute the entire agreement between the parties to it and may not be modified except by subsequent written agreement so specifying that it modifies or is in addition to this agreement. The terms and provisions of the written agreement may not be contradicted by evidence of any prior or contemporaneous oral agreements of the parties. The terms of this agreement are binding upon the heirs, executors, administrators, successors and assigns of the parties. This is a Missouri agreement and the validity, construction and enforcement of this agreement shall be governed by the laws of Missouri. Unless waived by the Secured Party in writing, all parties to this agreement agree that the Circuit Court of Jasper County, State of Missouri, shall have sole and exclusive jurisdiction over any dispute or cause of action arising hereunder.

The undersigned parties agree to the terms of this Promissory Note and the separate security agreement between the parties and affirm and agree that there are no unwritten oral agreements between the Borrower and Secured Party or between the Secured Party and any surety, endorser or guarantor. The parties further acknowledge that credit would not be extended without the execution of a written guaranty by _____.

Borrower's Name Printed: _____

Address: _____
City State Zip

Borrower's Signature: _____ Date: _____

APPLICATION FOR COMMERCIAL INVENTORY FINANCING

The undersigned, [REDACTED], a dealer in fireworks merchandise, hereinafter referred to as "Borrower", hereby applies for financing under the inventory financing plan of Crazy Debbie's Fireworks, LLC, hereinafter referred to as "Secured Party".

1. Borrower requests that the Secured Party extend credit to the Borrower for the purchase of fireworks inventory and merchandise from the Secured Party or from other merchants, vendors, suppliers, distributors or manufacturers, and Borrower is filing this application with the Secured Party in order to induce the Secured Party to extend credit to the Borrower. The amount of credit or financing outstanding at any one time under this plan shall be such amount as Secured Party may determine from time to time to extend to the Borrower, and the amount of credit extended shall be determined by the sole judgment and discretion of the Secured Party. The extension of credit may include all such inventory and merchandise delivered to the Borrower either on open account or on specific payment terms or on written promissory notes signed by the Borrower from time to time. Such extension of credit may include shipments made to Borrower by any vendor, merchant, distributor, supplier or manufacturer against the authorization of the Secured Party and the advance of credit to the Borrower by the Secured Party.
2. Borrower warrants and agrees that the Secured Party shall retain full ownership, right, title and interest in and to all merchandise or inventory which it finances and ships or delivers to the Borrower or which is shipped or delivered to the Borrower by any other party pursuant to authorization or extension of credit to Borrower by the Secured Party. The Borrower grants the Secured Party a purchase money security interest in and to all such inventory and merchandise and all proceeds arising from the sale or other disposition of such merchandise or inventory including, but not limited to, merchandise, inventory, cash, accounts receivable and other collateral. The Borrower shall execute and deliver to the Secured Party from time to time any security agreement, financing statement or promissory note, which the Secured Party deems necessary in order to secure or collateralize the credit extended to the Borrower.
3. Borrower warrants and grants to the Secured Party the ownership, right, title and interest in and to all merchandise and inventory, and all additions to or substitutions for the same or the evidence of title to the same, as evidenced by bills of lading, by invoices or bills of sale, or by delivery to the Borrower. Borrower further agrees and warrants that until such time as the Borrower has sold the merchandise and inventory to a bona fide purchaser for full value, full and complete title to said merchandise and inventory shall remain in the Secured Party at all times. The Borrower agrees and warrants that possession of said merchandise and inventory will be delivered to the Borrower for the purpose of sale and marketing, but that title shall at all times remain in the Secured Party which shall have full and unrestricted right of possession and disposal of such merchandise, and full title and ownership of such merchandise until all of the liability of Borrower to Secured Party has been paid in full and discharged. Secured Party shall have the right, with respect to merchandise, inventory and documents that may be entrusted to Borrower for sale or otherwise, at any time in the discretion of Secured Party, to take possession of such merchandise, inventory and records or documents or the proceeds of the same and to terminate the privilege of Borrower to receive further merchandise under this agreement. Any private sale of merchandise by Secured Party to any other third party, including a distributor or dealer or any other purchaser for value of the merchandise, shall be deemed conclusively to be a proper sale and for a proper price, and in compliance with the Missouri Uniform Commercial Code.
4. Prior to receipt of such merchandise and inventory and pursuant to the agreement evidenced by this application and the acceptance by Secured Party of the same, Borrower shall execute a separate security agreement and any other instrument or instruments in such forms as Secured Party may require, and a promissory note, financing statement, acceptance or other instrument of Borrower evidencing the obligation of Borrower for the amounts owing by Borrower to secured party. If Borrower obtains possession of the merchandise before the completion by Borrower of documents as required by Secured Party, the title and interest of Secured Party in or to such merchandise shall not be impaired by such possession, and Borrower shall on request execute and deliver such documents to Secured Party. In the event that a security agreement executed by the Borrower grants greater rights to the Secured Party than this agreement, the terms of the security agreement shall control and supersede the terms of this application and agreement.
5. Borrower irrevocably authorizes Secured Party on the behalf of Borrower to supply any omissions on any documents executed by Borrower, in order to facilitate financing for Borrower, and the Borrower authorizes Secured Party by any employee designated by Secured Party to execute, on the behalf of Borrower, financing statements used in connection with this financing. Secured Party shall notify borrower of any such document executed by Secured Party on behalf of Borrower, which document shall be in the usual form employed by Secured Party from time to time. The rights and privileges of Borrower under this agreement shall not be assignable or transferable by the Borrower without the prior written consent of the Secured Party.
6. If Borrower or any Guarantor becomes insolvent, commits an act of bankruptcy or ceases to do business as a going concern; if an arrangement or reorganization with respect to debtor be approved by any court; or if debtor is in default under any agreement with Secured Party, all of the obligations of debtor under this plan shall, at the option of Secured Party, become due and payable and Secured Party shall have all the rights and remedies of a Secured Party under the Missouri Uniform Commercial Code.
7. All covenants contained in the agreement evidenced by this application and the acceptance by Secured Party of the same that are to be performed by Borrower or any Guarantor shall be binding on the legal representatives, successors, and assigns of Borrower or any Guarantor. All rights accruing to Secured Party pursuant to such agreement shall inure to the successors and assigns of Secured Party. In the event that any part or provision of such agreement shall be declared or adjudged invalid, such declaration or adjudication shall in no manner affect or impair the validity and enforceability of the other and remaining provisions.

8. The undersigned guarantors do hereby absolutely and unconditionally, jointly and severally guarantee to the Secured Party, its successors and assigns, full payment of all amounts due and payable from the Borrower under any and all credit extended to the Borrower by the Secured Party and any other sums due or to become due from Borrower as a debtor to Creditor at any time and from time to time without limitation. The guaranteed debt includes, without limit, all present and future obligations, indebtedness and liability of Borrower to Secured Party which may be due and owing at any time, either now or in the future and including, but not limited to, any amounts due under any promissory note, security agreement, loan agreement, open account, floor plan agreement or any extension or renewal of the same. The Guarantors acknowledge and agree that this guaranty is supported by substantial consideration, that they are principals in the business of the Borrower and are executing this guaranty agreement as a principal inducement to the Secured Party to extend credit to the Borrower without which such credit would not be extended, and they have each individually received substantial benefit by reason of this extension of credit to the Borrower. Guarantors further agree and warrant that this is an irrevocable, continuing and unlimited guaranty, which shall continue in full force and effect until specifically released by the Secured Party in writing. The Guarantors expressly waive notice of incurring of debt, notice of default, presentment and demand for payment, protest, notice of protest and notice of dishonor or nonpayment, any right to require the pursuit of any remedies against the Borrower, including commencement of suit, before enforcing this guaranty (this is a guarantee of payment, not a guarantee of collection); any right to have security or the right of setoff applied before enforcing this guaranty; and any right of subrogation against the Borrower until the debt is paid in full. The Guarantors jointly and severally agree that renewals and extensions of time of payment, interest rate adjustments, surrender, release, exchange, substitution, and all other forbearances or indulgences granted by the Secured Party to the Borrower, may be made by the Secured Party without notice to the Guarantors and without in any manner affecting the Guarantor's liability hereunder.
9. The Borrower agrees that all merchandise, inventory and goods on which the Secured Party has advanced credit, will be kept at the Borrower's place of business at the address indicated below, except for temporary removal or transportation in connection with its ordinary use, and shall not be moved to any other location without the prior written consent of the Secured Party. Secured Party shall have the right to enter upon the Borrower's premises at any reasonable time, and from time to time inspect the Collateral and all of the Borrower's books and records. Borrower and the Guarantors shall also provide to the Secured Party, upon request, financial statements signed by the party providing the same, which shall include a report of all assets owned, all debts and liabilities owed, and a true and accurate representation of the financial condition of the Borrower and the Guarantors.
10. Borrower agrees and warrants to the Secured Party that it is a merchant knowledgeable in the fireworks business, both wholesale and retail, and that this is a commercial transaction between merchants and is not a consumer agreement. Borrower acknowledges that the Secured Party has made no representations or warranties of any kind to the Borrower in any manner whatsoever concerning any products, goods or merchandise purchased by the Borrower or concerning this agreement or extension of credit by the Secured Party. Borrower will make its own decisions regarding inventory and merchandise purchases and rely solely upon its own judgment and expertise regarding suitability or merchantability of any products, goods or merchandise purchased with credit extended by the Secured Party.
11. Borrower requests that the Secured Party approves this application and extend credit to Borrower for the purchase of inventory, goods and merchandise as recited herein. Borrower further agrees to promptly sign and execute and have guarantors sign and execute any additional documents requested by the Secured Party to secure payment of any indebtedness of Borrower including any security agreement, promissory note, financing statement, guaranty agreement, authorization or consent, and that any failure to do so will constitute an event of default so that any and all indebtedness will become immediately due and payable irregardless of any other agreement to the contrary. Borrower further grants the Secured Party the right to investigate the credit records of the Borrower, verify its credit references, and report to credit reporting agencies and other creditors the status and payment history of your Borrower's account, including negative credit information.
12. This agreement shall become effective when it is signed by the Borrower and accepted by the Secured Party at its offices at Joplin, MO. All advance of credit to the Borrower and all loans and creation of indebtedness under this agreement shall occur and be effective at that location.

Executed on this _____ day of _____, 2008.

BORROWER:

GUARANTOR:

Name Printed

Name Printed

Address

Address

City State Zip

City State Zip

SSN or Tax ID No.: _____

SSN or Tax ID No.: _____

Phone No.: _____

Phone No.: _____

Signature

Signature

SECURITY AGREEMENT

This agreement, made and entered into on this [redacted] day of [redacted], 2008, by and between [redacted], with principal offices located at [redacted], hereinafter referred to as "Borrower", and Crazy Debbie's Fireworks, LLC, doing business in Joplin, Jasper County, Missouri, hereinafter referred to as "Secured Party".

In consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby contract and agree as follows:

1. Purchase Money Loan. Secured Party is advancing and lending the Borrower the initial sum of \$ [redacted] for the purchase of commercial business assets including, but not limited to, fireworks inventory. This initial indebtedness is evidenced by a promissory note of this date and in order to induce the Secured Party to make said loan, Borrower has agreed to secure, pledge and mortgage to the Secured Party certain property and assets as security for the loan.

2. Future Loans and Advances. In addition to the initial purchase money loan, the Secured Party may make additional loans and extensions of credit to the Borrower in the future at the sole discretion of the Secured Party. This security agreement will also secure those future advances. Unless otherwise agreed in writing, all such loans, advances or other financial accommodations obtained from or through Secured Party by the Borrower, shall be due and payable at the office of the Secured Party at Joplin, Jasper County, Missouri, on demand and shall bear interest at the rate of 18% per annum. It is specifically agreed that the sum of the future advances may exceed the principal amount of any promissory note and that the Secured Party may advance additional credit to the Borrower at any time. Payments shall be recorded on the records of the Secured Party and such records shall be prima facie evidence of said advances, payments and unpaid balance. Subsequent advances shall be at the option of the Secured Party and shall be subject to the terms hereof and shall be secured by this agreement even though the principal amount owed plus interest may have been reduced to zero prior to said advance. This procedure shall not be construed or interpreted as granting a continuing line of credit for which the Borrower may draw upon but is for future advances and extension of credit at the sole option of the Secured Party.

3. Creation of Security Interest. Borrower hereby grants to the Secured Party a purchase money security interest and an additional security interest for the payment of any and all other indebtedness, liabilities, loans, advances, letters of credit or other financial accommodations whenever made, issued or extended by Secured Party to the Borrower. The Borrower also grants to Secured Party a purchase money security interest in all of the right, title and interest of the Borrower in and to the following property, herein collectively referred to as "Collateral", to wit: any and all inventory, furniture, fixtures, machinery, equipment, tools, goods, merchandise, raw materials, products, accounts, future accounts, contract rights, general intangibles, money, instruments, securities, documents, accounts receivable, indebtedness of any kind due the Borrower, and chattel paper, all credits, claims, demands and any other property, rights and interests of Borrower. Collateral shall include all tangible or intangible including products and proceeds, replacements and accessions of and to the same, insurance or other value payable by reason of loss or damage to the Collateral, any returned or unearned insurance premiums on the Collateral, products and similar after-acquired property. Collateral specifically includes, but is not limited to, all fireworks or fireworks inventory or inventory of any kind or type including those held for resale or as inventory, together with all fixtures, additions, replacements, fittings, accessions, improvements and substitutions now or subsequently attached to or used in connection with any of said collateral, machinery, equipment or inventory.

This pledge of collateral and security interest secures payment of all of the Borrower's present and future obligations, debts and liabilities of any type, kind or nature to the Secured Party including, without limitation: future advances or other indebtedness, whether in the form of a loan for a similar or different purpose other than the original credit advance to Borrower whether business or personal; all advances by Secured Party for taxes, insurance, repairs to and maintenance of the Collateral; and all expenses of the Secured Party in realizing on the security interest. The security interest granted to the Secured Party will remain in full force and effect until released by the Secured Party in writing in order to secure all indebtedness of the Borrower to the Secured Party of any kind or nature, even if the outstanding balance is reduced to zero, and shall remain in place to secure any additional indebtedness or credit that may be advanced as an inducement to the Secured Party to advance and extend credit to the Borrower. Any advances made to Borrower on open account or by any other means or method, in the course of the usual business carried on between the parties, shall automatically attach to the amount due under this agreement and shall be secured by this agreement.

The term "liabilities" for purposes of this agreement shall include any and all indebtedness, obligations and liabilities of any kind of Borrower to Secured Party made or incurred at any time. The term "liabilities" shall include such indebtedness, obligations and liabilities whether arising directly between Borrower and Secured Party or acquired outright, conditionally or as collateral security from another by Secured Party, absolute or contingent, joint or joint and several, secured or unsecured, due or not due, contractual or tortious, liquidated or non-liquidated, arising by operation of law or otherwise, or direct or indirect. The term "liabilities" shall also include, but not be limited to, indebtedness, obligations, or liabilities to Secured Party incurred by Borrower as a member of any partnership, limited liability company, syndicate, association or other group or corporation, and whether incurred by Borrower as principal, surety, endorser, guarantor, accommodation party or otherwise.

4. Borrower's Obligations To Pay. Borrower shall pay and perform all of the obligations, debts and liabilities of Borrower to Secured parties as the same may become due according to their terms. Borrower shall be liable for, and shall reimburse to Secured Party, all expenses including reasonable expenses and fees incurred or paid in connection with establishing, perfecting, maintaining, protecting or enforcing any of the Secured Party's rights and remedies hereunder.

5. Waivers. The Borrower and all other signers waive presentment, notice of dishonor and protest if required by the Missouri Uniform Commercial Code or the laws of any other state, and consent to any and all extensions of time for any term or terms regarding payment due, partial payments, or renewals before or after maturity. The Borrower and all other signers further consent to substitution, release or non-perfection with regard to collateral, and the addition or release of or agreement not to sue any party or guarantor. Acceptance of partial payment or late payment or performance shall not constitute a waiver of any requirement of this agreement or impose any additional notification duty to the Secured Parties. No waiver of any default by the Secured Party shall constitute a waiver of any other default.

6. Maintenance of Inventory and Collateral. Borrower shall maintain the inventory pledged as security at an amount so that the Borrower's cost value of the inventory is equal to a minimum of ninety percent (90%) of the balance due to the Secured Parties, or in the alternative shall maintain the inventory so that the cost value of the inventory, together with cash in bank attributable to the business sold to Borrower by the Secured Parties, shall be at least equal to the total balance due to the Secured Party.

Borrower shall keep all tangible personal property, vehicles, goods and inventory, and all documents regarding the same in good order and condition, and shall keep correct and accurate records itemizing and describing the kind, type, quality and quantity of the property and inventory, and its cost therefore, and all such records shall be available upon request to the Secured Party. At the request of Secured Party the Borrower shall, from time to time, provide to the Secured Party an inventory report regarding the status of the inventory and the amount of the same. Secured Party may inspect and examine all collateral at any reasonable time.

7. Use in Ordinary Course of Retail Business. If the Borrower is not in default, the Borrower may sell inventory in the ordinary course of retail business without written consent of the Secured Party. This shall not include a sale or transfer in payment of any indebtedness or for less than fair, equivalent value.

8. Condition of Collateral. The Borrower warrants that the Collateral is being purchased with the proceeds of the initial indebtedness to the Secured Party and will defend the title to the Collateral against all claims and demands whatsoever. Borrower shall keep the Collateral free and clear from all other liens, charges, encumbrances, taxes and assessments, and shall not allow or permit any other person or party to obtain any right, title or interest, lien, claim, mortgage or security interest in and to the Collateral without the written consent of the Secured Party. Borrower shall not sell, exchange, assign, transfer or otherwise dispose of the Collateral or any right, title or interest in and to the same, without the prior written consent of the Secured Party or as specifically authorized herein regarding inventory. All risk of loss of the Collateral at all times shall be borne solely by the Borrower. Borrower shall keep the Collateral in good condition and repair and will not use it in a manner which will cause any unreasonable deterioration or depreciation.

9. Insurance. The Borrower will at all times maintain in full force and effect insurance covering the Collateral against loss or damage by fire, extended coverage, theft and other hazards as the Secured Party may require in companies acceptable to the Secured Party. Such insurance shall be in amounts satisfactory to the Secured Party, shall name the Borrower and the Secured Party as their interest may appear as insured, and shall provide for at least 10 days advance prior notice of cancellation to the Secured Party.

If Borrower fails to provide such insurance or fails to pay the premium on such insurance, the Secured Party may, at their option:

(a) declare the loan in default, or (b) insure the collateral at the Borrower's expense, adding the amount of premiums paid to other amounts secured by this agreement. The Secured Party is under no duty and no obligation to pay premiums for such insurance. Borrower assigns to Secured Party any return or unearned premiums which may be due upon cancellation of any such insurance policies for any reason whatsoever, and directs insurers to pay the Secured Party any amount so due. Borrower appoints the Secured Party as its attorney in fact and agent to endorse any check or draft which may be payable to the Borrower in order to collect any returned or unearned premiums or the proceeds of any insurance coverage. In the event the Secured Party obtains possession of the Collateral, they shall have the right as my agent to effect cancellation of insurance on the Collateral or covered-by-this agreement. Any balance of insurance proceeds remaining after payment in full of the amounts secured under this agreement shall be paid to the Borrower.

10. Location and Inspection. The Collateral shall be kept at the Borrower's place of business at the address indicated below, except for temporary removal or transportation in connection with its ordinary use, and shall not be moved to any other location without the prior written consent of the Secured Party. Secured Party shall have the right to enter upon the borrower's premises at any reasonable time, and from time to time inspect the Collateral and all of the Borrower's books and records. Borrower and the guarantors shall also provide to the Secured Party, upon request, financial statements signed by the party providing the same, which shall include a report of all assets owned and all debts and liabilities owed and a true and accurate representation of the financial condition of the Borrower and the guarantors.

11. Reimbursement of Expenses. At its option, Secured Party may pay or discharge taxes, liens, security interests, or other encumbrances on the collateral, and may pay for the repair of any damage, maintenance, and preservation of the collateral, and for insurance on the collateral, but shall not have any duty to do so. Borrower shall reimburse the Secured Party for any payments so made and, until such reimbursement, the amount of any payment shall be added to the unpaid balance owed by Borrower and shall be secured by this security agreement. Any advancement or payment made pursuant to this provision shall bear interest at the applicable rate of interest than in effect under the Note.

12. Assignment by Borrower Prohibited. Borrower may not sell, assign, lease or transfer any of its rights under this agreement without the express written consent of the Secured Party.

13. Finance Statement. Borrower shall execute and deliver to the Secured Party any finance statements requested by Secured Party and any other documents necessary to protect the security interest granted to Secured Party against third parties. Borrower authorizes the Secured Party to file or refile any finance statements or continuation statements with respect to security interest granted under this agreement and to execute such finance statement on behalf of the Borrower, designating the Secured Party as its agent for this purpose.

14. Default. The Borrower shall be in default upon the occurrence of any of the following events or conditions, whether the occurrence is voluntary or involuntary or comes about or is effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court, administrative or governmental authority, or the Uniform Commercial Code in effect in the State of Missouri on the date hereof. In addition to such rights and remedies, the Secured Party may, at any time from and after an event of default:

A. Default in the payment of any amount due hereunder, including any other indebtedness and future advances secured by this agreement, for more than ten (10) days or default in performance of any obligation, warranty, promise, condition, term, provision or liability contained or referred to in this agreement, or in the note or notes evidencing any indebtedness secured thereby.

B. If any representation, warranty, promise or statement made or furnished to Secured Party by or on behalf of the Borrower or by or on behalf of any Guarantor shall be false or misleading in any material respect.

C. Any event which results in the acceleration of the maturity of any indebtedness to any other party under any indenture, note, contract, agreement or undertaking, or if any judgment against the Borrower or any Guarantor or any execution against any of their property for any amount remains unpaid, non-stayed or non-dismissed for a period in excess of ten (10) days.

D. If Borrower or any Guarantor of any indebtedness of the Borrower shall file a petition for relief under any bankruptcy or insolvency act; make any assignment for benefit of creditors; commencement of any proceeding for appointment of a receiver, trustee, liquidator or conservator of itself or the whole or any substantial part of its property; file a petition seeking reorganization, arrangement or similar relief under bankruptcy laws, or become adjudged a bankrupt, insolvent or have a receiver, trustee, liquidator or conservator appointed; or if there is commenced against Borrower any proceeding for any of the foregoing relief; or if Borrower by any act indicates its consent to, approval of, or acquiescence in any such proceeding.

E. Sale, transfer or assignment of all or any part of the Collateral without the prior written consent of the Secured Party or as authorized herein regarding inventory.

F. Loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral; or the making of any levy, seizure or attachment to the Collateral.

G. Dissolution, death, termination of existence, insolvency or business failure of the Borrower or any Guarantor or Surety.

H. Failure to insure the Collateral as required herein.

I. Unlawful use of the Collateral.

J. Any event or act of the Borrower which causes any material reduction in value of the Collateral or which the Secured Party believes to significantly impair the prospect of payment of any indebtedness secured by this agreement or the performance of this agreement.

15. Remedies for Default. In the event of default, and at any time after default, all indebtedness shall become immediately due and payable in full without notice or demand. Secured Party shall have all of the rights and remedies provided by the Missouri Uniform Commercial Code in effect in the State of Missouri on the date hereof. In addition to such rights and remedies, the Secured Parties may, at any time from and after an event of default:

A. Require the borrower to prepare, assemble or collect the Collateral, at Borrower's expense, and make the same available to the Secured Party at any place designated by the Secured Party, whether at Borrower's premises or elsewhere.

B. Repossess the collateral and remove the collateral from the Borrower's premises. For purposes of removal and possession, the Secured Party may peaceably enter, without legal process, the Borrower's premises or any other place, other than a home where the Collateral may be found; and Borrower waives and releases Secured Party from any and all claims or liability in connection with or arising from an entry in accordance with this agreement. Secured Party may also take possession by voluntary surrender of the collateral. Borrower also authorizes the Secured Party to take possession of any property located in or attached to the collateral during repossession.

C. Sell, lease or otherwise dispose of all or any part of the Collateral, whether in its then condition or after further preparation, in Borrower's name or in its own name, or in the name of such party as Secured Party may designate, either at public or private sale (at which Secured Party shall have the right to purchase), in lots or in bulk, for cash or for credit, with or without representations or warranties, and upon such other terms as Secured Party deem advisable. Unless the collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Secured Party will give the Borrower reasonable notice of the time and place of any public sale of the Collateral, or of the time after which any private sale or any other intended disposition is to be made. The requirements of reasonable notice shall be met under this paragraph if such notice is mailed, postage prepaid to the Borrower's address shown in this agreement at least ten (10) days before the time of sale or disposition.

D. Execute and deliver documents of title, certificates or origin, or other evidence of payment, shipment or storage of any Collateral or proceeds on behalf of and in the name of the Borrower.

E. Remedy any default by Borrower hereunder, without waiving such default, and any monies expended in so doing, shall be chargeable with interest to Borrower and added to the indebtedness secured hereby.

F. Apply for an injunction or restraining order to restrain a breach or threatened breach of this agreement by the Borrower.

Secured Party shall be entitled to all reasonable costs and expenses of protecting or enforcing its rights under this agreement, including without limitation, attorney's fees, court costs, fees for replevin bonds, storage, repossession expenses, repair and preparation expenses for sale, and selling expenses. Borrower shall also be responsible for any damages if it wrongfully damages the Collateral or, if after default and demand in accordance with law and this agreement, Borrower wrongfully fails to make the collateral available to the Secured Party. All such expenses and damages are secured by the security interest in the Collateral.

16. Additional Rights Upon Default. In the event that there shall occur any default as defined in this agreement, Secured Party shall have in addition to any and all other rights, any right authorized or allowed under the laws of the state where any litigation has been filed by the Secured Party including the right to enter judgment in replevin or under the terms and provisions of the Uniform Commercial Code, for immediate possession of all Collateral. If authorized under the laws of the state where any litigation has been filed by the Secured Party, the borrower irrevocably authorizes any attorney of any court of record in that state or elsewhere to appear for and confess judgment against Borrower in favor of Secured Party in any action or replevin in any court of record or under the terms and provisions of the Uniform Commercial Code of that state, to recover possession of any or all such Collateral for which this security agreement shall be sufficient warrant. The facts set forth in the action or actions, whether made by the Secured Party or an attorney of record, shall be conclusive evidence of such facts. On the entry of judgment in replevin for possession, a writ may issue immediately without any prior writ of proceeding whatsoever. Such authority shall not be exhausted by one exercise of the same, but judgment may be confessed from time to time as often as any default or defaults may occur, and such power may be exercised as well after the expiration of this security agreement and/or during any renewal or extension of it.

17. Authority Regarding Collateral. In order to carry out the purposes of this agreement, Borrower hereby irrevocably makes, constitutes and appoints the Secured Party and any of its authorized agents or employees as its true and lawful agent and attorney in fact for Borrower and in its name to make, transfer, sign or endorse any bill of sale, assignment, transfer, release or certificate of title, to make encumbrances on the certificate of title satisfied of record, to endorse checks, notes, drafts, bills, money orders, and/or other forms of instruments payable to Borrower, and to do any and all acts in the name and place of Borrower necessary or proper to carry out the intent of this agreement.

18. Cumulative Rights. All rights, remedies and powers granted to the Secured Party herein, or in any instrument or document related hereto, or provided or implied by law or in equity, shall be cumulative and may be exercised singly or concurrently on any one of more occasions.

19. Modification and Waiver. No modification or waiver of any provision of this agreement, and no consent by Secured Party to any breach thereof by the Borrower, shall be effective unless such modification or waiver shall be in writing and signed by the Secured Party. No course of dealing between the Borrower and Secured Party in exercising any rights or remedies hereunder shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder. All such rights and remedies shall continue unimpaired, notwithstanding any delay, extension of time, renewal, compromise or other indulgence granted with respect to any of the indebtedness or obligations. Borrower waives all notice of any such delay, extension of time, renewal, compromise or other indulgence, and consents to be bound thereby as fully and effectually as if the Borrower expressly had agreed thereto in advance. The promissory note secured by this agreement may be negotiated or assigned by the Secured Party without releasing the Borrower, the Collateral or any Guarantors.

20. Severability. If any provision of this agreement shall, for any reason, be held to be invalid or unenforceable, that event shall not affect any other provision of this agreement which shall remain in full force and effect, and this agreement shall be construed as if the invalid or unenforceable provision had never been contained in this agreement.

21. Jurisdiction. This agreement shall be governed by and construed in accordance with the laws of the State of Missouri, and all legal actions in connection with this agreement shall take place in the Circuit Court of Jasper County, Missouri, which shall have exclusive jurisdiction of any dispute or cause of action arising hereunder unless waived by the Secured Party in writing.

22. Commercial Agreement – Extension of Credit. Borrower agrees and warrants that it is a merchant knowledgeable in the fireworks business, both wholesale and retail, and that this is a commercial transaction between merchants and is not a consumer agreement. Borrower has fully read and understands all of the terms and provisions of this agreement. Borrower has had full right and opportunity to consult with its legal and financial advisors in connection with the negotiation and execution of this agreement, enters into the same freely and voluntarily and agrees to be bound by all of its terms and provisions. Borrower acknowledges that the Secured Party has made no representations or warranties of any kind to the Borrower in any manner whatsoever, and that this writing and any separate written document referred to herein constitute the entire agreement of the parties. The terms and provisions of any separate application for credit or financing signed by the Borrower in order to induce the Secured Party to extend credit and the terms of any guaranty agreement are incorporated herein by reference, but in the event of any conflict between the terms, then the provisions of this Security Agreement shall be controlling and shall supercede. This agreement shall not be modified except by separate written agreement signed by both parties. This agreement shall become effective when it is signed by the Borrower and accepted by the Secured Party. All advance of credit to the Borrower and all loans and creation of indebtedness under this agreement shall occur and be effective at Joplin, Missouri.

23. Warranties. The Borrower warrants that the Borrower is duly organized and validly existing and has full power to enter into the promissory note, security agreement and indebtedness secured by this agreement and to carry out the transactions contemplated thereby; that the indebtedness constitutes a legal, valid and binding obligation enforceable against the Borrower in accordance with its terms.

24. Benefit. All rights of Secured Party under this agreement shall inure to the benefit of its successors and assigns, and all obligations of Borrower shall be binding on the heirs, executors, administrators, successors or assigns of debtor. If there is more than one Borrower, their obligations under this agreement shall be joint and several provided, however, that none of the rights of the borrower under this agreement may be transferred or assigned to any other person or party without the written consent of the Secured Party.

25. Notices. All notices required to be given to Borrower under this agreement, unless otherwise specifically indicated, shall be in writing and shall be transmitted by ordinary mail, with postage prepaid, to the address of Borrower as shown in this security agreement or by personal delivery to debtor. Borrower agrees that the mailing of such notice shall be equivalent to actual personal delivery. Borrower may, from time to time by notice in writing, change Borrower's address for the purpose of mailing or serving notices in accordance with this paragraph.

IN WITNESS WHEREOF, the parties have executed this Security Agreement, which has been accepted by the Secured Party at Joplin, Missouri,

on this [redacted] day of [redacted], 2008.

SECURED PARTY:

CRAZY DEBBIES FIREWORKS, LLC

By: _____

BORROWER:

Name Printed

Address

City State Zip

Phone #: (_____) _____ - _____

SSN/FTID: _____

Signature: _____

Date: _____