

STATE OF ALABAMA
UNIFORM COMMERCIAL CODE — FINANCING STATEMENT — FORM UCC-1 ALABAMA

INSTRUCTIONS

1. PLEASE TYPE this form. Fold only along perforation for mailing.
2. Remove Secured Party and Debtor copies and send other 3 copies to the filing officer. Enclose filing fee (plus tax to Probate Judge.)
3. When filing is to be with more than one office, Form 2 may be placed over this set to avoid double typing.
4. If the space provided for any item(s) on the form is inadequate the item(s) should be continued on additional sheets, preferably 5" x 8" or 8" x 10". Only one copy of such additional sheets need be presented to the filing officer with a set of three copies of the financing statement. Long schedules of collateral, indentures, etc., may be on any size paper that is convenient for the secured party.
5. If the collateral is crops, or timber or goods which are or to become fixtures, describe generally the real estate and give name of record owner.
6. When a copy of the security agreement is used as a financing statement, it is requested that it be accompanied by a completed but unsigned set of these forms, without extra fee.
7. At the time of original filing, filing officer should return third copy as an acknowledgment. At a later time, secured party may date and sign Termination Legend and use third copy as a Termination Statement.

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code:

3 Maturity date (if any):

Debtor(s) (Last Name First) and address(es)
Select Office Supply Inc.
172 Chandler Place Dr.
Pelham, AL 35124

2 Secured Party(ies) and address(es)
United Stationers Supply Co.
2200 E. Golf Rd.
Des Plaines, IL 60016

For Filing Officer (Date, Time, Number and
Filing Office)

This financing statement covers the following types (or items) of property:

All Present and after acquired inventory and equipment wherever located, accounts receivable, contract rights and general intangibles, proceeds and products thereof, including insurance proceeds, and any other items of collateral described in the Security Agreement attached hereto and made a part hereof

5 Assignee(s) of Security Interest and
Address(es)

6 Complete only when filing with Judge of Probate:

The initial indebtedness secured by this financing statement is \$_____

Mortgage tax due (15¢ per \$100.00 or fraction thereof)

This statement is filed without the debtor's signature to perfect a security interest in collateral. (check if so)
 already subject to a security interest in another jurisdiction when it was brought into this state.

If I request Products of Collateral are also covered. Products of Collateral are also covered. No. of additional Sheets appended

Filed with the
Court of Appeals
of the State of
Oregon


 

Signature(s) of Debtor(s)

are also covered. No. of additional Sheets presented:

James D. O'Farrell
Sec. color

Signature(s) of Secured Party(ies)

(1) ~~FILING OFFICER COPY~~—ALPHABETICAL

SECURITY AGREEMENT

In consideration of any financial accommodations given to, to be given to or continued to the undersigned (hereinafter called "Debtor") by either **United Stationers Supply Co. or MicroUnited a Division of United Stationers Supply Co.**, with its principal offices located at 2200 East Golf Road, Des Plaines, IL 60016 (hereinafter called "Secured Party"), and as collateral security for the payment of all debts, obligations or liabilities now or hereafter existing, absolute or contingent, of the Debtor or any one or more of them to Secured Party (hereinafter called "Indebtedness"), Debtor, pursuant to the provisions of the Uniform Commercial Code of the State in which Debtor is conducting business, hereby grants Secured Party a security interest in **all present and after acquired inventory and equipment wherever located, accounts receivable, contract rights and general intangibles, proceeds and products thereof, including insurance proceeds** (hereinafter called "Collateral"). This Agreement shall apply to all indebtedness regardless of how the same accrues or is evidenced, whether by invoice, statement, book account, account stated, note or other evidence of indebtedness of Debtor to Secured Party, and without the necessity of making any reference to this Agreement therein.

Debtor hereby warrants and covenants that:

- 1) The security interest granted to Secured Party by Debtor shall apply to the collateral whether or not title thereto or any part thereof shall have passed or shall be deemed to have passed to Debtor; Debtor is, or, to the extend that this Agreement states that the Collateral is to be acquired after the date thereof, will be the owner of the Collateral free from any adverse lien, security interest or encumbrance; and Debtor will defend the Collateral against all claims and demands of all other persons at any time claiming the same or any interest therein.
- 2) The Collateral will be kept at the address(es) designated at the conclusion of this Agreement or listed on an attached Exhibit.
- 3) If the Collateral has been, is to be, or is attached to real estate, Debtor will, on demand of Secured Party, furnish the latter with disclaimers signed by all persons having an interest in the real estate, or any interest in the Collateral.
- 4) At the request of Secured Party, Debtor will join with Secured Party in executing one or more financing statements, amendments, continuations and termination statements pursuant to the Uniform Commercial Code of the State in which Debtor is conducting business, in form satisfactory to Secured Party.

- 5) Debtor will not sell or offer to sell in bulk, or otherwise transfer the Collateral in bulk or any interest therein without having given Secured Party actual notice of any such sale and having received the written consent of Secured Party; provided, however, that if the Collateral is Debtor's merchandise inventory, Debtor shall be entitled to sell the Collateral in the ordinary and usual course of business.
- 6) Debtor will, at all times, maintain in full force and effect insurance with respect to the Collateral against risks encompassed within the standard policy of fire insurance with extended coverage endorsement, theft and other risks as Secured Party may require, and written by such company or companies as may be satisfactory to Secured Party, such insurance to be payable to Secured Party and Debtor as their interest may appear. Further, Secured Party shall have a lien on any claims payment to the extent of any indebtedness then owed Secured Party by Debtor, the existence and the amount of which shall be disclosed to the insurer. All such policies of insurance shall provide for not less than ten (10) days written notice of cancellations or non-renewal to Secured Party and, at the request of Secured Party, shall be delivered to and held by it. Secured Party may act as attorney-in-fact for Debtor in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts.
- 7) Debtor will keep the Collateral free from any adverse lien, security interest or encumbrance and in good order and repair and will not waste or destroy the Collateral or any part thereof (except that if the Collateral is merchandise inventory of Debtor, Debtor shall be entitled to sell the Collateral in the ordinary and usual course of business). Secured Party may examine and inspect the Collateral at any reasonable time wherever located.
- 8) Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use and operation. At its option Secured Party may discharge taxes, liens, security interest, or other encumbrances on Collateral and may pay for the maintenance and preservation of the Collateral. Debtor agrees to reimburse Secured Party pursuant to the foregoing authorization. Any and all sums so advanced by Secured Party for Debtor shall bear interest at the highest lawful rate, and said sums and said interest shall be secured by the Collateral.
- 9) Until default, Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with this Agreement, and not inconsistent with any policy of insurance thereon.
- 10) Debtor will hold the proceeds with any other funds or property of the Debtor.

11) Debtor shall be in default under this Agreement upon the happening of any of the following events or conditions:

- a) Default in the payment or performance of any obligation, covenant, or liability contained or referred to herein, or in any invoice, statement, book account, account stated, note, or other evidence of indebtedness of Debtor to Secured Party;
- b) Any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor which proves to have been false in any material respect when made or furnished;
- c) Any event which results in the acceleration of the maturity in the indebtedness of Debtor to others under any indenture,* agreement or undertaking;
- d) Loss, theft, damage, destruction, sale (except as herein expressly provided), or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereto or thereon;
- e) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor surety to Debtor.

Upon such default and at any time thereafter, Secured Party may have the remedies of a secured party under the Uniform Commercial Code of the State in which Debtor is conducting business. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown at the conclusion of this Agreement at least five (5) days before the time of sale or disposition. Secured Party, in addition and in its sole discretion, may retain an attorney to collect Debtor's delinquent and unpaid account and any expenses previously incurred in attempting to collect said account and collecting and selling the Collateral. Debtor shall pay a sum equal to thirty percent (30%) of the outstanding unpaid amount of Debtor's account and previously incurred costs for the collection thereof as and for a reasonable attorney's fee. Debtor shall, in addition, pay any and all legal expenses and costs incurred in the collection of Debtor's unpaid and delinquent account and previously incurred expenses. Said amounts of attorney's fees, legal expenses and costs shall be added to the unpaid balance of Debtor's account and shall be due and owing from Debtor to Secured Party.

- 12) Should a lawsuit be brought to enforce the terms hereof or for any dispute arising out of this transaction, then the issues in any such action shall be determined pursuant to the laws of the state in which the Debtor is conducting business, the courts of which state shall have jurisdiction over the parties hereto and to decide the issues arising out of any transaction created hereunder. The party prevailing in any such lawsuit shall be entitled to recover from the losing party its costs and expenses thereof including its legal fees in a reasonable amount.
- 13) No waiver by Secured Party of any default shall operate as a waiver of any other default or of the same default on a future occasion.
- 14) No warranties, expressed or implied, of any kind whatsoever including, but not limited to, warranties of merchantability or fitness for a particular purpose, are made by Secured Party (when secured party is not the manufacturer) in reference to any product. Debtor shall look exclusively to the manufacturer of the product for the existence of warranties, if any, and their fulfillment.
- 15) All rights of Secured Party hereunder shall insure to the benefit of its successor or assigns; and all obligations of Debtor shall bind Debtor's heirs, executors, administrators, successors and assigns.
- 16) If there be more than one Debtor, their obligations hereunder shall be joint and several.

Signed delivered and effective this 27 day of AUGUST, 1997.

Debtor: Select Office Supply Inc.

By: X

Title: vice-President

Witnessed By: James G. Gould

Location of: 172 Chandler Place Dr..

Collateral: Pelham, AL 35124

Secured Party: United Stationers Supply Co.

2200 E. Golf Road

Des Plaines, IL 60016

By: James Waszak

Title: Group Credit Manager 1997-29464

4
09/12/1997-29464
12:57 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
005 MCD 19.00