



2101 Centre Ave. | Reading, PA 19605

Ph: 610-374-4441 | Accounting Fax: 610-376-0583

- Branches**
- Allentown
  - Lebanon
  - Reading
  - Bloomsburg
  - Mt. Pocono
  - Schuylkill Haven
  - Honesdale
  - Pottstown
  - Scranton
  - Souderton

- Design Centers**
- Allentown
  - Harrisburg
  - Reading

# Credit Application and Agreement

Date: \_\_\_\_\_ SIC Code: \_\_\_\_\_

Duns #: \_\_\_\_\_ Sales Rep: \_\_\_\_\_

NOTICE: THIS DOCUMENT WHEN COMPLETED BY THE CUSTOMER AND SIGNED BY THE PARTIES, WILL FORM A LEGALLY BINDING CONTRACT.

## PART 1-CUSTOMER INFORMATION

Business Name: \_\_\_\_\_ Phone: ( ) \_\_\_\_\_

Mailing Address: \_\_\_\_\_ Fax: ( ) \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Type of Business: \_\_\_\_\_ Years in Business: \_\_\_\_\_

(Check One)  Utility  Residential  Industrial  O.E.M.  Contractor  Commercial  Non-Profit

Type of Ownership (Check One)  Individual  Partnership  Corporation  Other

State of Business Registration: \_\_\_\_\_ Business Org. Number: \_\_\_\_\_

Principal's Name: \_\_\_\_\_ Title: \_\_\_\_\_ Email: \_\_\_\_\_

Accounts Payable Name: \_\_\_\_\_ Email: \_\_\_\_\_

Purchasing Contact: \_\_\_\_\_ Title: \_\_\_\_\_ Email: \_\_\_\_\_

Bank: \_\_\_\_\_

Address: \_\_\_\_\_ Phone: ( ) \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Fax: ( ) \_\_\_\_\_

Primary Checking Acct. # \_\_\_\_\_  Secondary Deposit Acct. # \_\_\_\_\_  Payroll Acct. # \_\_\_\_\_

### Major Suppliers (Credit References)

Name: \_\_\_\_\_ Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Name: \_\_\_\_\_ Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Name: \_\_\_\_\_ Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Social Security No. or Federal Identification No. \_\_\_\_\_

Sales Tax Status (Check One)  Taxable  Exempt (certificate attached)

Taxable in State of: \_\_\_\_\_ County of: \_\_\_\_\_

*Please complete the reverse side.*

## PART 2-AMOUNT AND TERMS OF CREDIT

1. **Amount and Approval.** The above Customer has requested a commercial line (the "Line of Credit") in the amount of up to \_\_\_\_\_ dollars (\$ \_\_\_\_\_) from Fromm Electric Supply Corp. of Reading, PA ("Fromm"). The line of credit will become available to the customer upon approval of this application and agreement by an authorized representative of Fromm.
2. **Payment.** Until Fromm Electric shall give written notice to you of a change therein, our terms are Net 30 days from invoice date. Fromm Electric does not agree to defer payment or collection beyond this date and may take action to enforce our rights, regardless of any Late Charges or partial payments that may be made.
3. **Interest.** Interest shall accrue on the principal balance which is outstanding and past due on the Line of Credit at an annual rate which is equal to 1.5% per month or 18.0% annually.
4. **Payment of Past Due Amounts.** Unless prior payment arrangements are made, the Customer hereby authorizes Fromm to charge all invoices which are greater than forty-five (45) days past invoice date to the credit card listed below ("Credit Card #1"). In the event Credit Card #1's limit is exceeded or the charge is not approved for any other reason, the Customer authorizes Fromm to charge second credit card listed below ("Credit Card #2").

**Credit Card #1**

Type of Card: \_\_\_\_\_ Expiration Date: \_\_\_\_\_  
 Name on Card: \_\_\_\_\_ Security Code: \_\_\_\_\_  
 Card Number: \_\_\_\_\_

**Credit Card #2**

Type of Card: \_\_\_\_\_ Expiration Date: \_\_\_\_\_  
 Name on Card: \_\_\_\_\_ Security Code: \_\_\_\_\_  
 Card Number: \_\_\_\_\_

5. **Security Interest.** The Customer hereby grants Fromm a security interest in all goods, including accounts receivable, inventory, merchandise and other property sold by Fromm to the Customer, all cash, non-cash and insurance proceeds thereof including accounts in order to secure payment to Fromm of all sums due and owing by the Customer to Fromm. The Customer authorizes Fromm to file a UCC 1 Financing Statement with the appropriate office.
6. **Individual Guaranty by Undersigned.** The undersigned acknowledges and agrees that if Customer is granted credit by Fromm, Customer shall be responsible and liable for all invoices as presented, and furthermore, in consideration of Fromm accepting the foregoing terms and for value received, THE UNDERSIGNED, AS GUARANTOR(S), JOINTLY AND SEVERALLY GUARANTY THE PAYMENTS FOR ALL PURCHASES BY CUSTOMER AND THE PAYMENT OF ALL SUMS DUE AND TO BECOME DUE HEREUNDER AND FOR ALL ADDITIONAL PURCHASES BY CUSTOMER FROM FROMM. THE UNDERSIGNED AGREES THAT IF HE/SHE WAIVES NOTICE OF ACCEPTANCE OF THIS GUARANTY AND NOTICE OF ANY DEFAULT BY CUSTOMER, THIS SHALL CONSTITUTE A CONTINUING PERSONAL GUARANTY BY THE UNDERSIGNED AS GUARANTOR(S) AND SHALL NOT BE AFFECTED BY AN EXTENSION OF TIME, ANY INCREASE IN THE LINE OF CREDIT AMOUNT OR LIMIT, PAYMENT MODIFICATION OR ADDITIONS TO THIS AGREEMENT WITH OR WITHOUT CONSENT OF THE UNDERSIGNED AS GUARANTOR(S). IF CUSTOMER IS A CORPORATION OR LIMITED LIABILITY COMPANY ("LLC"), THE UNDERSIGNED GUARANTOR(S), WHETHER OR NOT THE UNDERSIGNED IS AN OFFICER OF THE CORPORATION (OR LLC) DOES PERSONALLY GUARANTY PAYMENT OF ALL BILLS OF THE CORPORATION (OR LLC). See important terms and conditions on the reverse side.
7. **Default/Remedies.**
  - A. Default. The failure by Customer to make on or before the due date thereof any required payment under this Agreement, or other failure of Customer to perform any other term or condition of this Agreement in a timely manner (or any other agreement between Customer and Fromm) shall constitute an Event of Default under this Agreement.
  - B. Upon the occurrence of a Default described above, Fromm shall be entitled to exercise any one or more of the following remedies, which may be exercised singly or in any combination, serially or concurrently, and at any time or times and whenever a Default is continuing unwaived or unremedied:
    - (i) in writing demand immediate payment in full of all accrued and unpaid interest and all principal which is then outstanding and unpaid under this Agreement;
    - (ii) exercise any and all remedies which may then be available to Fromm under any or all applicable state or federal laws, including but not limited to Fromm's rights, remedies, powers or privileges under the Pennsylvania Uniform Commercial Code.
    - (iii) suspend or cancel the Line of Credit and/or; and
    - (iv) THE CUSTOMER AND THE UNDERSIGNED GUARANTOR(S) HEREBY AUTHORIZE AND EMPOWER THE PROTHONOTARY OR ANY ATTORNEY OR ANY COURT OF RECORD OF THE COMMONWEALTH OF PENNSYLVANIA OR ELSEWHERE TO APPEAR FOR THE CUSTOMER AND ENTER JUDGMENT BY CONFESSION AGAINST THE CUSTOMER AND THE UNDERSIGNED GUARANTOR(S) FOR THE THEN OUTSTANDING AND UNPAID BALANCE UNDER THEIR LINE OF CREDIT GRANTED UNDER THIS AGREEMENT, ALL ACCRUED AND UNPAID INTEREST, AND ALL COSTS AND EXPENSES INCURRED BY FROMM OR ON ITS BEHALF, INCLUDING BUT NOT LIMITED TO COSTS OF SUIT, TOGETHER WITH CHARGES, COSTS AND ATTORNEY'S FEES OF TWENTY PERCENT (20%) OF THE SUMS DUE HEREUNDER, WITH RELEASE OF ALL ERRORS AND WAIVER OF ALL STAYS OR EXEMPTIONS. THIS POWER AND AUTHORITY TO ENTER JUDGMENT BY CONFESSION MAY BE EXERCISED AS OFTEN AS FROMM DESIRES, AS LONG AS A DEFAULT HAS OCCURRED WHICH IS CONTINUING UNWAIVED, UNCURED OR OTHERWISE UNREMEDIED, AND SHALL NOT BE EXHAUSTED BY ANY ONE OR MORE EXERCISES OR ATTEMPTS TO EXERCISE THIS POWER.
8. **Costs and Expenses.** Customer covenants and agrees to reimburse Fromm for all costs and expenses incurred by Fromm in enforcing this Agreement, its rights hereunder, collecting any sum due hereunder, and/or exercising its remedies hereunder, including but not limited to attorney's fees actually incurred (but not less than the greater of \$500.00 or five percent (5%) of the original principal amount of the Line of Credit available under this Agreement.
9. **Legal Effect.** This Agreement shall bind and inure to the benefit of Fromm and the Customer, and their respective successors, assigns, heirs or legal representatives; provided, that the Customer may not assign this Agreement without Fromm's prior written consent and shall not be released from its duties and obligations hereunder by any assignment hereof or consent by Fromm to such assignment unless Fromm shall have expressly released the Customer in writing.
10. **Limitations on Remedies.** Unless otherwise agreed between Applicant and Fromm, Applicant's exclusive remedy against Fromm for breach of this application or the warranty set forth above, if any, shall be to permit Fromm to cure the non-conforming goods by, at Fromm's option, replacement of defective parts or delivery of replacement goods. The above is subject to full compliance by Applicant with any instructions of Fromm or the manufacturer regarding storage, handling, assembly and application pertaining to the particular goods sold, and such instructions are hereby incorporated by reference and made part of this agreement.
11. **Limitations on Liability.** Fromm's liability for damages for any cause whatsoever, whether in contract (including for failure to deliver or delays in delivery) or tort, including negligence shall be limited to the total price paid for the goods which are the subject of the dispute. Other than as specified herein, in no event shall Fromm Electric be liable for direct, consequential, indirect, special or incidental damages for any cause whatsoever.
12. **Statute of Limitations.** Any action for breach of this Agreement must be commenced by Applicant within thirteen (13) months after the cause of action has accrued.
13. **Delays, Force Majeure.** Fromm shall not be liable for delays in delivery of the goods or failure to deliver the goods caused, in whole or in part, by inability to obtain transportation, equipment, or material, insurrection, fires, floods, storms, embargoes, action of any military or civil authorities, whether legal or de facto, strikes, labor difficulties, lockouts, acts of God, or other similar or different circumstances beyond the control of Fromm Electric.
14. **Entire Agreement.** This Agreement constitutes the entire understanding and agreement of Fromm and the Customer regarding the subject matter hereof. This Agreement may not be amended or any provision hereof waived, unless such amendment or waiver is reduced to writing and signed by the party against whom it is sought to be entered. No delay or failure by Fromm shall have the right to withhold delivery of goods except for payment in cash, whether or not a default by Customer or any Guarantor(s) shall have occurred.
15. **Execution.** The signature by the Customer below constitutes the Customer's representation and warranty that the information contained in Part 1 of this application and Agreement is true and correct, and the Customer's promise to inform Fromm of any material change in that information.
16. **Amendment.** Fromm Electric reserves the right at any time to alter or suspend credit or to change credit terms provided herein when, in Fromm Electric's sole opinion, the financial condition of Applicant so warrants. In such case, in addition to any other remedies herein or by law provided, cash payment or satisfactory security from Applicant may be required by Fromm Electric before delivery, or the due date of payment by Applicant under any contract or order with Fromm Electric may be accelerated by Fromm Electric. Failure of Applicant to pay invoices at the due date makes, at Fromm Electric's option, all subsequent invoices immediately due and payable, irrespective of terms, and Fromm Electric may withhold all subsequent deliveries until the full account is settled.

Customer's Printed Name: \_\_\_\_\_

By: \_\_\_\_\_  
 Authorized Signature

Printed Name and Title  
 GUARANTOR(S)

Printed Name \_\_\_\_\_

Printed Name \_\_\_\_\_

Approved for Fromm Electric Supply Corp. of Reading, PA.

By: \_\_\_\_\_

Date: \_\_\_\_\_

The undersigned hereby consent(s) to Fromm Electric Supply Corp. of Reading, Penna.'s use of a non-business consumer credit report on the undersigned in order to further evaluate the credit worthiness of the undersigned as Principal(s), proprietor(s) and/or guarantor(s) in connection with the extension of business credit as contemplated by this credit application. The undersigned hereby authorize(s) Fromm Electric Supply Corp. to utilize a consumer credit report on the undersigned from time to time in connection with the extension or continuation of the business credit represented by this credit application. The undersigned as (an) individual(s) hereby knowingly consent(s) to the use of such credit report consistent with the Federal Fair Credit Reporting Act as contained in 15 U.S.C. §1681 et. seq.

\_\_\_\_\_  
 Name

\_\_\_\_\_  
 Date

EXPLANATION AND WAIVER OF RIGHTS  
REGARDING CONFESSION OF JUDGMENT (CREDIT AGREEMENT - CUSTOMER)

1. \_\_\_\_\_, ("Customer"), shall execute or has executed a Credit Application and Agreement ("Agreement") extending a Line of Credit evidencing a payment obligation owed to Fromm Electric Supply Corp. of Reading, Penna. ("Fromm"). Customer clearly and specifically understands that by causing the Agreement to be signed, which contains a Confession of Judgment clause:
  - (a) Customer authorizes Fromm to enter a money judgment against Customer and in favor of Fromm, which will give Fromm a lien upon any real estate, including a home, Customer may own;
  - (b) Customer gives up important rights to any notice or opportunity for a court hearing prior to the entry of a judgment on the records of courts within the Commonwealth of Pennsylvania;
  - (c) Customer agrees Fromm can enter a judgment prior to proof of non-payment of the Agreement. Customer will be unable to challenge the judgment, should Fromm enter it, except by a proceeding to open or strike the judgment; and such a proceeding will result in attorney's fees and costs that Customer will have to pay;
  - (d) Customer gives up an important rights to any notice or an opportunity for a hearing before Fromm may request and use the powers of the Commonwealth of Pennsylvania to deprive Customer of its property, pursuant to a judgment, by seizing, or having a Sheriff (or other official) seize our bank accounts, vehicles, or any other personal property Customer may own to satisfy our responsibilities under the Agreement;
  - (e) Customer may be deprived of the use of any of its property that is seized by Fromm pursuant to the judgment for an extended period without notice or a hearing, and Customer understands that the rules of Pennsylvania's court system do not guarantee Customer will receive a prompt hearing after its' property is seized;
  - (f) Guarantor will subject all of its property, both personal property and real estate, to execution (and Sheriff's Sale), pursuant to this judgment, prior to proof of non payment or other default on its part; and
  - (g) Guarantor will be unable to challenge this judgment, should Fromm enter it, except by proceeding to open or strike the judgment; and such a proceeding will result in attorney's fees and costs which it will have to pay unless it is successful.
2. Customer expressly acknowledges that he has caused to be reviewed, with its separate legal counsel, provisions of the Agreement and, in particular, the Confession of Judgment clause in the Agreement that gives Fromm the rights enumerated in subparagraphs (a) through (g) of Paragraph 1 above. Fromm has informed Customer that IF CUSTOMER DOES NOT SIGN THE AGREEMENT, WHICH CONTAINS A CONFESSION OF JUDGMENT CLAUSE, CUSTOMER UNDERSTANDS HE WOULD HAVE THE FOLLOWING RIGHTS:
  - (a) The right to have notice and an opportunity to be heard prior to entry of judgment against Customer by Fromm;
  - (b) The right to require Fromm to prove that Customer did not comply with the terms and conditions Customer had agreed to regarding the obligation, and the burden of proving default before Customer's property can be seized and exposed to execution;
  - (c) The right to avoid the additional expense of attorney's fees and costs incident to opening or striking off a confessed judgment;
  - (d) The right to have notice and an opportunity to be heard before Fromm can seize Customer's property pursuant to a judgment to satisfy Fromm's debt;
  - (e) The right to a jury trial; and
  - (f) The right to a determination, by a competent authority, of the probable validity of Fromm's claims after attachment or seizure of Guarantor's property but prior to any sale or disposition thereof.
3. The Guarantor agrees that any suit, action or proceeding, whether claim or counterclaim, brought or instituted by the Guarantor, by Fromm or by any personal representative, heir, successor or assign of the Guarantor or Fromm on or with respect to the Guaranty or any related documents or which in any way relates, directly or indirectly, to the Loan or any event, transaction or occurrence arising out of or in any way connected with the Loan, or the dealings of the parties with respect thereto, shall be tried only by a court and not by a jury. THE GUARANTOR HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. THE GUARANTOR ACKNOWLEDGES AND AGREES THAT THIS PROVISION IS A SPECIFIC AND MATERIAL ASPECT OF THE LOAN FROM THE GUARANTOR TO THE FROMM AND THAT THE FROMM WOULD NOT EXTEND THE LOAN TO THE GUARANTOR IF THIS WAIVER OF JURY TRIAL SECTION WERE NOT A PART OF THE LOAN.
4. Customer fully and completely understands these rights that he has prior to he signing the Agreement, and he is clearly aware that these rights will be given up, waived, relinquished and abandoned by executing and delivering to Fromm the Agreement, he has nevertheless freely and voluntarily chosen to sign the Agreement, its intention being to give up, waive, relinquish and abandon its known rights (as described in Paragraph 2 above) and subject us to the circumstances described in Paragraph 1 above.
5. Customer acknowledges (a) that the funds have been advanced for business purposes, and (b) that the annual income of the undersigned Customer exceeds \$10,000.00, in the aggregate.

CUSTOMER HAS REVIEWED AND HAS READ THIS ENTIRE FORM AND FULLY UNDERSTANDS ITS CONTENTS AND THE LEGAL EFFECT OF THE CONFESSION OF JUDGMENT CONTAINED IN THE AGREEMENT. CUSTOMER ACKNOWLEDGES AND AGREES THAT FROMM AND HIS LEGAL COUNSEL MAY RELY ON THIS WAIVER AND EXPLANATION OF RIGHTS REGARDING CONFESSION OF JUDGMENT AND THAT CUSTOMER HAS EXPRESSED TO FROMM CUSTOMER'S FREE, KNOWING, VOLUNTARY AND INTELLIGENT WAIVER OF RIGHTS THAT HE OTHERWISE HAS AS DESCRIBED IN THIS EXPLANATION AND WAIVER OF RIGHTS REGARDING CONFESSION OF JUDGMENT.

DATED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 200\_\_.

SIGNATURE \_\_\_\_\_

**EXPLANATION AND WAIVER OF RIGHTS  
REGARDING CONFESSION OF JUDGMENT (CREDIT AGREEMENT - GUARANTOR)**

1. On the date hereof, \_\_\_\_\_, (the "Customer"), shall execute a Credit Application and Agreement with Fromm Electric Supply Corp. of Reading, Penna. ("Fromm") evidencing a Line of Credit granted under the Agreement, with the amount due thereunder being referred to as the "Indebtedness". The undersigned Guarantor desires to induce the Fromm to grant the Line of Credit. Accordingly, the undersigned Guarantor has executed and delivered to the Fromm its (or their, in the case of a joint and several guaranty) Guarantee under the terms of the Agreement, whereby the Guarantor guarantees to the Fromm full and prompt payment of all monies now due and payable or hereafter becoming due and payable to Fromm under the Agreement referred to above, in accordance with the terms thereof. The Guarantor clearly and specifically understands that by causing the execution of the Agreement which contains a Confession of Judgment clause:

- (a) Guarantor authorizes Fromm to enter judgments against him/her or them and in its favor which will give Fromm a lien upon any real estate, including a home, which Guarantor may own;
- (b) Guarantor gives up the right to any notice or opportunity to be heard prior to the entry of this judgment on the records of the Court;
- (c) Guarantor agrees that Fromm can enter this judgment without any proof of non payment or other default on its part. Customer will be unable to challenge the judgment, should Fromm enter it, except by a proceeding to open or strike the judgment; and such a proceeding will result in attorney's fees and costs that Customer will have to pay;
- (d) Customer gives up an important rights to any notice or an opportunity for a hearing before Fromm may request and use the powers of the Commonwealth of Pennsylvania to deprive Customer of its property, pursuant to a judgment, by seizing, or having a Sheriff (or other official) seize our bank accounts, vehicles, or any other personal property Customer may own to satisfy our responsibilities under the Agreement;
- (e) Customer may be deprived of the use of any of its property that is seized by Fromm pursuant to the judgment for an extended period without notice or a hearing, and Customer understands that the rules of Pennsylvania's court system do not guarantee Customer will receive a prompt hearing after its' property is seized;
- (f) Guarantor will subject all of its property, both personal property and real estate, to execution (and Sheriff's Sale), pursuant to this judgment, prior to proof of non payment or other default on its part; and
- (g) Guarantor will be unable to challenge this judgment, should the Fromm enter it, except by proceeding to open or strike the judgment; and such a proceeding will result in attorney's fees and costs which it will have to pay unless it is successful.

2. Guarantor expressly acknowledges that Guarantor has caused to be reviewed provisions of the Agreement and, in particular, the Confession of Judgment clause in the Agreement that gives Fromm the rights enumerated in subparagraphs (a) through (g) of Paragraph 1 above. Fromm has informed Guarantor that IF GUARANTOR DOES NOT SIGN THE AGREEMENT, WHICH CONTAINS A CONFESSION OF JUDGMENT CLAUSE, GUARANTOR UNDERSTANDS HE WOULD HAVE THE FOLLOWING RIGHTS:

- (a) The right to have notice and an opportunity to be heard prior to entry of judgment against Customer by Fromm;
- (b) The right to require Fromm to prove that Customer did not comply with the terms and conditions Customer had agreed to regarding the obligation, and the burden of proving default before Customer's property can be seized and exposed to execution;
- (c) The right to avoid the additional expense of attorney's fees and costs incident to opening or striking off a confessed judgment;
- (d) The right to have notice and an opportunity to be heard before Fromm can seize Customer's property pursuant to a judgment to satisfy Fromm's debt;
- (e) The right to a jury trial; and
- (f) The right to a determination, by a competent authority, of the probable validity of Fromm's claims after attachment or seizure of Guarantor's property but prior to any sale or disposition thereof.

3. The Guarantor agrees that any suit, action or proceeding, whether claim or counterclaim, brought or instituted by the Guarantor, by Fromm or by any personal representative, heir, successor or assign of the Guarantor or Fromm on or with respect to the Guaranty or any related documents or which in any way relates, directly or indirectly, to the Loan or any event, transaction or occurrence arising out of or in any way connected with the Loan, or the dealings of the parties with respect thereto, shall be tried only by a court and not by a jury. THE GUARANTOR HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. THE GUARANTOR ACKNOWLEDGES AND AGREES THAT THIS PROVISION IS A SPECIFIC AND MATERIAL ASPECT OF THE LOAN FROM THE GUARANTOR TO THE FROMM AND THAT THE FROMM WOULD NOT EXTEND THE LOAN TO THE GUARANTOR IF THIS WAIVER OF JURY TRIAL SECTION WERE NOT A PART OF THE LOAN.

4. Guarantor fully and completely understanding these rights which Guarantor has prior to causing the execution of the above described Agreement on its behalf; and clearly aware that these rights will be given up, waived, relinquished, and abandoned if Guarantor causes the execution of the Agreement, the Guarantor nevertheless freely and voluntarily chooses to have the Agreement executed on its behalf, its intention being to give up, waive, relinquish, and abandon the Guarantor's known rights (as described in paragraph 3 above) and subject the Guarantor to the circumstances described in paragraph 1 and 2 above.

5. Guarantor acknowledges

- (a) that the funds have been advanced for business purposes, and
- (b) that the annual income of the undersigned Guarantor exceeds \$10,000.00, in the aggregate.

CUSTOMER HAS REVIEWED AND HAS READ THIS ENTIRE FORM AND FULLY UNDERSTANDS ITS CONTENTS AND THE LEGAL EFFECT OF THE CONFESSION OF JUDGMENT CONTAINED IN THE AGREEMENT. CUSTOMER ACKNOWLEDGES AND AGREES THAT FROMM AND HIS LEGAL COUNSEL MAY RELY ON THIS WAIVER AND EXPLANATION OF RIGHTS REGARDING CONFESSION OF JUDGMENT AND THAT CUSTOMER HAS EXPRESSED TO FROMM CUSTOMER'S FREE, KNOWING, VOLUNTARY AND INTELLIGENT WAIVER OF RIGHTS THAT HE OTHERWISE HAS AS DESCRIBED IN THIS EXPLANATION AND WAIVER OF RIGHTS REGARDING CONFESSION OF JUDGMENT.

DATED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 200\_\_.

SIGNATURE \_\_\_\_\_