

# *Blommer* CHOCOLATE COMPANY

CHICAGO, IL

UNION CITY, CA

EAST GREENVILLE, PA

CAMPBELLFORD, ONTARIO, CANADA

## APPLICATION FOR CREDIT/CREDIT AGREEMENT

### BUSINESS INFORMATION

Customer Name (" <u>Applicant</u> "):		State of Incorporation:	
Parent or Affiliated Companies:			
Billing Address:			
City:	State:	Zip Code:	
Phone:	E-Mail:	Fax:	
Shipping Address (if different):			
City:	State:	ZIP Code:	
Date business commenced:			
Sole proprietorship:	Partnership:	Corporation:	Other:
A/P Contact:			
Telephone:	Fax:	E-mail:	
Purchasing contact:			
Telephone:	Fax:	E-mail:	
Recall Coordinator:			
Telephone:	Fax:	E-mail:	

### BUSINESS CREDIT INFORMATION

Bank name:			
Phone:	Fax:	E-mail:	
Type of account:	Account number:		
Federal Tax ID Number:			
DNB (DUNNS) Number:			
Sales Tax Exemption Number:			
Estimated volume per month:			
Credit Limit Requested:			
Credit Terms Requested:			

### BUSINESS/TRADE REFERENCES

Company Name:			
Phone:	Fax:	E-mail:	
Company Name:			
Phone:	Fax:	E-mail:	
Company Name:			
Phone:	Fax:	E-mail:	

### TERMS OF AGREEMENT ("Agreement")

Applicant wishes to establish a credit line with Blommer Chocolate Company for the purchase of Blommer Chocolate Products. In order to consider this request, Blommer Chocolate hereby requests certain financial information provided herein and execution of this Agreement hereunder.

The Applicant hereby authorizes Blommer Chocolate to obtain such credit reports or other financial information as it deems necessary or appropriate for granting and monitoring credit risk as it pertains to this Agreement. The Applicant further agrees to promptly supply Blommer Chocolate with (i) such information concerning its assets, liabilities and affairs, as Blommer Chocolate may request from time to time hereafter, including but not limited to annual and quarterly financial statements of Applicant, which shall include a balance sheet and an income statement certified by its chief financial officer; and (ii) copies of Applicant's filed federal tax returns within sixty (60) days of filing, as Blommer Chocolate may request from time to time hereafter; and (iii) written notice of any condition or event which constitutes a material adverse change in the financial condition of the Applicant.

As collateral security for the prompt, complete, and timely satisfaction of all present and future indebtedness, liabilities, duties, and obligations of the Applicant to Blommer Chocolate, including, without limitation, all principal and interest payable under this Agreement and any Purchase Order, and all attorneys' fees, costs and expenses incurred by Applicant in the collection or enforcement of the same (collectively, the "Obligations"), Applicant hereby pledges, assigns and grants to Blommer Chocolate a continuing purchase money security interest and lien in all of the Applicant's right, title and interest in and to any Blommer Chocolate goods sold to Applicant at any time, including the proceeds of any disposition thereof, and all products and accounts receivable related thereto described on any Purchase Order now or in the future issued to Applicant or any subsequent agreement (the "Collateral"). As applicable, the terms of this Agreement with respect to Applicant's granting of a purchase money security interest in the Collateral to Blommer Chocolate shall be deemed to be a purchase money security agreement under applicable

provisions of the Uniform Commercial Code as adopted in the State of Illinois ("UCC"), with the Applicant as the debtor and Blommer Chocolate as the secured party.

The Applicant authorizes Blommer Chocolate to execute and file financing statements describing the Collateral to perfect Blommer Chocolate's continuing purchase money security interest in the Collateral in the office of the Secretary of State of Applicant's state of incorporation. All financing statements filed before the date of this Agreement to perfect Blommer Chocolate's continuing purchase money security interest in the Collateral were authorized by the Applicant and are ratified. The Applicant also authorizes Blommer Chocolate to deliver written notice to any other secured party which has filed a notice of lien or security interest in any of the Applicant's Collateral, which written notice shall notify such secured party of Blommer Chocolate's intention to claim a purchase money security interest in the Collateral.

The Applicant agrees to pay all invoices within terms stated on invoice. All Payment terms are calculated from invoice date. To the extent permitted by law, a service charge of 1.5% per month will be charged on all past due invoices. This is an annual percentage rate of 18%. If this charge is higher than the maximum amount permitted by law, this rate will be reduced to said maximum rate. If the Applicant fails to abide by this Agreement or any Purchase Agreement and the Terms and Conditions of Sale attached thereto (each, a "Purchase Order") Blommer Chocolate reserves the right to discontinue and eliminate any price discounts or sales incentives offered to or in place with the Applicant, both retroactively and for future sales unless otherwise negotiated by the parties. After a default, Applicant agrees to pay all costs for any collection agency commissions, expenses, and reasonable attorney fees (including without limitation, at trial and on appeal) as Blommer Chocolate may incur in any manner of collection of any sums past due. At Blommer Chocolate's option, all amounts owing to Blommer Chocolate under any Purchase Order or any subsequent agreement shall be evidenced by a promissory note in the form of Exhibit A attached hereto (the "Note"), upon which Blommer Chocolate shall have the right to schedule on any amounts it contends are owing under any Purchase Order now or in the future issued to Applicant.

To induce Blommer Chocolate to enter into and perform this Agreement, Applicant hereby represents, warrants and covenants to Blommer Chocolate as follows:

- a. All information supplied and statements made in any financial or credit statements or application for credit prior to the execution of this Agreement are true and correct in all material respects as of the date hereof;
- b. All financial statements submitted by Applicant to Blommer Chocolate in connection with this Agreement are true and correct in all material respects and fairly present the financial conditions and results of the entities of which are their subjects.
- c. The Applicant hereby covenants, warrants and agrees that the representations and warranties made herein shall be true and correct at the time of entering into this Agreement and upon each shipment by Blommer Chocolate of any goods pursuant to any Purchase Order.

The occurrence of any one or more of the following shall be an "Event of Default" for purposes of this Agreement:

- a. Failure by Applicant to pay (i) any installment of principal or interest payable when due in accordance with the Note or any Purchase Order, or (ii) any other amount payable to Blommer Chocolate under the Note, any Purchase Order, or this Agreement, or any other subsequent agreement when any such payment is due in accordance with the terms hereof or thereof; or
- b. Any representation or warranty made to Blommer Chocolate or any other information furnished by the Applicant to Blommer Chocolate shall prove to be false or misleading in any material respect on the date as of which made or furnished.

Upon the occurrence of an Event of Default by Applicant, Blommer Chocolate may exercise, pursue and enforce all of the rights and remedies provided to a Secured Party under the UCC, together with any and all other rights and remedies otherwise provided and available to Blommer Chocolate at law or in equity as of the date of this Agreement or the date of the Applicant's Event of Default.

Applicant:  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Accepted and agreed to by Blommer Chocolate for the provision of a line of credit in the amount of no more than [ \$ \_\_\_\_\_ ].

Blommer Chocolate Company:  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\*\*\*\*\*PLEASE ALLOW 5 BUSINESS DAYS TO PROCESS\*\*\*\*\*

**Exhibit A**  
**FORM OF PROMISSORY NOTE**

**PROMISSORY NOTE**

US \$[\_\_\_\_\_]

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

For good and valuable consideration [\_\_\_\_\_] ("**Maker**"), hereby makes and delivers this Promissory Note (this "**Note**") in favor of Blommer Chocolate Company, or its successors or assigns ("**Holder**"), and hereby agrees as follows:

1. **Payment Obligation.** For value received, Maker promises to pay to Holder at such place as Holder may designate in writing, in currently available funds of the United States, the principal sum of \$[\_\_\_\_\_], together with all amounts owing to Holder under the Purchase Agreement and the Terms and Conditions of Sale attached thereto, together with any future Purchase Order or any subsequent agreement between Maker and Holder (each, a "**Purchase Order**", and collectively "**Purchase Orders**"), or so much thereof as may be advanced from time to time and remain unpaid (the "**Loan**"), together with accrued interest on the unpaid principal balance ("**Interest**"). Maker may request additional advances from Holder in connection with any future Purchase Orders, and the amount of any such additional advances shall be added to the principal balance due under this Note and shall accrue Interest as provided herein.

2. **Interest.** Interest shall accrue on any balance outstanding that remains unpaid after the date provided in each applicable Purchase Order (the "**Maturity Date**") from the date of delivery provided in the applicable Purchase Order at the lower of (i) the highest rate permitted by law, and (ii) 18% per annum.

3. **Choice of Laws; Actions.** This Note shall be construed and construed in accordance with the internal substantive laws of the State of Illinois, including the UCC as adopted therein, and without regard to the Conflict of Laws Principles of said State. Any cause of action, claim, suit or demand by either party shall be brought in a state or federal court situated in the State of Illinois. Both parties irrevocably admit themselves to and consent to the jurisdiction and venue of said court and specifically waive the doctrine of *forum non conveniens*.

4. **Costs of Collection.** Should the indebtedness represented by this Note, or any part hereof, be collected at law, in equity, or in any bankruptcy, receivership or other court proceeding, or this Note be placed in the hands of any attorney for collection after default, Maker agrees to pay, in addition to the principal and Interest due hereon, all reasonable attorneys' fees, plus all other costs and expenses of collection and enforcement, including any fees incurred in connection with such proceedings or collection of the Note and/or enforcement of Holder's rights with respect to the administration, supervision, preservation or protection of, or realization upon, any collateral securing payment hereof.

**IN WITNESS WHEREOF**, this Note has been executed effective the date and place first written above.

**MAKER:**

[\_\_\_\_\_]

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_