

## BURLINGTON DRUG COMPANY, INC – SECURITY AGREEMENT

In order to secure any indebtedness of the undersigned (hereinafter referred to as "Debtor"), due and owing to BURLINGTON DRUG COMPANY, INC. ("Secured Party"), whether now existing or hereafter arising, including but not limited to, all future advances or loans which may be made at the option of Secured Party, Debtor hereby grants and conveys to Secured Party a security interest in all of Debtor's accounts receivable/third party payments now owed or that may hereafter arise, all inventory, equipment, fixtures, furniture, documents, instruments, promissory notes, furnishings, insurance payments and proceeds, prescription records, bank accounts, deposit accounts, cash on hand, telephone numbers, contract rights, any other tangibles and/or general intangibles, and the proceeds on any of the foregoing, now owed or that may hereafter arise (the "Collateral").

Debtor warrants, covenants and agrees to perform all of the obligations secured by this agreement according to their terms; to defend title to the Collateral against all persons and against all claims and demands whatsoever; to retain possession of the Collateral; not to sell, exchange, assign, loan, deliver or otherwise dispose of the Collateral without the written consent of Secured Party; to keep the collateral at the location specified below without the prior written consent of Secured Party (except in the usual course of business); and to keep the Collateral fully insured against loss by fire, theft and other casualties. Debtor further warrants that it shall not transfer/assign any open balance without the prior written consent of Secured Party. Upon the transfer of any ownership interest OR UPON A CHANGE IN MANAGEMENT OR CONTROL OF APPLICANT, Debtor agrees to immediately pay to Secured Party all open invoices (whether or not due).

The parties further agree that any waiver or acquiescence in any default by Debtor, or failure of Secured Party to insist upon strict performance by Debtor of any warranties or agreements in this Security Agreement shall not constitute a waiver of any subsequent or other default or failure. The parties further agree that the Uniform Commercial Code shall govern the rights, duties and remedies of the parties and any provisions herein declared invalid under law shall not invalidate any other provision of this agreement.

Debtor will be in default of its obligations to Secured Party should it fail to pay any open invoices, note payments, late charges or related charges; otherwise fail to comply with or perform any provision of this or any other agreement with Secured Party; provide false or misleading representations in connection with this or any other agreement with Secured Party; subject the Collateral hereunder to levy of execution or other judicial process; or if any insolvency proceeding is commenced by or against Debtor.

Upon a default of Debtor and at the option of Secured Party, the obligations secured by this Agreement shall immediately become due and payable in full without notice or demand, and Secured Party shall have all the rights, remedies and privileges with respect to repossession, retention and sale of the Collateral and disposition of the proceeds as are accorded by the applicable sections of the Uniform Commercial Code. Upon any default and upon demand, Debtor shall assemble the Collateral and make it available to the Secured Party at the place and time designated in the demand. Notice shall be provided by first class mail to the address identified below. Upon any default, Secured Party's reasonable attorneys' fees and costs for receiving, taking, keeping, storing, advertising and selling the Collateral shall be chargeable to Debtor. Debtor shall remain liable for any deficiency resulting from a sale of the Collateral and shall pay any such deficiency forthwith on demand. If Debtor shall default in the performance of any of the provisions of this agreement, Secured Party may perform same for Debtor's account and any monies expended in so doing shall be chargeable with interest to Debtor.

Debtor hereby authorizes Secured Party or its agents or assigns to execute and file, without the signature of Debtor, one or more such financing statements, if permitted, in the relevant jurisdiction(s). This agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This agreement shall be construed and interpreted in accordance with the internal laws of the State of Vermont. The parties consent to the jurisdiction and forum of the courts of the State of Vermont and agree to designate the venue to be in either State or Federal Court in Vermont.

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

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

Signature: \_\_\_\_\_

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

Store/Company Name: \_\_\_\_\_

Trade Name/DBA: \_\_\_\_\_

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

Store City, State, Zip code: \_\_\_\_\_