

## SECURITY AGREEMENT

1. Grant. On this 16<sup>th</sup> day of May, 2016, **Germain, Inc.**, a New York corporation with its principal place of business at Lubin House, Syracuse, NY 11100 (hereinafter called "**Debtor**"), for valuable consideration, receipt whereof is acknowledged, grants to **You Corporation, Inc.**, a Delaware corporation with its principal place of business at 100 South Street, Syracuse, Ny 13201 (hereinafter called "**Secured Party**") a security interest in, and mortgages to Secured Party, the following described property and interests in property of Debtor (hereinafter called the "**Collateral**"):

### **All equipment now owned or hereafter acquired**

to secure payment of all obligations owing by Debtor to Secured Party, now or hereafter (the "**Obligations**"):

2. Warranties and Covenants of Debtor. Debtor warrants and covenants that:

(a) Except for the security interest granted hereby, Debtor is 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 persons at any time claiming the same or any interest therein.

(b) No Financing Statement covering any of the Collateral or any proceeds thereof is on file in any public office.

(c) Debtor will not sell or offer to sell, assign, pledge, lease or otherwise transfer or encumber the Collateral or any interest therein, without the prior written consent of Secured Party.

(d) Debtor shall keep the Collateral at all times insured against risks of loss or damage by fire (including so-called extended coverage), theft and such other casualties as Secured Party may reasonably require.

(e) Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this Agreement or upon any note or notes evidencing the Obligations.

4. Events of Default. Debtor shall be in default under this agreement upon the occurrence of any of the following events or conditions, namely: (a) default in the payment or performance of any of the Obligations or of any covenants or liabilities contained or referred to herein or in any of the Obligations; (b) any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor proving to have been false in any material respect when made or furnished; (c) loss, theft, substantial damage, destruction, sale or encumbrance to or any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon; (d) dissolution, termination of existence, filing by Debtor or by any third party against Debtor of any petition under any Federal bankruptcy statute, insolvency, business failure, appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by, Debtor; or (e) the occurrence of an event of default in any agreement between Debtor and/or Secured Party.

5. Remedies. UPON DEFAULT AND AT ANY TIME THEREAFTER, SECURED PARTY MAY DECLARE ALL OBLIGATIONS SECURED HEREBY IMMEDIATELY DUE AND PAYABLE AND SHALL HAVE THE REMEDIES OF A SECURED PARTY UNDER THE UNIFORM COMMERCIAL CODE OF NEW YORK, including without limitation the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose

may, so far as Debtor can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Uniform Commercial Code of New York); and the Secured Party shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Debtor's right of redemption in satisfaction of the Debtor's Obligations as provided in the Uniform Commercial Code of New York. The remedies of the Secured Party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Uniform Commercial Code of New York shall not be construed as a waiver of any of the other remedies of the Secured Party so long as any part of the Debtor's Obligation remains unsatisfied.

6. General. 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. All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns; and all obligations of Debtor shall bind its successors or assigns. If there be more than one Debtor, their obligations hereunder shall be joint and several. This agreement shall become effective when it is signed by Debtor.

If any provision of this agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this agreement.

Secured Party:

YOU CORPORATION, INC.  
A Delaware Corporation

By: \_\_\_\_\_  
Robert You  
Its President

Debtor:

GERMAIN, INC.  
A New York Corporation

By: \_\_\_\_\_  
Gregory Germain  
Its Chief Executive Officer