



SAMUEL JACKSON, INCORPORATED

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To: Time and Bales (TAB) Program Customers

Subject: Notes on Completing the TAB Contract

Friends,

Your purchase of Samuel Jackson products under the TAB program is appreciated! Samuel Jackson enjoys backup financing from American State Bank of Lubbock, TX. This enables us to offer this flexible financing program to more gins than we could alone. Like all banks, ASB has many details that need to be covered in order to offer this financing to us. Although we shield the gin from the majority of these details, there are some important items that are in your hands as you fill out the contract portion of the paperwork. The purpose of this memo is to help point these items out to you so that we can complete the transaction as quickly and painlessly as possible. As you read the rest of this memo, I recommend having a copy of the TAB contract in front of you for reference. Items in bold face need to be filled out by you.

The first thing you may notice after the **DATE** is that the contract is between your gin and SECA Partners, Ltd. SECA is Samuel Jackson's financing entity. Rest assured that all communications and paperwork will be handled with the people you normally work with at Samuel Jackson, Inc.

The **GIN NAME** must be the complete name. This is important. For example, the contract needs to say "Bubba's Hi-Grade Gin Co., Inc." instead of "Bubba's Gin".

The debtor description needs the **STATE** where the organization is organized, the **TYPE** of organization (corporation, partnership, etc.), and the organizational **IDENTIFICATION** (Tax ID normally).

The contract relies on the quotation that your Samuel Jackson representative has prepared for you. A written quotation is required in order to complete the paperwork. This **QUOTATION NUMBER** is referenced along with its **DATE**. The quotation number appears on the upper right hand corner of the first page header on the quote, as well as at the top of subsequent pages. The date is below the quotation number on the quote.



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The **DESCRIPTION OF GOODS** needs exact product model numbers and serial numbers if they are used for a particular product. If you would like for Samuel Jackson personnel to fill this out, we will be happy to do so for you. Most of the information can be obtained from the Samuel Jackson invoice issued for the TAB purchase. You may need to call us for serial number information. If the list is lengthy, consider using wording similar to the following example, “Collider Drying System as more fully described in Exhibit A.” (Attach detailed description of machinery to the contract labeled as Exhibit “A”.)

DESCRIPTION OF REAL ESTATE AND STREET OR MUNICIPAL ADDRESS is needed because we file at both state and county levels. Everyone knows their street address, but the full property description is often a very lengthy and complex mishmash of numbered lots, railroad spike distances, and references to landmarks from the 19th century. I recommend obtaining this information from the warranty deed or owners title policy. A simple way to fill out this line (and it is important) is to put the street address in the blanks and then write, “For legal address, please see Exhibit B”. You may then photocopy the applicable property description section from the warranty deed to attach to the contract. Be sure to label this “Exhibit B” (or whatever exhibit number it actually is).

TERMS OF PAYMENT has three blanks that need to be filled in. The first is the total purchase price. The second is the 10% deposit required with the TAB plan. The last is the balance that will be paid on the TAB plan. One more time, reference the **QUOTATION NUMBER** in the blank below this.

A **SIGNATURE** is needed on the last page. The gin officer’s signature goes next to “By:”, followed underneath by his printed or typed name, and then his title under that.

Congratulations! You have finished the most complex step in the paperwork process and you now have the most flexible payment system working for you along with the Samuel Jackson Team to keep your gin’s cash flow strong.

Sincerely,

Chris Jackson



**“Time and Bales” Payment Program
Contract for Samuel Jackson Equipment**



This agreement is made the ____ day of _____, 200__, between SECA Partners, Ltd., a Texas limited partnership, 3900 Upland Avenue, Lubbock, Texas 79407 (*hereinafter called “seller or secured party”*) and _____ (*hereinafter called “buyer or debtor”*).

Debtor is an individual/or a _____ (state of organization) _____ (type of entity), with a charter/organizational ID# of _____ as described in the Certificate of Incorporation, Certificate of Organization, Certificate of Partnership or other organizational documents filed with the state.

Seller agrees to sell and buyer agrees to buy the Goods described upon the terms and conditions of quotation number _____, dated _____ and this contract.

Description of Goods: _____

Description of Real Estate and Street or Municipal Address: *[Describe the real estate from Deed or Title Policy and give street address of physical location where equipment installed]*

Terms of Payment:

(a) Total purchase price. \$ _____
 (b) Deposit. \$ _____
 (c) Balance to be paid in accordance with Seller’s Time and Bales Payment Plan as more particularly described on quotation number _____ attached. \$ _____

Buyer agrees to make the aforesaid payments at the address of seller shown above or at such other place as the seller or any assignee of the seller may from time to time designate in writing.

Until full and complete payment as aforesaid, seller retains a security interest in the goods to secure payment and performance of the aforesaid payment obligations of buyer [and as evidenced by promissory note of even date].

Buyer hereby warrants:

1. A portion of The Goods will be installed as fixtures on the premises described above and that the goods will not be removed from said premises without the written consent of the seller and a portion of The Goods will never be attached to real property in any way that might make them fixtures.
2. The goods are bought exclusively for use in business.
3. That the buyer will maintain insurance on said goods against risk of fire (including extended coverage), and such other risks as seller may require in such form, for such periods, and written by such companies as may be satisfactory to seller.

4. That buyer will keep the goods free from any adverse lien, security interest or encumbrance and in good order and repair and will not waste or destroy the goods or any part thereof.
5. Buyer/debtor authorizes seller/secured party to file financing statements describing the goods as necessary to perfect secured party's security interest as granted herein.
6. That buyer will pay promptly when due all taxes and assessments upon the goods or for their use or operation.

At its option, seller may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the goods, may pay for insurance on the goods and may pay for the maintenance and preservation of the goods. Buyer agrees to reimburse seller on demand for any payment made, or any expense incurred by seller pursuant to the foregoing authorization and to pay costs of collection hereof, including reasonable attorneys' fees.

7. If Buyer is an entity, Buyer's state of organization and exact legal name and organizational ID# (from its Charter) is accurately set forth in the first paragraph. Buyer will not change its name or state of organization without prior notice to seller.
8. Buyer will not relocate the goods from their place of original installation/set-up without the prior written consent of seller.
9. Until default buyer may have possession of the goods and use them in any lawful manner not inconsistent with this agreement and not inconsistent with any policy of insurance thereon.
10. Buyer shall be in default under this agreement upon the happening of any of the following events or conditions:
 - f) default in the payment or performance of any obligation, covenant or liability contained or referred to herein;
 - g) any warranty, representation or statement made or furnished to seller by or on behalf of buyer proves to have been false in any material respect when made or furnished;
 - h) any event which results in the acceleration of the maturity of the indebtedness of buyer to others under any indenture, agreement or undertaking;
 - i) loss, theft, damage, destruction, sale or encumbrance to or of any of the goods, or the making of any levy, seizure or attachment thereof or thereon;
 - j) 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 buyer or any guarantor or surety for buyer.

Upon such default and at any time thereafter, seller may declare the entire unpaid balance owed under this agreement plus any other sums owed hereunder immediately due and payable and shall have the remedies of a secured party under the Uniform Commercial Code. Expenses of retaking, holding, preparing for sale, selling or the like shall include seller's reasonable attorneys' fees and legal expenses.

- 11. No waiver by seller of any default shall operate as a waiver of any other default or of the same default on a future occasion.
- 12. Seller may assign all of the rights of seller under this agreement and buyer hereby waives, as against any such assignee, the right to assert any claim or defense which buyer might otherwise assert against seller except claims and defenses which are assertable against a holder in due course of a negotiable instrument; provided, however, that such waiver shall not prevent buyer from asserting any such defense or claim as against seller.

The terms and provisions hereof shall be binding upon buyer, his heirs, executors, administrators, personal and legal representatives and shall inure to the benefit of seller and the heirs, executors, administrators, legal representatives, successors and assigns of seller. All obligations herein are joint and several where buyer is more than one party.

SECA PARTNERS, LTD., a Texas limited partnership

By: Jaqfour Management Trust, sole general partner

By: _____
Samuel Christopher Jackson, Trustee
"Seller"

By: _____
Printed Name: _____
Title: _____
"Buyer"