

UCC-1 Form

FILER INFORMATION

Full name: **TODD J. ROMANO**

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SEND ACKNOWLEDGEMENT TO

Contact name: **LEWIS BRISBOIS BISGAARD & SMITH, LLP**

Mailing Address: **ONE CITIZENS PLAZA, SUITE 1120**

City, State Zip Country: **PROVIDENCE, RI 02903 USA**

DEBTOR INFORMATION

Org. Name: **PROUD MARY'S, LLC D/B/A UNION BURRITO**

Mailing Address: **326 BULLOCKS POINT AVENUE**

City, State Zip Country: **EAST PROVIDENCE, RI 02915 USA**

Org. Name: **THE APIARY, LLC**

Mailing Address: **64 CHANNING AVENUE**

City, State Zip Country: **RIVERSIDE, RI 02915 USA**

SECURED PARTY INFORMATION

Org. Name: **CITY OF EAST PROVIDENCE**

Mailing Address: **145 TAUNTON AVENUE**

City, State Zip Country: **EAST PROVIDENCE, RI 02914 USA**

TRANSACTION TYPE: STANDARD

CUSTOMER REFERENCE: 43327.02

COLLATERAL

ACCOUNTS NOW OWNED OR HEREAFTER ACQUIRED BY DEBTOR AND/OR COLLATERAL CO-PLEDGOR: THE TERM "ACCOUNTS" MEANS AND INCLUDES ALL ACCOUNTS RECEIVABLE, NOTES, DRAFTS, ACCEPTANCES AND OTHER FORMS OF OBLIGATIONS AND RECEIVABLES FROM GOODS SOLD OR SERVICES RENDERED, ALL GUARANTEES AND SECURITIES THEREFOR, ALL OF DEBTOR'S AND/OR COLLATERAL CO-PLEDGOR'S RIGHTS, TITLE AND INTEREST IN ANY AND ALL GOODS WHICH GAVE RISE THERETO, ALL OF DEBTOR'S AND/OR COLLATERAL CO-PLEDGOR'S RIGHTS EARNED OR TO BE EARNED HEREAFTER UNDER CONTRACT(S) TO SELL GOODS OR TO RENDER SERVICES, AND IN THE PROCEEDS THEREOF. INVENTORY NOW OWNED OR HEREAFTER ACQUIRED BY DEBTOR AND/OR COLLATERAL CO-PLEDGOR: THE TERM "INVENTORY" MEANS AND INCLUDES ALL GOODS, MERCHANDISE AND OTHER PERSONAL PROPERTY HELD AND INTENDED FOR SALE OR OTHER DISPOSITION BY DEBTOR AND/OR COLLATERAL CO-PLEDGOR AND MATERIALS AND SUPPLIES OF EVERY NATURE USED OR USABLE IN CONNECTION WITH THE SELLING OR FURNISHING OF SUCH GOODS, MERCHANDISE, AND OTHER PERSONAL PROPERTY, INCLUDING GOODS RETURNED OR TO BE RETURNED, IDENTIFIED OR NOT IDENTIFIED TO CONTRACTS, AS WELL AS ALL CONTRACT RIGHTS WITH RESPECT THERETO AND ALL DOCUMENTS REPRESENTING THE SAME. MACHINERY, EQUIPMENT AND FIXTURES NOW OWNED OR HEREAFTER ACQUIRED BY DEBTOR AND/OR COLLATERAL CO-PLEDGOR: THE COLLECTIVE TERM "MACHINERY, EQUIPMENT, AND FIXTURES" MEANS ALL MACHINERY, EQUIPMENT, FIXTURES, FURNITURE, PARTS, TOOLS, ATTACHMENTS, SUPPLIES AND ALL SUBSTITUTIONS THEREFOR AND REPLACEMENTS THEREOF AND ANY AND ALL ADDITIONS AND ACCESSIONS THERETO. REAL ESTATE – 332 BULLOCKS POINT AVENUE, RIVERSIDE, RHODE ISLAND 02915

SECURITY AGREEMENT

Proud Mary's, LLC d/b/a Union Burrito a Rhode Island limited liability corporation with a principal place of business located at 326 Bullocks Point Avenue, Riverside, Rhode Island 02915 (the "Debtor") as well as **The Apiary, LLC**, a Rhode Island limited liability corporation with a principal place of business located at 64 Channing Avenue, Riverside, East Providence, Rhode Island 02915 (the "Collateral Co-Pledgor"), for valuable consideration, receipt whereof is hereby acknowledged, hereby grants to the **City of East Providence**, a Rhode Island municipal corporation, having a principal place of business located at 145 Taunton Avenue, East Providence, RI 02914 (the "Secured Party"), a security interest in the following property and any and all substitutions therefor and replacements thereof and any and all additions and accessions thereto, hereinafter, as appropriately designated, called the "Collateral":

FIRST: THE COLLATERAL:

All tangible and intangible personal property, and real estate, of the Debtor and Collateral Co-Pledgor, whether now or hereafter acquired, or in which the Debtor or Collateral Co-Pledgor may now have or hereafter acquire an interest, wherever located, including all machinery, equipment, inventory, accounts, fixtures, general intangibles, chattel paper and instruments, and specifically including without limitation, the following collateral:

Accounts - now owned or hereafter acquired by Debtor and/or Collateral Co-Pledgor:

The term "accounts" means and includes all accounts receivable, notes, drafts, acceptances and other forms of obligations and receivables from goods sold or services rendered, all guarantees and securities therefor, all of Debtor's and/or Collateral Co-Pledgor's rights, title and interest in any and all goods which gave rise thereto, all of Debtor's and/or Collateral Co-Pledgor's rights earned or to be earned hereafter under contract(s) to sell goods or to render services, and in the proceeds thereof.

Inventory - now owned or hereafter acquired by Debtor and/or Collateral Co-Pledgor:

The term "inventory" means and includes all goods, merchandise and other personal property held and intended for sale or other disposition by Debtor and/or Collateral Co-Pledgor and materials and supplies of every nature used or usable in connection with the selling or furnishing of such goods, merchandise, and other personal property, including goods returned or to be returned, identified or not identified to contracts, as well as all contract rights with respect thereto and all documents representing the same.

Machinery, Equipment and Fixtures - now owned or hereafter acquired by Debtor and/or Collateral Co-Pledgor:

The collective term "machinery, equipment, and fixtures" means all machinery, equipment, fixtures, furniture, parts, tools, attachments, supplies and all substitutions therefor and replacements thereof and any and all additions and accessions thereto.

SECOND: POSSESSION OF THE COLLATERAL

Until default, Debtor and Collateral Co-Pledgor may have possession of the Collateral, which is to be kept at Debtor's or Collateral Co-Pledgor's principal place of business, or such other location as the Secured Party may agree, and use it in any lawful manner not inconsistent with this Agreement or with the terms or conditions of any policy of insurance thereon.

THIRD: THE OBLIGATIONS

The security interest herein granted is to secure the payment of principal and interest as provided in a Promissory Note of Debtor of even date herewith in the principal amount of **NINETY-NINE THOUSAND NINE HUNDRED NINETY-NINE AND 00/100 DOLLARS (\$99,999.00)**, and any and all other indebtedness, liabilities, and obligations of said Debtor to Secured Party, deriving from and under the Loan Agreement referenced below, whether direct or indirect, absolute or contingent, due or to become due, secured or unsecured, now existing or hereafter arising. Any and all deposits or other sums at any time credited by or due from Secured Party to Debtor shall at all times constitute security for said obligations and Secured Party may apply or set-off such deposits or other sums against Debtor's obligations at any time whether or not said obligations are then due.

FOURTH: REPRESENTATIONS, WARRANTIES AND COVENANTS

Debtor and Collateral Co-Pledgor represent, warrant, and covenant as follows:

- (a) That except for the security interests granted hereby and security interests permitted under that certain Loan Agreement between Secured Party and Debtor of even date (the "Permitted Encumbrances"), Debtor and Collateral Co-Pledgor have or in the case of after acquired Collateral, will have good and marketable title to the Collateral free from any adverse lien, security interest or encumbrance; and that Debtor and Collateral Co-Pledgor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein;
- (b) That all warranties, representations, statements and other information furnished to Secured Party by or on behalf of Debtor and Collateral Co-Pledgor are or will be when the same are made or furnished accurate and complete in all material respects;
- (c) That the Collateral is or will be kept and located at the above addresses and Debtor and Collateral Co-Pledgor will give Secured Party ten (10) days prior notice in writing of any change in, addition to, or discontinuance of the location where the Collateral is kept and that Debtor and Collateral Co-Pledgor will not remove any Collateral from the above location without prior written consent of Secured Party, except in the ordinary course of business, for repair, replacement or disposition of Collateral which is damaged, defective or obsolete and which is being replaced or repaired by or with Collateral having equal or greater value;

(d) That if the Collateral or any part thereof is attached to real estate prior to the perfection of the security interest granted hereby, Debtor and Collateral Co-Pledgor will, upon demand of Secured Party, furnish Secured Party with a disclaimer or disclaimers satisfactory to Secured Party and signed by all persons having an interest in such real estate. This clause specifically excludes any affixed signage of Debtor at the subject premises;

(e) That to Debtor's and Collateral Co-Pledgor's knowledge no financing statement covering any Collateral or any proceeds thereof is on file in any public office, except as previously reported in UCC Rundown, and that, at the request of Secured Party, Debtor and Collateral Co-Pledgor will join with Secured Party in executing one or more financing statements pursuant to the Uniform Commercial Code in form reasonably satisfactory to Secured Party and will pay the cost of filing the same in all public offices wherever filing is reasonably deemed by Secured Party to be necessary;

(f) That Debtor and Collateral Co-Pledgor will not sell or offer to sell or otherwise transfer the Collateral or any interest therein without the prior written consent of Secured Party except for transfers in the ordinary course of business;

(g) That Debtor and Collateral Co-Pledgor shall have and maintain insurance at all times with respect to all Collateral against risks of fire and such other risks customarily insured against by companies engaged in similar businesses to that of Debtor and Collateral Co-Pledgor. Subject to the rights and interests of any other secured creditor identified in the Loan Agreement to hold Permitted Encumbrances, such insurance on any claim in excess of ten thousand and 00/100 Dollars (\$10,000) shall be payable to Secured Party as its interest may appear. Debtor and Collateral Co-Pledgor shall furnish to Secured Party certificates or other evidence reasonably satisfactory to Secured Party of compliance with these insurance requirements. If any proceeds under any insurance policies are paid to Secured Party while any obligations are outstanding, Secured Party may apply such proceeds to the payment of such obligations or if replacement, repair and/or rehabilitation of the Collateral with the available insurance proceeds is feasible, Secured Party shall release such proceeds to Debtor and Collateral Co-Pledgor, as appropriate, for the purpose of replacing the lost, damaged or destroyed Collateral with or respect to which such proceeds were paid. Debtor and Collateral Co-Pledgor have the right of free choice in the selection of the agent and insurer through or by which insurance required hereunder is to be placed;

(h) That except for the Permitted Encumbrances and as otherwise provided herein and in the ordinary course of business, Debtor and Collateral Co-Pledgor will keep the Collateral free from any adverse lien, security interest or encumbrance and in good order and repair and will not waste or destroy the Collateral; and that Secured Party may examine and inspect the Collateral at any time, upon at least five (5) days prior written notice, wherever located;

(i) That Debtor and Collateral Co-Pledgor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation;

(j) That to Debtor's and Collateral Co-Pledgor's knowledge the accounts receivable constituting a portion of the Collateral and all papers and documents relating thereto are genuine and in all respects what they purport to be; the same are valid and in existence and arise out of bona fide

sales of goods, or out of and for services heretofore rendered by Debtor and Collateral Co-Pledgor to the account debtors and each of them; and the amount of the account receivable represented on Debtor's and Collateral Co-Pledgor records as owing by each such account debtor, except for normal cash discounts, is not to be disputed and except for such normal cash discounts or other adjustments made in the ordinary course of business is not subject to any set-offs, credits, deductions, or counterchanges. Similar representations and warranties will be assumed to exist as to accounts hereafter arising, except as to set-offs, credits, deductions, counterchanges and disputes as to which Debtor and Collateral Co-Pledgor gives prompt written notice to Secured Party.

(k) That Debtor and Collateral Co-Pledgor will ensure all necessary local and federal licenses or permits are obtained and maintained to legally operate its business, as well as the necessary licensing and/or certifications associated with the establishments and operations of a business that serves alcoholic beverages.

FIFTH: TAXES, ASSESSMENTS AND GOVERNMENTAL CHARGES

At its option, Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed upon the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral to the extent Debtor or Collateral Co-Pledgor is delinquent in performing those responsibilities. Any payment made or expense incurred by Secured Party pursuant to this provision shall be payable on demand and shall be secured by this Agreement.

SIXTH: MISCELLANEOUS PROVISIONS

(a) The provisions of this Agreement may be amended, or in compliance with this Agreement waived at any time only by the written agreement of Secured Party and Debtor and Collateral Co-Pledgor;

(b) Debtor and Collateral Co-Pledgor shall do, make, execute, and deliver all such additional and further acts, things, deeds, assurances and instruments as Secured Party may reasonably require for the purpose of more completely vesting in and assuring to Secured Party its rights hereunder in or to the Collateral;

(c) Any notice or demand which by any provision of this Agreement is required or provided to be given shall be deemed to have been sufficiently given or served for all purposes four (4) business days after being sent by U.S. Certified Mail, Return Receipt Requested, postage prepaid, to Debtor, Collateral Co-Pledgor and/or to Secured Party at the addresses for each as mentioned above or such other address of which such party has been notified, in writing, or to Debtor or Collateral Co-Pledgor, of which Secured Party has become aware as being a more recent address;

(d) All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns and all obligations of Debtor and/or Collateral Co-Pledgor hereunder shall bind his, their, or its administrators, executors, successors and assigns;

(e) This Agreement and all of the rights, remedies and duties of Secured Party and Debtor and/or Collateral Co-Pledgor shall be governed by the laws of the State of Rhode Island;

(f) In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but each shall be construed as if such invalid, illegal, or unenforceable provision had never been included.

SEVENTH: EVENTS OF DEFAULT

Debtor and/or Collateral Co-Pledgor shall be in default under this Agreement upon the happening of any of the following events:

(a) Default by Debtor in payment of any monetary obligation, contained or referred to herein not cured within fourteen (14) days after notice to Debtor and Collateral Co-Pledgor, or in any other agreement between the parties or in any note secured hereby or thereby, which continues beyond any applicable cure period or default by Debtor in the performance of any other obligation, covenant or agreement contained or referred to herein and not cured within sixty (60) days after notice to Debtor and Collateral Co-Pledgor;

(b) Material breach by Debtor and/or Collateral Co-Pledgor of any representation or warranty contained herein or in any other security agreement between the parties or in any note secured hereby or thereby;

(c) The acceleration of the maturity of indebtedness of Debtor and/or Collateral Co-Pledgor to others under any indenture, agreement or undertaking;

(d) Substantial loss, theft, damage, destruction or encumbrance (except for Permitted Encumbrances) of any of the Collateral, which loss, theft, damage or destruction is inadequately insured against;

(e) Debtor and/or Collateral Co-Pledgor becomes insolvent; or is unable to pay its debts as they mature, or discontinues business operations; or makes an assignment for the benefit of creditors or a composition or extension agreement; or applies, or is the subject of application, to any Court or authority for any receiver or trustee for Debtor and/or Collateral Co-Pledgor or any substantial part of its property; or files or commences any petition or proceeding, or the same is commenced by another party in respect to Debtor and/or Collateral Co-Pledgor or its assets pursuant to any law, state or federal, relating to bankruptcy, insolvency, or the relief of debtors generally, or seeking the dissolution or liquidation of Debtor and/or Collateral Co-Pledgor, and the same remains unremedied for a period of sixty (60) days.

EIGHTH: REMEDIES

If any of the Events of Default specified herein shall occur, then in such event and at any time thereafter while such Event of Default is continuing but after any applicable grace or notice period, Secured Party may declare all obligations secured hereby to be immediately due and payable

without presentment, demand, protest, or other notice of any kind, all of which are hereby expressly waived. Secured Party, in addition to such other rights and remedies as are or may be set forth in this Agreement and in any other agreement between the parties or any note secured hereby or thereby may exercise and shall have the rights and remedies of a Secured Party under the Uniform Commercial Code in effect in Rhode Island. Subject to the priority rights of any other secured creditor identified in the Loan Agreement, Secured Party may exercise its rights hereunder without giving Debtor and/or Collateral Co-Pledgor any opportunity for hearing to be held, through judicial process or otherwise, before Secured Party takes possession of the Collateral upon the occurrence of any event of default and Debtor and/or Collateral Co-Pledgor expressly waive the right, if any, to such prior hearing. Secured Party may require Debtor and/or Collateral Co-Pledgor to assemble the Collateral and make it available to the Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor and Collateral Co-Pledgor reasonable notice of the time and place of any public sale thereof or the time after which any private sale or any other intended disposition thereof is to be made. The requirement of reasonable notice shall be met if notice is mailed, postage prepaid, to Debtor and/or Collateral Co-Pledgor at its above-mentioned address, at least fifteen (15) days before the time of sale or disposition of the Collateral. Debtor and/or Collateral Co-Pledgor shall pay to Secured Party, on demand, any and all reasonable expenses, including any reasonable attorneys' fees, legal expenses, incurred or paid by Secured Party in protecting or enforcing its rights, powers and remedies hereunder or under any other agreement between the parties or any note secured hereby or thereby or in any way connected with any proceeding or action by whomsoever initiated concerning the protection or enforcement thereof.

No delay in taking any action with respect to any event of default shall affect the rights of Secured Party later to take such action with respect thereto and no waiver by Secured Party of any default shall operate as a waiver of any other default, or the same default on a future occasion.

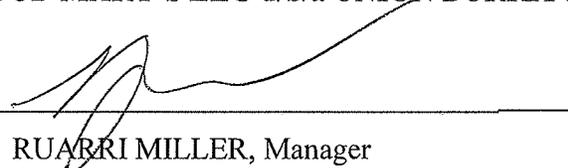
NINTH: PROVISIONS APPLICABLE TO ACCOUNTS ONLY

Upon such default (after any applicable grace or notice period) and at any time thereafter while such Event of Default is continuing and subject to the priority rights of any other secured creditor identified in the Loan Agreement, (a) Secured Party shall have the right in its own name or in the name of Debtor and/or Collateral Co-Pledgor to demand, collect, receive, sue for, compromise and give acquittance for, any and all amounts due or to become due on the accounts constituting a portion of the Collateral and to endorse the name of Debtor and/or Collateral Co-Pledgor on all commercial paper given in payment or part payment thereof, and in its discretion to file any claim or take other action which Secured Party may deem necessary or appropriate to protect and preserve and realize upon its security interest in such accounts and the proceeds thereof; (b) Secured Party may require Debtor and/or Collateral Co-Pledgor to mark its records to reflect the assignment to Secured Party of receivables constituting a part of the Collateral; (c) Secured Party shall have the right to notify any and all account debtors to make payment thereof directly to Secured Party; but to the extent Secured Party does not so elect, Debtor and/or Collateral Co-Pledgor shall continue to collect such accounts. All proceeds of said accounts, in whatsoever form received by the Debtor or Collateral Co-Pledgor, shall be immediately delivered by Debtor

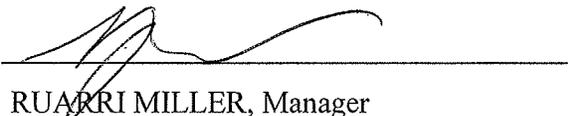
or Collateral Co-Pledgor to Secured Party in the form as received by Debtor or Collateral Co-Pledgor, and until so delivered, Debtor and Collateral Co-Pledgor agree that all sums so collected shall be the property of Secured Party, held in trust by Debtor or Collateral Co-Pledgor for Secured Party, and not co-mingled with Debtor's and/or Collateral Co-Pledgor's other funds; provided, however, that Secured Party in its discretion to such extent and for such periods, if any, as it sees fit, may authorize Debtor and/or Collateral Co-Pledgor to use or retain some or all of the sums so collected from such accounts for other purposes. Proceeds transmitted to Secured Party may be handled and administered by Secured Party in and through a remittance account or similar mechanism; but Debtor and Collateral Co-Pledgor acknowledge that the maintenance of such an account is solely for the convenience of Secured Party in facilitating its own operations and that Debtor and/or Collateral Co-Pledgor have not and shall not have any right, title or interest in said account or in the amounts at any time appearing to the credit thereof. Except to the extent Secured Party may from time to time in its discretion release proceeds to Debtor or Collateral Co-Pledgor for use in its business, all proceeds received by Secured Party shall be applied to the indebtedness secured hereby, but Secured Party need not apply nor give credit for any item included in such proceeds until Secured Party has received final payment thereof at its office in cash or solvent credits accepted by Secured Party as such.

IN WITNESS WHEREOF, Debtor, Collateral Co-Pledgor and Lender have executed and delivered this Agreement by their respective duly authorized officers on this May 26 day of May, 2022.

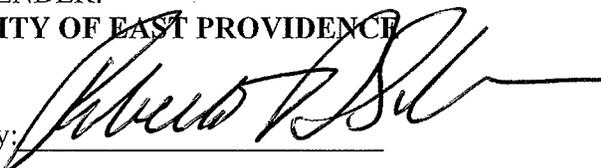
DEBTOR:
PROUD MARY'S LLC d/b/a UNION-BURRITO

By: 
RUARRI MILLER, Manager

COLLATERAL CO-PLEDGOR:
THE APIARY, LLC

By: 
RUARRI MILLER, Manager

LENDER:
CITY OF EAST PROVIDENCE

By: 

5/26/2022
Date