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5. Use the proceeds of the loan solely for the purposes set forth in the Authorization for the Loan issued by Payee.

6. On demand, reimburse Payee for any and all expenses incurred, or which may be hereafter incurred by Payee from time to time in connection with or by reason of borrower's application for, and the making and administration of, the loan.

Negative Covenants. - The Undersigned covenants and agrees that, without the prior written consent of the Payee, Undersigned will not:

1. Create, assume or otherwise suffer to exist any mortgage, pledge or other incumbrance upon any of the real or tangible personal property of the Undersigned, whether now owned or hereafter acquired, except (a) liens for taxes or other governmental charges not delinquent or being contested in good faith, or (b) purchase money liens upon property acquired after the date of the Note, and other liens upon such property at the time of the acquisition thereof.

2. (a) If Undersigned is a corporation, declare or pay any dividend or make any distribution upon its capital stock, or purchase or retire any of its capital stock, or consolidate or merge with any other company, or make any advance, directly or indirectly, by way of loan, gift, bonus, commission, or otherwise, to any company directly or indirectly controlling or affiliated with or controlled by Undersigned, or to any officer, director, or employee of Undersigned, or of any such company, (b) if Undersigned is a partnership or individual, make any distribution of assets of the business of Undersigned, other than reasonable compensation for services, or make any advance, directly or indirectly, by way of loan, gift, bonus, commission, or otherwise, to any partner or any of its employees, or to any company directly or indirectly controlling or affiliated with or controlled by Undersigned.

Events of Default. - The indebtedness (including principal, interest and expenses) shall immediately become due and payable, without notice or demand, upon the appointment of a receiver or liquidator, whether voluntary or involuntary, for the Undersigned or for any of its property, or upon the filing of a petition by or against the Undersigned under the provisions of any State insolvency law or under the provisions of the Bankruptcy Act of 1898, as amended, or upon the making by the Undersigned of an assignment for the benefit of its creditors. Payee is authorized to declare all or any part of the indebtedness immediately due and payable upon the happening of any of the following events: (1) Failure to pay any part of the indebtedness when due; (2) nonperformance by the Undersigned of any agreement with, or any condition imposed by, Payee with respect to the indebtedness; (3) Payee's discovery of the Undersigned's failure in any application of the Undersigned to Payee to disclose any fact deemed by Payee to be material or of the making therein or in any of the said agreements, or in any affidavit or other documents submitted in connection with said application or the indebtedness, or of any misrepresentation by, on behalf of, or for the benefit of the Undersigned; (4) the reorganization (other than a reorganization pursuant to any of the provisions of the Bankruptcy Act of 1898, as amended) or merger or consolidation of the Undersigned (or the making of any agreement therefor) without the prior written consent of Payee; (5) the Undersigned's failure duly to account, to Payee's satisfaction, at such time or times as Payee may require, for any of the collateral, or proceeds thereof, coming into the control of the Undersigned; or (6) the institution of any suit affecting the Undersigned deemed by Payee to affect adversely its interest hereunder in the collateral or otherwise. Payee's failure to exercise any of its rights under this paragraph shall not constitute a waiver thereof.

Upon nonpayment of interest or any installment of principal when due, the Undersigned and sureties authorize the Payee to sell, at public or private sale, any or all collateral deposited and property pledged to secure the payment of this Note, and apply the proceeds of sale, less expense, to the payment of this Note.

The security rights of Payee and its assigns hereunder shall not be impaired by any indulgence, release, renewal, extension, or modification which Payee may grant with respect to the indebtedness or any part thereof, or in respect to the collateral or in respect to any endorser, guarantor, or surety without notice or consent of the Undersigned or any endorser, guarantor or surety.

IN WITNESS WHEREOF We have hereunto set our hands and seals the day and year first above written.

Robert L. Gallamore, d/b/a
ENSLEY SEWING MACHINE CENTER
By Robert L. Gallamore (L.S.)

I/We hereby guarantee payment of this Note:
Mary L. Gallamore (L.S.)
Mary L. Gallamore (Wife)

Note. - Corporate applicants or guarantors must execute Note, in corporate name, by duly authorized officer, and seal must be affixed and duly attested; partnership applicants or guarantors must execute Note in firm name, together with signature of a general partner.