

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **January 20, 2006**

Able Energy, Inc.

(Exact name of registrant specified in charter)

Delaware
(State of Incorporation)

001-15035
(Commission File Number)

22-3520840
(IRS Employer
Identification No.)

198 Green Pond Road, Rockaway, NJ 07866
(Address of principal executive offices) (Zip Code)

(973) 625-1012
Registrant's Telephone Number

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 8.01 OTHER EVENTS.

As previously disclosed in our Current Report on Form 8-K filed with the SEC on June 16, 2005, and our current report on Form 8-K filed with the SEC on November 18, 2005, we have entered into an agreement, subject to shareholder approval, to purchase a significant portion of the assets of our largest shareholder, All American Plazas, Inc. ("All American"). All American has recently consummated a financing that, if such acquisition of All American's assets is consummated, will impact us. Accordingly, this Current Report on Form 8-K is being filed to describe the financing recently completed by All American whereby convertible debentures in the aggregate amount of \$2,500,000 and other rights were purchased by a group of purchasers/investors. The proceeds of this financing will be used for the acquisition of certain real property located in New Hampshire.

The following description of the terms of the All American's financing is qualified in its entirety by the terms and provisions contained in the financing documentation attached to this Current Report on Form 8-K as Exhibits 99.1 through 99.5.

Pursuant to the terms of the Securities Purchase Agreement dated January 20, 2006 (the "Agreement"), among All American and certain purchasers identified therein (collectively, the "Purchasers"), the Purchasers loaned All American an aggregate of \$2,500,000, evidenced by Secured Debentures also dated January 20, 2006 (the "Debentures"). The Debentures shall be repaid within two years from the date of issuance, subject to the occurrence of an event of default, with interest payable at the rate per annum equal to LIBOR for the applicable interest period, plus 4% payable on a quarterly basis on April 1st, July 1st, October 1st and January 1st, beginning on the first such date after the date of issuance of the Debentures. The loan is secured by, among other things, real estate property in New Hampshire owned by an All American subsidiary and All American's equity interests in such subsidiary. In the event that we do not complete the acquisition of All American prior to the expiration of the 12-month anniversary of the Agreement, All American shall be considered in default of the loan. Other default conditions also may apply. Pursuant to the Additional Investment Right (the "AIR Agreement") among All American and the Purchasers, the Purchasers may loan All American up to an additional \$2,500,000 on the same terms and conditions as the initial \$2,500,000 loan, except for the conversion price of the debentures.

If we consummate the acquisition of the All American assets, upon such consummation, we will assume the obligations of All American under the Agreement, the Debentures and the AIR Agreement through the execution of a Securities Assumption, Amendment and Issuance Agreement and Variable Rate Secured Convertible Debenture Agreement, each between the Purchasers and us (the "Able Energy Transaction Documents"). Such documents provide that we shall cause the collateral securing the Debentures to continue to secure such loan until the full repayment of the loan upon expiration of the Debentures or upon conversion of the Debentures in accordance with the terms of the Able Energy Transaction Documents. Forms of the Able Energy Transaction Documents will be substantially similar to those analogous documents which we filed as exhibits to our current report on Form 8-K filed with the SEC on June 10, 2005.

It is currently contemplated that if the Able/All American transaction is consummated, the shareholders of All American will escrow a sufficient number of shares to satisfy the exchange of the \$2,500,000 in outstanding Debentures for convertible debentures to purchase our common stock at \$3.00 per share, 50% warrant coverage at \$3.75 exercise price and certain additional pro rata investment rights.

As reported in our Current Report on Form 8-K filed with the SEC on August 15, 2005, we previously entered into an assignment agreement with TruckStops Direct (“TSD”) where TSD assigned to us all of its rights in an executed letter of intent with GSN Interstate Truck Stop Network Inc. (“GSN”). TSD is an affiliate of All American Plazas, Inc. We have since that time discontinued our discussions with GSN and have no immediate plans to pursue the purchase of GSN under such letter of intent.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

The following exhibits are furnished with this report:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Securities Purchase Agreement, by and among All American and the Purchasers, dated as of January 20, 2005.
99.2	Form of Secured Debenture, made as of January 20, 2005, by All American in favor of the Purchasers.
99.3	Form of Additional Investment Right, by and among All American, and the Purchasers, dated as of January 20, 2005.
99.4	Form of Security Agreement, dated as of January 20, 2006, by and between All American and the Purchasers.
99.5	Loan Agreement, dated as of January 20, 2006, by and between All American, St. John’s Realty Corporation and the Purchasers.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized on this 23rd day of January, 2006.

ABLE ENERGY, INC.

By: /s/ Gregory D. Frost

Name: Gregory D. Frost

Title: Chief Executive Officer

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this “Agreement”) is dated as of January __, 2006, among All American Plazas, Inc., a Pennsylvania corporation (the “Company”), and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a “Purchaser” and collectively the “Purchasers”).

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(2) of the Securities Act of 1933, as amended (the “Securities Act”) and Rule 506 promulgated thereunder, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

ARTICLE I. DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement: (a) capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Debentures (as defined herein), and (b) the following terms have the meanings indicated in this Section 1.1:

“Able Energy” shall mean Able Energy Inc., a Delaware corporation.

“Able Energy Transaction” shall mean the business combination of the Company by Able Energy such that, upon completion of the business combination, Able Energy owns all of the assets of All American.

“Able Energy Transaction Documents” means the securities assumption, amendment and issuance agreement, the convertible debentures, the security agreement, the warrants and any other documents or agreements executed in connection with the transactions contemplated under such securities assumption, amendment and issuance agreement which shall be substantially in the form of Annex X attached to the Prior Security Agreement, except that the additional investment right in Section 4.18 of the Securities, Assumption, Amendment and Issuance Agreement to be entered into to facilitate the exchange of Debentures issued hereunder shall be for up to \$6.16 million rather than \$14 million, and any provisions relating thereto shall be applied ratably (for example, the conversion prices shall be based on increments of \$2.8 million rather than \$7 million). Additionally, the Subsidiary Borrowers, as defined in the form of debenture included in Annex X, shall be the Tenney Subsidiary. This Able Energy Transaction

Documents shall be in addition to, and not supersede or amend, the execution and completion of transactions contemplated under the Prior Security Agreement.

“Action” shall have the meaning ascribed to such term in Section 3.1(j).

“Additional Investment Right” means the Additional Investment Rights as described in Section 2.2(a)(vi), in the form of Exhibit D attached hereto.

“Additional Investment Right Securities” means the Debentures issuable upon exercise of the Additional Investment Right.

“Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 144 under the Securities Act. With respect to a Purchaser, any investment fund or managed account that is managed on a discretionary basis by the same investment manager as such Purchaser will be deemed to be an Affiliate of such Purchaser.

“Business Day” means any day except Saturday, Sunday and any day which shall be a federal legal holiday in the United States or a day on which banking institutions in the State of New York are authorized or required by law or other government action to close.

“Closing” means the closing of the purchase and sale of the Debentures and Additional Investment Rights pursuant to Section 2.1.

“Closing Date” means the Business Day when all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchasers’ obligations to pay the Subscription Amount and (ii) the Company’s obligations to deliver the Debentures and Additional Investment Rights have been satisfied or waived.

“Commission” means the Securities and Exchange Commission.

“Common Stock” means the common stock of the Company, par value \$0.001 per share, and any other class of securities into which such securities may hereafter have been reclassified or changed into.

“Common Stock Equivalents” means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

“Company Counsel” means Austern & Austern, P.C.

“Debentures” means, the Secured Debentures, in the form of Exhibit A, due 24 months from their date of issuance, issued, jointly and severally by the Company and Tenney Subsidiary to the Purchasers hereunder and subject to the terms therein.

“Disclosure Schedules” shall have the meaning ascribed to such term in Section 3.1 hereof.

“Exempt Issuance” means the issuance of (a) shares of Common Stock or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted by a majority of the non-employee members of the Board of Directors of the Company or a majority of the members of a committee of non-employee directors established for such purpose, (b) convertible securities, options or warrants issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise or conversion price of any such securities and (c) securities issued pursuant to acquisitions or strategic transactions, provided any such issuance shall only be to a Person which is, itself or through its subsidiaries, an operating company in a business synergistic with the business of the Company and in which the Company receives benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

“FW” means Feldman Weinstein LLP with offices at 420 Lexington Avenue, Suite 2620, New York, New York 10170-0002.

“GAAP” shall have the meaning ascribed to such term in Section 3.1(h) hereof.

“Intellectual Property Rights” shall have the meaning ascribed to such term in Section 3.1(o).

“Liens” means a lien, charge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

“Loan Documents” shall mean that certain Loan Agreement, dated the date hereof, by and among the Company, the Purchasers and Tenney Subsidiary, and all documents required thereunder granting a security interest and lien on the real and personal property of the Company and Tenney Subsidiary, which agreement and which documents shall be in form and substance reasonably satisfactory to the Purchasers.

“Material Adverse Effect” shall have the meaning assigned to such term in Section 3.1(b) hereof.

“Material Permits” shall have the meaning ascribed to such term in Section 3.1(m).

“Maximum Rate” shall have the meaning ascribed to such term in Section 5.17.

“Participation Maximum” shall have the meaning ascribed to such term in Section 4.7.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Pledge Documents” shall mean that certain Pledge Agreement, dated as of the date hereof, by and among the Company and the Purchasers and all documents required thereunder whereby the Company pledges to the Purchasers all of the equity of Tenney Subsidiary to secure the obligations under the Transaction Documents, which documents shall be in form and substance reasonably satisfactory to the Purchasers.

“Prior Security Agreement” means the Securities Purchase Agreement, dated May 26, 2005, by and among the Company and the purchasers signatory thereto and the agreements entered into in connection therewith and the transactions contemplated thereunder.

“Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“Purchaser Party” shall have the meaning ascribed to such term in Section 4.6.

“Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“Securities Act” means the Securities Act of 1933, as amended.

“Subscription Amount” means, as to each Purchaser, the aggregate amount to be paid for the Debenture and Additional Investment Right purchased hereunder as specified below such Purchaser’s name on the signature page of this Agreement and next to the heading “Subscription Amount”, in United States Dollars and in immediately available funds.

“Subsequent Financing” shall have the meaning ascribed to such term in Section 4.7.

“Subsequent Financing Notice” shall have the meaning ascribed to such term in Section 4.7.

“Subsidiary” means any subsidiary of the Company as set forth on Schedule 3.1(a).

“Tenney Subsidiary” shall mean St. John’s Realty Corporation, a _____ corporation, residing at _____.

“Transaction Documents” means this Agreement, the Debentures, the Loan Documents, the Pledge Documents, the Additional Investment Right and any other documents or agreements executed in connection with the transactions contemplated hereunder.

ARTICLE II. PURCHASE AND SALE

2.1 Closing. On the Closing Date, upon the terms and subject to the conditions set forth herein, concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and each Purchaser agrees to purchase in the aggregate, severally and not jointly, up to \$2,500,000 principal amount of the Debentures. Each Purchaser shall deliver to the Company via wire transfer or a certified check immediately available funds equal to their Subscription Amount and the Company shall deliver to each Purchaser their respective Debenture and Additional Investment Right as determined pursuant to Section 2.2(a) and the other items set forth in Section 2.2 issuable at the Closing. Upon satisfaction of the conditions set forth in Section 2.2, the Closing shall occur at the offices of FW, or such other location as the parties shall mutually agree.

2.2 Deliveries.

a) On the Closing Date, the Company shall deliver or cause to be delivered to each Purchaser the following:

- (i) this Agreement duly executed by the Company;
- (ii) a Debenture with a principal amount equal to such Purchaser’s Subscription Amount, registered in the name of such Purchaser;
- (iii) all Loan Documents, duly executed by the Company where required;
- (iv) all Pledge Documents, duly executed by the Company where required;
- (v) written agreements in the form of Exhibit B attached hereto from the shareholders of Able Energy holding a controlling interest in Able Energy;
- (vi) for each \$1 principal amount of Debentures purchased by such Purchaser hereunder, an Additional Investment Right to purchase an additional \$1 principal amount of Debenture on the same terms and conditions as the Debentures issued hereunder; and

(vii) a legal opinion of Company Counsel, in the form of Exhibit C attached hereto.

b) On the Closing Date, each Purchaser shall deliver or cause to be delivered to the Company the following:

(i) this Agreement duly executed by such Purchaser;

(ii) such Purchaser's Subscription Amount by wire transfer to the account as specified in writing by the Company;

(iii) the Loan Documents, duly executed by such Purchaser; and

(iv) the Pledge Documents.

2.3 Closing Conditions.

a) The obligations of the Company hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects when made and on the Closing Date of the representations and warranties of the Purchasers contained herein;

(ii) all obligations, covenants and agreements of the Purchasers required to be performed at or prior to the Closing Date shall have been performed; and

(iii) the delivery by the Purchasers of the items set forth in Section 2.2(b) of this Agreement.

b) The respective obligations of the Purchasers hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects on the Closing Date of the representations and warranties of the Company contained herein;

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed;

(iii) the delivery by the Company of the items set forth in Section 2.2(a) of this Agreement;

(iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof; and

(v) From the date hereof to the Closing Date, a banking

moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of each Purchaser, makes it impracticable or inadvisable to purchase the Debentures at the Closing.

ARTICLE III. REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as set forth under the corresponding section of the disclosure schedules delivered to the Purchasers concurrently herewith (the “Disclosure Schedules”) which Disclosure Schedules shall be deemed a part hereof, the Company hereby makes the representations and warranties set forth below to each Purchaser.

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth on Schedule 3.1(a). The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, and all the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities. If the Company has no subsidiaries, then references in the Transaction Documents to the Subsidiaries will be disregarded.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization (as applicable), with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation or default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in (i) a material adverse effect on the legality, validity or enforceability of any Transaction Documents, (ii) a material adverse effect on the results of operations, assets, business, prospects or financial condition of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company’s ability to perform in any material respect on a timely basis its obligations under any Transaction Documents (any of (i), (ii) or (iii), a “Material Adverse Effect”) and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by each of the Transaction Documents and otherwise to carry out its obligations thereunder. The execution and delivery of each of the Transaction Documents by the Company and the consummation by it of the transactions contemplated thereby have been duly authorized by all necessary action on the part of the Company. Each Transaction Document has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

(d) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the other transactions contemplated thereby do not and will not: (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents.

(f) Issuance of the Debentures and Additional Investment Rights. The Debentures and Additional Investment Rights are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents.

(g) Capitalization. The capitalization of the Company is as described in Schedule 3.1(g). The Company has not issued any capital stock other than as set forth on Schedule 3.1(g). No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as a result of the purchase and sale of the Debentures and Additional Investment Rights or as set forth on Schedule 3.1(g), there are no outstanding options, warrants, script rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exchangeable for, or giving any Person any right to subscribe for or acquire, any shares of Common Stock, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents. The issuance and sale of the Debentures and Additional Investment Rights will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Purchasers) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under such securities. All of the outstanding shares of capital stock of the Company are validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any stockholder, the Board of Directors of the Company or others is required for the issuance and sale of the Debentures and Additional Investment Rights. Except as disclosed in Schedule 3.1(g), there are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders. A complete list of stockholders of record, with their shareholdings as of the date hereof, is included in Schedule 3.1(g).

(h) Financial Statements. The audited financial statements of the Company for its last three fiscal years and unaudited statements for the most recent fiscal quarter, are attached hereto as Schedule 3.1(h). Such financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("GAAP"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(i) Material Changes. Since the date of the Company's most recent financial statements, attached hereto as Schedule 3.1(h), (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be

reflected in the Company's financial statements pursuant to GAAP, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans.

(j) Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Debentures and Additional Investment Rights or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the Commission involving the Company or any current or former director or officer of the Company.

(k) Labor Relations. No material labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company which could reasonably be expected to result in a Material Adverse Effect.

(l) Compliance. Neither the Company nor any Subsidiary (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any order of any court, arbitrator or governmental body, or (iii) is or has been in violation of any statute, rule or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws applicable to its business except in each case as could not have a Material Adverse Effect.

(m) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in Schedule 3.1(m), except where the failure to possess such permits could not have or reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(n) Title to Assets. The Company and the Subsidiaries have good and marketable title to all mineral rights, interests that, individually or in the aggregate, are material to the business of the Company and the Subsidiaries and good and marketable title in fee simple to all real property owned by them that is material to the business of the Company and the Subsidiaries and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and Liens for the payment of federal, state or other taxes, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases of which the Company and the Subsidiaries are in compliance.

(o) Patents and Trademarks. The Company and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, copyrights, licenses and other similar rights necessary or material for use in connection with their respective businesses as described in Schedule 3.1(o) and which the failure to so have could have a Material Adverse Effect (collectively, the “Intellectual Property Rights”). Neither the Company nor any Subsidiary has received a written notice that the Intellectual Property Rights used by the Company or any Subsidiary violates or infringes upon the rights of any Person. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights of others.

(p) Insurance. The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage at least equal to the aggregate principal amount of the Debentures. To the best of Company’s knowledge, such insurance contracts and policies are accurate and complete. Neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(q) Transactions With Affiliates and Employees. Except as set forth in Schedule 3.1(q), none of the officers or directors of the Company and, to the knowledge of the Company, none of the employees of the Company are presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner, in each case in excess of \$60,000 other than (i) for payment of salary or

consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) for other employee benefits, including stock option agreements under any stock option plan of the Company.

(r) Internal Accounting Controls. The Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(s) Certain Fees. No brokerage or finder's fees or commissions are or will be payable by the Company to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by this Agreement. The Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by this Agreement.

(t) Private Placement. Assuming the accuracy of the Purchasers representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Debentures and Additional Investment Rights by the Company to the Purchasers as contemplated hereby.

(u) Investment Company. The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Debentures and Additional Investment Rights, will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become subject to the Investment Company Act.

(v) Application of Takeover Protections. The Company and its Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's Certificate of Incorporation (or similar charter documents) or the laws of its state of incorporation that is or could become applicable to the Purchasers as a result of the Purchasers and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including without limitation as a result of the Company's issuance of the Debentures and Additional Investment Rights and the Purchasers' ownership of the Debentures and Additional Investment Rights.

(w) Disclosure. All disclosure provided to the Purchasers regarding the Company, its business and the transactions contemplated hereby, including the

Disclosure Schedules to this Agreement, furnished by or on behalf of the Company with respect to the representations and warranties made herein are true and correct with respect to such representations and warranties and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.

(x) No Integrated Offering. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, neither the Company, nor any of its affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Debentures and Additional Investment Rights to be integrated with prior offerings by the Company for purposes of the Securities Act or any applicable shareholder approval provisions.

(y) Solvency. Based on the financial condition of the Company as of the Closing Date after giving effect to the receipt by the Company of the proceeds from the sale of the Debentures hereunder, (i) the Company's fair saleable value of its assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature; (ii) the Company's assets do not constitute unreasonably small capital to carry on its business for the current fiscal year as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, and projected capital requirements and capital availability thereof; and (iii) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its debt when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt).

(z) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company and each Subsidiary has filed all necessary federal, state and foreign income and franchise tax returns and has paid or accrued all taxes shown as due thereon, and the Company has no knowledge of a tax deficiency which has been asserted or threatened against the Company or any Subsidiary.

(aa) No General Solicitation. Neither the Company nor any person acting on behalf of the Company has offered or sold any of the Debentures and Additional Investment Rights by any form of general solicitation or general advertising. The Company has offered the Debentures and Additional Investment Rights for sale only to the Purchasers and certain other "accredited investors" within the meaning of Rule 501 under the Securities Act.

(bb) Foreign Corrupt Practices. Neither the Company, nor to the knowledge of the Company, any agent or other person acting on behalf of the Company, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company (or made by any person acting on its behalf of which the Company is aware) which is in violation of law, or (iv) violated in any material respect any provision of the Foreign Corrupt Practices Act of 1977, as amended

(cc) Accountants. The Company's accountants are set forth on Schedule 3.1(cc) of the Disclosure Schedule. To the Company's knowledge, such accountants, who the Company expects will express their opinion with respect to the financial statements to be included in the Company's upcoming financial statements, are a registered public accounting firm as required by the Securities Act.

(dd) Seniority. As of the Closing Date, no indebtedness or other equity of the Company is senior to the Debentures in right of payment, whether with respect to interest or upon liquidation or dissolution, or otherwise, other than indebtedness secured by purchase money security interests (which is senior only as to underlying assets covered thereby) and capital lease obligations (which is senior only as to the property covered thereby).

(ee) No Disagreements with Accountants and Lawyers. There are no disagreements of any kind presently existing, or reasonably anticipated by the Company to arise, between the accountants and lawyers formerly or presently employed by the Company and the Company is current with respect to any fees owed to its accountants and lawyers.

(ff) Acknowledgment Regarding Purchasers' Purchase of Debentures and Additional Investment Rights. The Company acknowledges and agrees that each of the Purchasers is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby. The Company further acknowledges that no Purchaser is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to this Agreement and the transactions contemplated hereby and any advice given by any Purchaser or any of their respective representatives or agents in connection with this Agreement and the transactions contemplated hereby is merely incidental to the Purchasers' purchase of the Debentures and Additional Investment Rights. The Company further represents to each Purchaser that the Company's decision to enter into this Agreement has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

3.2 Representations and Warranties of the Purchasers. Each Purchaser hereby, for itself and for no other Purchaser, represents and warrants as of the date hereof and as of the Closing Date to the Company as follows:

(a) Organization; Authority. Such Purchaser is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with full right, corporate or partnership power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations thereunder. The execution, delivery and performance by such Purchaser of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate or similar action on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. Such Purchaser understands that the Debentures and Additional Investment Rights are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Debentures and Additional Investment Rights as principal for its own account and not with a view to or for distributing or reselling such Debentures and Additional Investment Rights or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Debentures and Additional Investment Rights in violation of the Securities Act or any applicable state securities law and has no arrangement or understanding with any other persons regarding the distribution of such Debentures and Additional Investment Rights (this representation and warranty not limiting such Purchaser's right to sell the Debentures and Additional Investment Rights pursuant to the Registration Statement or otherwise in compliance with applicable federal and state securities laws) in violation of the Securities Act or any applicable state securities law. Such Purchaser is acquiring the Debentures and Additional Investment Rights hereunder in the ordinary course of its business. Such Purchaser does not have any agreement or understanding, directly or indirectly, with any Person to distribute any of the Debentures and Additional Investment Rights.

(c) Purchaser Status. At the time such Purchaser was offered the Debentures and Additional Investment Rights, it was an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act.

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Debentures and Additional Investment Rights, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Debentures and Additional Investment Rights and, at the present time, is able to afford a complete loss of such investment.

(e) General Solicitation. Such Purchaser is not purchasing the Debentures and Additional Investment Rights as a result of any advertisement, article, notice or other communication regarding the Debentures and Additional Investment Rights published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

The Company acknowledges and agrees that each Purchaser does not make or has not made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in this Section 3.2.

ARTICLE IV. OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Debentures and Additional Investment Rights may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Debentures and Additional Investment Rights other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Debentures and Additional Investment Rights under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights of a Purchaser under this Agreement.

(b) The Purchasers agree to the imprinting, so long as is required by this Section 4.1(b), of a legend on any of the Debentures and Additional Investment Rights in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

4.2 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Debentures and Additional Investment Rights in a manner that would require the registration under the Securities Act of the sale of the Debentures and Additional Investment Rights to the Purchasers.

4.3 Shareholders Rights Plan. No claim will be made or enforced by the Company or, to the knowledge of the Company, any other Person that any Purchaser is an “Acquiring Person” under any shareholders rights plan or similar plan or arrangement in effect or hereafter adopted by the Company, or that any Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Debentures and Additional Investment Rights under the Transaction Documents or under any other agreement between the Company and the Purchasers. The Company shall conduct its business in a manner so that it will not become subject to the Investment Company Act.

4.4 Non-Public Information. The Company covenants and agrees that neither it nor any other Person acting on its behalf will provide any Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto such Purchaser shall have executed a written agreement regarding the confidentiality and use of such information. The Company understands and confirms that each Purchaser shall be relying on the foregoing representations in effecting transactions in securities of the Company.

4.5 Use of Proceeds. The Company shall first use the net proceeds from the sale of the Debentures hereunder for the repayment in full of all outstanding indebtedness of the Tenney Subsidiary and then, except as set forth on Schedule 4.5 attached hereto, the Company shall use the net proceeds from the sale of the Debentures hereunder for working capital purposes and not for the satisfaction of any portion of the Company’s debt (other than payment of trade payables in the ordinary course of the Company’s business and prior practices), to redeem any Common Stock or Common Stock Equivalents or to settle any outstanding litigation.

4.6 Indemnification of Purchasers. Subject to the provisions of this Section 4.6, the Company will indemnify and hold the Purchasers and their directors, officers, shareholders, partners, employees and agents (each, a “Purchaser Party”) harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys’ fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against a Purchaser, or any of them or their respective Affiliates, by any stockholder of the Company who is not an Affiliate of such Purchaser, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is based upon a breach of such Purchaser’s representation, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser may have with any such stockholder or any violations by the Purchaser of state or federal securities laws or any conduct by such Purchaser which constitutes fraud, gross negligence, willful misconduct or malfeasance). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this

Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of such separate counsel, a material conflict on any material issue between the position of the Company and the position of such Purchaser Party. The Company will not be liable to any Purchaser Party under this Agreement (i) for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed; or (ii) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by the Purchasers in this Agreement or in the other Transaction Documents.

4.7 Participation in Future Financing.

(a) From the date hereof until the date that is the one year anniversary of the effective date of the registration statement filed with the Commission and required pursuant to the Able Energy Transaction Documents, upon any financing by the Company or any of its Subsidiaries of Common Stock, Common Stock Equivalents or debt securities (a "Subsequent Financing"), each Purchaser shall have the right to participate in up to an amount of the Subsequent Financing equal to 100% of the Subsequent Financing (the "Participation Maximum").

(b) The Company shall promptly, but no later than 5 Business Day prior to the closing of a Subsequent Financing, deliver a notice ("Subsequent Financing Notice") to such Purchaser. The Subsequent Financing Notice shall describe in reasonable detail the proposed terms of such Subsequent Financing, the amount of proceeds intended to be raised thereunder, the Person with whom such Subsequent Financing is proposed to be effected, and attached to which shall be a term sheet or similar document relating thereto.

(c) Any Purchaser desiring to participate in such Subsequent Financing must provide written notice to the Company by not later than 5:30 p.m. (New York City time) on the 5th Business Day after all of the Purchasers have received the Subsequent Financing Notice that the Purchaser is willing to participate in the Subsequent Financing, the amount of the Purchaser's participation, and that the Purchaser has such funds ready, willing, and available for investment on the terms set forth in the Subsequent Financing Notice. If the Company receives no notice from a Purchaser as of such 5th Business Day, such Purchaser shall be deemed to have notified the Company that it does not elect to participate.

(d) If by 5:30 p.m. (New York City time) on the fifth Business Day after all of the Purchasers have received the Subsequent Financing Notice, notifications by the Purchasers of their willingness to participate in the Subsequent Financing (or to cause

their designees to participate) is, in the aggregate, less than the total amount of the Subsequent Financing, then the Company may effect the remaining portion of such Subsequent Financing on the terms and to the Persons set forth in the Subsequent Financing Notice.

(e) If by 5:30 p.m. (New York City time) on the fifth Business Day after all of the Purchasers have received the Subsequent Financing Notice, the Company receives responses to a Subsequent Financing Notice from Purchasers seeking to purchase more than the aggregate amount of the Participation Maximum, each such Purchaser shall have the right to purchase the greater of (a) their Pro Rata Portion (as defined below) of the Participation Maximum and (b) the difference between the Participation Maximum and the aggregate amount of participation by all other Purchasers. “Pro Rata Portion” is the ratio of (x) the Subscription Amount of Debentures purchased on the Closing Date by a Purchaser participating under this Section 4.7 and (y) the sum of the aggregate Subscription Amounts of Debentures purchased on the Closing Date by all Purchasers participating under this Section 4.7.

(f) The Company must provide the Purchasers with a second Subsequent Financing Notice, and the Purchasers will again have the right of participation set forth above in this Section 4.7, if the Subsequent Financing subject to the initial Subsequent Financing Notice is not consummated for any reason on the terms set forth in such Subsequent Financing Notice within 60 Business Days after the date of the initial Subsequent Financing Notice.

(g) In connection with a Purchaser’s right to participate in a Subsequent Financing hereunder, such Purchaser may elect, in its sole discretion, to exchange all or some of its Debentures then held by it for the securities issued in such based on the then outstanding principal amount of the Debenture plus accrued but unpaid interest and any other fees then owed by the Company to the Purchaser, and the effective price at which such securities are sold in such Subsequent Financing.

(h) Notwithstanding the foregoing, this Section 4.7 shall not apply in respect of an Exempt Issuance.

4.8 Equal Treatment of Purchasers. No consideration shall be offered or paid to any person to amend or consent to a waiver or modification of any provision of any of the Transaction Documents unless the same consideration is also offered to all of the parties to the Transaction Documents. Further, the Company shall not make any payment of principal or interest on the Debentures in amounts which are disproportionate to the respective principal amounts outstanding on the Debentures at any applicable time. For clarification purposes, this provision constitutes a separate right granted to each Purchaser by the Company and negotiated separately by each Purchaser, and is intended to treat for the Company the Debenture holders as a class and shall not in any way be construed as the Purchasers acting in concert or as a group with respect to the purchase, disposition or voting of Debentures or otherwise.

4.9 Able Energy Transaction. Upon the occurrence of the Able Energy Transaction,

as a condition to such transaction, (a) the Company shall cause Able Energy to duly execute the Able Energy Transaction Documents concurrently with the consummation of the Able Energy Transaction wherefore the Debentures shall be assumed and amended as set forth in and the securities of Able Energy as provided for under the Able Energy Transaction Documents shall be issued, (b) Able Energy shall have obtained such approval as may be required by the applicable rules and regulations of the Trading Market (or any successor entity) from the shareholders of the Company with respect to the transactions contemplated by the Able Energy Transaction Documents, including the issuance of all of the shares of Common Stock issuable thereunder, ignoring for such purposes any conversion or exercise limitations therein, in excess of 19.99% of the issued and outstanding Common Stock on the Closing Date and (c) the Company shall take any and all actions and execute any and all documents reasonably required by the Purchasers to insure that the liens on the real and personal property of the Company and Tenney Subsidiary (the "Borrowers") granted pursuant to the Loan Documents and the pledge granted pursuant to the Pledge Documents are extended and modified to secure the obligations of the Borrowers and Able Energy under the Able Energy Transaction Documents. The terms of any agreement pursuant to which the Able Energy Transaction is effected shall include terms requiring Able Energy to comply with the provisions of this Section 4.9 and insuring that the securities required to be issued hereunder (or any such replacement security) will be similarly issued upon any subsequent transaction analogous to the Able Energy Transaction.

ARTICLE V. MISCELLANEOUS

5.1 Termination. This Agreement may be terminated by any Purchaser, as to such Purchaser's obligations hereunder only and without any effect whatsoever on the obligations between the Company and the other Purchasers, by written notice to the other parties, if the Closing has not been consummated on or before January 15, 2006; provided that no such termination will affect the right of any party to sue for any breach by the other party (or parties).

5.2 Fees and Expenses. At the Closing, the Company has agreed to reimburse Lilac Ventures Master Fund Ltd. ("Lilac") for \$40,000, for its actual, reasonable, out-of-pocket legal fees and expenses. Accordingly, in lieu of the foregoing payments, the aggregate amount that Lilac is to pay for the Debentures and Additional Investment Rights at the Closing shall be reduced by \$40,000 in lieu thereof. The Company shall deliver, prior to the Closing, a completed and executed copy of the Closing Statement, attached hereto as Annex A. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all transfer agent fees, stamp taxes and other taxes and duties levied in connection with the delivery of any Debentures and Additional Investment Rights.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with

respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto prior to 5:30 p.m. (New York City time) on a Business Day, (b) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on any Business Day, (c) the second Business Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5.5 Amendments; Waivers. No provision of this Agreement may be waived or amended except in a written instrument signed, in the case of an amendment, by the Company and each Purchaser or, in the case of a waiver, by the party against whom enforcement of any such waiver is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser. Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Debentures and Additional Investment Rights, provided such transferee agrees in writing to be bound, with respect to the transferred Debentures and Additional Investment Rights, by the provisions hereof that apply to the "Purchasers".

5.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.6.

5.9 Governing Law. Except as specifically set forth in a Transaction Documents, all questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the

internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. The parties hereby waive all rights to a trial by jury. If either party shall commence an action or proceeding to enforce any provisions of the Transaction Documents, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

5.10 Survival. The representations and warranties contained herein shall survive the Closing and the delivery and/or exercise of the Debentures and Additional Investment Rights, as applicable for the applicable statute of limitations.

5.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

5.12 Severability. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties will attempt to agree upon a valid and enforceable provision that is a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

5.13 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Documents and the Company does not timely perform its related obligations within the periods

therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights.

5.14 Replacement of Debentures and Additional Investment Rights. If any certificate or instrument evidencing any Debentures or Additional Investment Rights is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity, if requested. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement Debentures or Additional Investment Rights.

5.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agrees to waive in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.16 Payment Set Aside. To the extent that the Company makes a payment or payments to any Purchaser pursuant to any Transaction Documents or a Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.17 Usury. To the extent it may lawfully do so, the Company hereby agrees not to insist upon or plead or in any manner whatsoever claim, and will resist any and all efforts to be compelled to take the benefit or advantage of, usury laws wherever enacted, now or at any time hereafter in force, in connection with any claim, action or proceeding that may be brought by any Purchaser in order to enforce any right or remedy under any Transaction Documents. Notwithstanding any provision to the contrary contained in any Transaction Documents, it is expressly agreed and provided that the total liability of the Company under the Transaction Documents for payments in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "Maximum Rate"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums in the nature of interest that the Company may be obligated to pay under the Transaction Documents exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by law and applicable to the Transaction Documents is increased or

decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to the Transaction Documents from the effective date forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Company to any Purchaser with respect to indebtedness evidenced by the Transaction Documents, such excess shall be applied by such Purchaser to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at such Purchaser's election.

5.18 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Documents are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser under any Transaction Documents. Nothing contained herein or in any Transaction Documents, and no action taken by any Purchaser pursuant thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights, including without limitation the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose. Each Purchaser has been represented by its own separate legal counsel in their review and negotiation of the Transaction Documents. For reasons of administrative convenience only, Purchasers and their respective counsel have chosen to communicate with the Company through FW. FW does not represent all of the Purchasers but only Lilac. The Company has elected to provide all Purchasers with the same terms and Transaction Documents for the convenience of the Company and not because it was required or requested to do so by the Purchasers.

5.19 Liquidated Damages. The Company's obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Company and shall not terminate until all unpaid partial liquidated damages and other amounts have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

5.20 Construction. The parties agree that each of them and/or their respective counsel has reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments hereto.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

ALL AMERICAN PLAZAS, INC.

Address for Notice:

By: _____

Name:

Title:

With a copy to (which shall not constitute notice):

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

[PURCHASER SIGNATURE PAGES TO ALL AMERICAN INDUSTRIES
SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Email Address of Authorized Entity: _____

Address for Notice of Investing Entity:

Address for Delivery of Debentures and Additional Investment Rights for Investing Entity (if not same as above):

Subscription Amount:

EIN Number: **[PROVIDE THIS UNDER SEPARATE COVER]**

[SIGNATURE PAGES CONTINUE]

EXHIBIT A

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITY.

Original Issue Date: January ____, 2006

\$ _____

SECURED DEBENTURE

THIS SECURED DEBENTURE is one of a series of duly authorized and issued Secured Debentures of All American Plazas, Inc., a Pennsylvania corporation, having a principal place of business at Bethel, Pennsylvania, 17847, (the "Company") and St. John's Reality Corporation ("St. John's" or "Subsidiary Borrowers" and the Company and St. John's, collectively, the "Borrowers") designated as, to each Borrower, its Secured Debenture (the "Debentures").

FOR VALUE RECEIVED, the Borrowers, jointly and severally, promise to pay to _____ or its registered assigns (the "Holder"), or shall have paid pursuant to the terms hereunder, the principal sum of \$ _____ on January __, 2007 or such earlier date as the Debentures are required or permitted to be repaid as provided hereunder (the "Maturity Date"), and to pay interest to the Holder on the then outstanding principal amount of this Debenture in accordance with the provisions hereof. This Debenture is subject to the following additional provisions:

Section 1. Definitions. For the purposes hereof, in addition to the terms defined elsewhere in this Debenture: (a) capitalized terms not otherwise defined herein have the meanings given to such terms in the Purchase Agreement, and (b) the following terms shall have the following meanings:

“Business Day” means any day except Saturday, Sunday and any day which shall be a federal legal holiday in the United States or a day on which banking institutions in the State of New York are authorized or required by law or other government action to close.

“Change of Control Transaction” means the occurrence after the date hereof of any of (a) an acquisition after the date hereof by an individual or legal entity or “group” (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of the Company, by contract or otherwise) of in excess of 40% of the voting securities of the Company, or (b) the Company merges into or consolidates with any other Person, or any Person merges into or consolidates with the Company and, after giving effect to such transaction, the stockholders of the Company immediately prior to such transaction own less than 60% of the aggregate voting power of the Company or the successor entity of such transaction, or (c) the Company sells or transfers its assets, as an entirety or substantially as an entirety, to another Person and the stockholders of the Company immediately prior to such transaction own less than 60% of the aggregate voting power of the acquiring entity immediately after the transaction, (d) a replacement at one time or within a three year period of more than one-half of the members of the Company’s board of directors which is not approved by a majority of those individuals who are members of the board of directors on the date hereof (or by those individuals who are serving as members of the board of directors on any date whose nomination to the board of directors was approved by a majority of the members of the board of directors who are members on the date hereof), or (e) the execution by the Company of an agreement to which the Company is a party or by which it is bound, providing for any of the events set forth above in (a) or (d).

“Common Stock” means the common stock, par value \$0.001 per share, of the Company and stock of any other class of securities into which such securities may hereafter have been reclassified or changed into.

“Debenture Register” shall have the meaning set forth in Section 2(b).

“Event of Default” shall have the meaning set forth in Section 5.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Fundamental Transaction” shall mean (a) the Company effects any merger or consolidation of the Company with or into another Person (other than the Able Energy Transaction provided that the Company timely complies with Section 4.9 of the Purchase Agreement), (b) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (c) any tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or

property, or (d) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property.

“Interest Payment Date” shall have the meaning set forth in Section 2(a).

“Interest Period” means, initially, the period beginning on and including the Original Issue Date and ending on and including March 31, 2006 and each successive period as follows: the period beginning on and including April 1 and ending on and including June 30; the period beginning on and including July 1 and ending on and including September 30; the period beginning on and including October 1 and ending on and including December 31; and the period beginning on and including January 1 and ending on and including March 31.

“Late Fees” shall have the meaning set forth in Section 2(c).

“LIBOR” means, for each Interest Period (i) the three-month London Interbank Offered Rate for deposits in U.S. dollars, as shown on such the Trading Day immediately prior to the beginning of such Interest Period in The Wall Street Journal (Eastern Edition) under the caption "Money Rates - London Interbank Offered Rates (LIBOR)"; or (ii) if The Wall Street Journal does not publish such rate, the offered one-month rate for deposits in U.S. dollars which appears on the Reuters Screen LIBO Page as of 10:00 a.m., New York time, the Trading Day immediately prior to the beginning of such Interest Period, provided that if at least two rates appear on the Reuters Screen LIBO Page on any such Trading Day, the "LIBOR" for such day shall be the arithmetic mean of such rates.

“Mandatory Prepayment Amount” for any Debentures shall equal the sum of 125% of the principal amount of this Debenture, plus all accrued and unpaid interest thereon and all other amounts, costs, expenses and liquidated damages due in respect of this Debenture; provided, however, upon the occurrence of an Event of Default pursuant to Section 5(a)(viii), the Mandatory Prepayment Amount shall be (a) the greater of (i) 125% of the principal amount of this Debenture and (ii) (A) the principal amount of this Debenture divided by \$3.00 (subject to adjustment for reverse and forward stock splits and the like for the common stock of Able Energy after the Original Issue Date) multiplied by (B) the closing bid price of Able Energy common stock as reported by Bloomberg Financial LP on the date such notice of default is given to the Company by the Holder, and (b) all other amounts, costs, expenses and liquidated damages due in respect of such Debentures.

“New York Courts” shall have the meaning set forth in Section 6(e).

“Original Issue Date” shall mean the date of the first issuance of the Debentures regardless of the number of transfers of any Debenture and regardless of the number of instruments which may be issued to evidence such Debenture.

“Permitted Indebtedness” shall mean (a) the Indebtedness of the Subsidiary Borrower existing on the Original Issue Date and set forth on Schedule 3.1(gg) attached to the Purchase Agreement, which Indebtedness may be amended or refinanced from time to time on substantially the same (or better for the Subsidiary Borrower) economic terms and conditions as the existing Indebtedness without any increase in the principal of such Indebtedness and (b) lease obligations and purchase money Indebtedness of the Subsidiary Borrower of up to \$350,000, in the aggregate, incurred in connection with the acquisition of capital assets and lease obligations with respect to newly acquired or leased assets.

“Permitted Lien” shall mean the individual and collective reference to the following: (a) Liens on the Subsidiary Borrower for taxes, assessments and other governmental charges or levies not yet due or Liens for taxes, assessments and other governmental charges or levies being contested in good faith and by appropriate proceedings for which adequate reserves (in the good faith judgment of the management of the Subsidiary Borrower) have been established in accordance with GAAP, (b) Liens of the Subsidiary Borrower imposed by law which were incurred in the ordinary course of business, such as carriers’, warehousemen’s and mechanics’ Liens, statutory landlords’ Liens, and other similar Liens arising in the ordinary course of business, and (x) which do not individually or in the aggregate materially detract from the value of such property or assets or materially impair the use thereof in the operation of the business of the Subsidiary Borrower or (y) which are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the property or asset subject to such Lien and (c) Liens of the Subsidiary Borrower incurred in connection with Permitted Indebtedness under clause (b) thereunder provided that such Liens are not secured by assets of the Subsidiary Borrower other than the assets so acquired or leased.

“Person” means a corporation, an association, a partnership, organization, a business, an individual, a government or political subdivision thereof or a governmental agency.

“Purchase Agreement” means the Securities Purchase Agreement, dated as of January __, 2006, to which the Company and the original Holder are parties, as amended, modified or supplemented from time to time in accordance with its terms.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Subsidiary” shall have the meaning given to such term in the Purchase Agreement.

Section 2. Interest.

a) Payment of Interest in Cash. The Borrowers shall pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Debenture at the rate per annum equal to LIBOR for the applicable Interest Period plus 4% or such lesser rate as shall be the highest rate permitted by applicable law, payable quarterly on April 1, July 1, October 1 and January 1, beginning on April 1, 2006 (except that, if any such date is not a Business Day, then such payment shall be due on the next succeeding Business Day) (each such date, an “Interest Payment Date”); provided, however, in the event the Able Energy Transaction has not been completed and the Able Energy Transaction Documents have not been entered into by Able Energy and Able Energy has not issued the securities issuable thereunder to the Holder on or before the 6 month anniversary of the Original Issue Date, the interest rate per annum shall thereafter equal the lesser of (i) the greater of (A) 18% and (B) LIBOR for the applicable Interest Period plus 8% or (ii) such lesser rate as shall be the highest rate permitted by applicable law.

b) Interest Calculations. Interest shall be calculated on the basis of a 360-day year and shall accrue daily commencing on the Original Issue Date until payment in full of the principal sum, together with all accrued and unpaid interest and other amounts which may become due hereunder, has been made. Interest hereunder will be paid to the Person in whose name this Debenture is registered on the records of the Borrowers regarding registration and transfers of Debentures (the “Debenture Register”).

c) Late Fee. All overdue accrued and unpaid interest to be paid hereunder shall entail a late fee at the rate of 18% per annum (or such lower maximum amount of interest permitted to be charged under applicable law) (“Late Fee”) which will accrue daily, from the date such interest is due hereunder through and including the date of payment.

d) Prepayment. Except as otherwise set forth in this Debenture, the Borrowers may not prepay any portion of the principal amount of this Debenture without the prior written consent of the Holder at any time.

Section 3. Registration of Transfers and Exchanges.

a) Different Denominations. This Debenture is exchangeable for an equal aggregate principal amount of Debentures of different authorized denominations, as requested by the Holder surrendering the same. No service charge will be made for such registration of transfer or exchange.

b) Investment Representations. This Debenture has been issued subject to certain investment representations of the original Holder set forth in the Purchase Agreement and may be transferred or exchanged only in compliance with the Purchase Agreement and applicable federal and state securities laws and regulations.

c) Reliance on Debenture Register. Prior to due presentment to the Borrowers for transfer of this Debenture, the Borrowers and any agent of the Borrowers may treat the Person in whose name this Debenture is duly registered on the Debenture Register as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Debenture is overdue, and neither the Borrowers nor any such agent shall be affected by notice to the contrary.

Section 4. Negative Covenants. So long as any portion of this Debenture is outstanding, the Borrowers will not and will not permit any of its Subsidiaries to directly or indirectly:

a) except for Permitted Indebtedness, enter into, create, incur, assume, guarantee or suffer to exist any indebtedness for borrowed money of any kind, including but not limited to, a guarantee, on or with respect to any of the property or assets of the Subsidiary Borrower now owned or hereafter acquired or any interest therein or any income or profits therefrom;

b) except for Permitted Liens, enter into, create, incur, assume or suffer to exist any liens of any kind, on or with respect to any of its property or assets of the Subsidiary Borrower now owned or hereafter acquired or any interest therein or any income or profits therefrom;

c) amend its certificate of incorporation, bylaws or other charter documents so as to adversely affect any rights of the Holder;

d) repay, repurchase or offer to repay, repurchase or otherwise acquire more than a de minimis number of shares of its Common Stock or Common Stock Equivalents other than as to the Conversion Shares to the extent permitted or required under the Transaction Documents or as otherwise permitted by the Transaction Documents;

e) enter into any agreement with respect to any of the foregoing; or

f) pay cash dividends on any equity securities of the Borrowers.

Section 5. Events of Default.

a) “Event of Default”, wherever used herein, means any one of the following events (whatever the reason and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

i. any default in the payment of (A) the principal amount of any Debenture, or (B) interest (including Late Fees) on, or liquidated damages in respect of, any Debenture, in each case free of any claim of subordination, as and when the same shall become due and payable (whether on the Maturity Date or by acceleration or otherwise);

ii. A Borrower shall fail to observe or perform any other covenant or agreement contained in this Debenture or any of the other Transaction Documents which failure is not cured, if possible to cure, within the earlier to occur of (A) 5 Business Days after notice of such default sent by the Holder or by any other Holder and (B) 10 Business Days after such Borrower shall become or should have become aware of such failure;

iii. a default or event of default (subject to any grace or cure period provided for in the applicable agreement, document or instrument) shall occur under (A) any of the Transaction Documents other than the Debentures, or (B) any other material agreement, lease, document or instrument to which the Borrowers or any Subsidiary are bound which default is not cured, if possible to cure, within the earlier to occur of (A) 5 Business Days after notice of such default sent by the Holder or by any other Holder and (B) 10 Business Days after such Borrower shall become or should have become aware of such default.

iv. any representation or warranty made herein, in any other Transaction Documents, in any written statement pursuant hereto or thereto, or in any other report, financial statement or certificate made or delivered to the Holder or any other holder of Debentures shall be untrue or incorrect in any material respect as of the date when made or deemed made, which breach is not cured, if possible to cure, within the earlier to occur of (A) 5 Business Days after notice of such default sent by the Holder or by any other Holder and (B) 10 Business Days after such Borrower shall become or should have become aware of such failure

v. (i) the Borrowers or any of its Subsidiaries shall commence, or there shall be commenced against the Borrowers or any such Subsidiary, a case under any applicable bankruptcy or insolvency laws as now or hereafter in effect or any successor thereto, or the Borrowers or any Subsidiary commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Borrowers or any Subsidiary thereof or (ii) there is commenced against the Borrowers or any Subsidiary thereof any such bankruptcy, insolvency or other proceeding which remains undismissed for a period of 60 days; or (iii) the Borrowers or any

Subsidiary thereof is adjudicated by a court of competent jurisdiction insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or (iv) the Borrowers or any Subsidiary thereof suffers any appointment of any custodian or the like for it or any substantial part of its property which continues undischarged or unstayed for a period of 60 days; or (v) the Borrowers or any Subsidiary thereof makes a general assignment for the benefit of creditors; or (vi) the Borrowers shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or (vii) the Borrowers or any Subsidiary thereof shall call a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or (viii) the Borrowers or any Subsidiary thereof shall by any act or failure to act expressly indicate its consent to, approval of or acquiescence in any of the foregoing; or (ix) any corporate or other action is taken by the Borrowers or any Subsidiary thereof for the purpose of effecting any of the foregoing;

vi. the Borrowers or any Subsidiary shall default in any of its obligations under any mortgage, credit agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced any indebtedness for borrowed money or money due under any long term leasing or factoring arrangement of the Borrowers in an amount exceeding \$250,000, whether such indebtedness now exists or shall hereafter be created and such default shall result in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable.

vii. Other than with respect to the Able Energy Transaction, the Borrowers shall be a party to any Change of Control Transaction or Fundamental Transaction, shall agree to sell or dispose of all or in excess of 40% of its assets in one or more transactions (whether or not such sale would constitute a Change of Control Transaction) or shall redeem or repurchase more than a de minimis number of its outstanding shares of Common Stock or other equity securities of the Company (other than repurchases of shares of Common Stock or other equity securities of departing officers and directors of the Company; provided such repurchases shall not exceed \$100,000, in the aggregate, for all officers and directors during the term of this Debenture); or

viii. the Able Energy Transaction shall have not been completed on or prior to the date which is the 12 month anniversary of the date of the Purchase Agreement or concurrently therewith, Able Energy shall not have entered into the Able Energy Transaction Documents and issued the securities required thereunder, the shareholders of Able Energy shall not have approved the Able

Energy Transaction as required by Section 4.9 of the Purchase Agreement or the Company shall not have taken any and all actions and execute any and all documents reasonably required by the Purchasers to insure that the liens on the real and personal property of the Borrowers granted pursuant to the Loan Documents and the pledge granted pursuant to the Pledge Documents are extended and modified to secure the obligations of the Borrowers and Able Energy under the Able Energy Transaction Documents.

ix. On or before March 13, 2006, Able Energy shall have not filed an amendment to the proxy statement pursuant to Section 14A under the Exchange Act with the Commission seeking the approval of the Able Energy Transaction and disclosing the material terms of the Able Energy Transaction Documents to be executed and entered into at the time of the Able Energy Transaction, which disclosure shall be in form and substance reasonably satisfactory to the Holder and on or before the Trading Day following the date of the Purchase Agreement, Able Energy shall have filed a Current Report on Form 8-K disclosing the material terms of the Able Energy Transaction Documents to be executed and entered into at the time of the Able Energy Transaction, which disclosure shall be in form and substance reasonably satisfactory to the Holder.

b) Remedies Upon Event of Default. If any Event of Default occurs, the full principal amount of this Debenture, together with interest and other amounts owing in respect thereof, to the date of acceleration shall become, at the Holder's election, immediately due and payable in cash. The aggregate amount payable upon an Event of Default shall be equal to the Mandatory Prepayment Amount. Commencing 5 days after the occurrence of any Event of Default that results in the eventual acceleration of this Debenture, the interest rate on this Debenture shall accrue at the rate of 18% per annum, or such lower maximum amount of interest permitted to be charged under applicable law. All Debentures for which the full Mandatory Prepayment Amount hereunder shall have been paid in accordance herewith shall promptly be surrendered to or as directed by the Borrowers. The Holder need not provide and the Borrowers hereby waive any presentment, demand, protest or other notice of any kind, and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such declaration may be rescinded and annulled by Holder at any time prior to payment hereunder and the Holder shall have all rights as a Debenture holder until such time, if any, as the full payment under this Section shall have been received by it. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

Section 6. Miscellaneous.

a) Notices. Any and all notices or other communications or deliveries to be provided by the Holder hereunder, including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, by facsimile, sent by a nationally recognized overnight courier service, addressed to the Borrowers, at the addresses set forth above, facsimile number **(631) 929-4543, Attn: Jonathan Austern** or such other address or facsimile number as the Borrowers may specify for such purposes by notice to the Holders delivered in accordance with this Section. Any and all notices or other communications or deliveries to be provided by the Borrowers hereunder shall be in writing and delivered personally, by facsimile, sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile telephone number or address of such Holder appearing on the books of the Borrowers, or if no such facsimile telephone number or address appears, at the principal place of business of the Holder. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified in this Section prior to 5:30 p.m. (New York City time), (ii) the date after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified in this Section later than 5:30 p.m. (New York City time) on any date and earlier than 11:59 p.m. (New York City time) on such date, (iii) the second Business Day following the date of mailing, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

b) Absolute Obligation. Except as expressly provided herein, no provision of this Debenture shall alter or impair the obligation of the Borrowers, which is absolute and unconditional, to pay the principal of, interest and liquidated damages (if any) on, this Debenture at the time, place, and rate, and in the coin or currency, herein prescribed. This Debenture is a direct debt obligation of the Borrowers. This Debenture ranks pari passu with all other Debentures now or hereafter issued under the terms set forth herein.

c) Mortgage and Pledge. This Debenture is a direct debt obligation of the Borrowers and, pursuant to the Loan Documents and Pledge Documents, is secured by the equity, assets and property of the Borrowers.

d) Lost or Mutilated Debenture. If this Debenture shall be mutilated, lost, stolen or destroyed, the Borrowers shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Debenture, or in lieu of or in substitution for a lost, stolen or destroyed Debenture, a new Debenture for the principal amount of this Debenture so mutilated, lost, stolen or destroyed but only upon receipt of evidence of such loss, theft or destruction of such Debenture, and of the ownership hereof, and indemnity, if requested, all reasonably satisfactory to the Borrowers.

e) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Debenture shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to

the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by any of the Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting in the City of New York, Borough of Manhattan (the “New York Courts”). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, or such New York Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Debenture and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Debenture or the transactions contemplated hereby. If either party shall commence an action or proceeding to enforce any provisions of this Debenture, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys’ fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

f) Waiver. Any waiver by the Borrowers or the Holder of a breach of any provision of this Debenture shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Debenture. The failure of the Borrowers or the Holder to insist upon strict adherence to any term of this Debenture on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Debenture. Any waiver must be in writing.

g) Severability. If any provision of this Debenture is invalid, illegal or unenforceable, the balance of this Debenture shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates applicable laws governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum permitted rate of interest. The Borrowers covenant (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Borrowers from paying all or any portion of the principal of

or interest on this Debenture as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this indenture, and the Borrowers (to the extent it may lawfully do so) hereby expressly waive all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impeded the execution of any power herein granted to the Holder, but will suffer and permit the execution of every such as though no such law has been enacted.

h) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

i) Headings. The headings contained herein are for convenience only, do not constitute a part of this Debenture and shall not be deemed to limit or affect any of the provisions hereof.

j) Assumption. Any successor to the Borrowers or surviving entity in a Fundamental Transaction shall (i) assume in writing all of the obligations of such Borrower under this Debenture and the other Transaction Documents pursuant to written agreements in form and substance satisfactory to the Holder (such approval not to be unreasonably withheld or delayed) prior to such Fundamental Transaction and (ii) if the successor is to the Company, except as otherwise provided for in Section 4.9 of the Purchase Agreement, to issue to the Holder a new debenture of such successor entity evidenced by a written instrument substantially similar in form and substance to this Debenture, including, without limitation, having a principal amount and interest rate equal to the principal amounts and the interest rates of the Debentures held by the Holder and having similar ranking to the Debenture, and satisfactory to the Holder (any such approval not to be unreasonably withheld or delayed). The provisions of this Section shall apply similarly and equally to successive Fundamental Transactions and shall be applied without regard to any limitations of this Debenture.

IN WITNESS WHEREOF, the Borrowers have caused this Debenture to be duly executed by a duly authorized officer as of the date first above indicated.

ALL AMERICAN PLAZAS, INC.

By: _____
Name:
Title:

ST. JOHN'S REALTY CORPORATION

By: _____
Name:
Title:

EXHIBIT D

NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES

ADDITIONAL INVESTMENT RIGHT

To Purchase \$_____ principal amount of Secured Debentures of

All American Plazas, Inc.

THIS ADDITIONAL INVESTMENT RIGHT (the "AIR") certifies that, for value received, _____ (the "Holder"), is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to the close of business on the earlier of the nine month anniversary of the Initial Exercise Date (the "Termination Date") but not thereafter, to subscribe for and purchase from All American Plazas, Inc., a Pennsylvania corporation (the "Company"), up to \$_____ principal amount of convertible debentures (the "AIR Debenture"). The AIR Debenture shall be in the form of the Debentures issued pursuant to the Purchase Agreement, *mutatis mutandis*.

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement (the "Purchase Agreement"), dated January __, 2006, among the Company and the purchasers signatory thereto.

Section 2. Exercise.

a) Exercise of AIR. Exercise of the purchase rights represented by this AIR may be made at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy of the Notice of Exercise Form annexed hereto (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of such Holder appearing on the books of the Company) and the payment of the aggregate principal amount of the AIR Debentures thereby purchased by wire transfer or

cashier's check drawn on a United States bank. Upon exercise of the AIR, the Company shall issue an AIR Debenture with a principal amount equal to the amount paid by the Holder.

b) Mechanics of Exercise.

i. Authorization of AIR Debenture. The Company covenants that its issuance of this AIR shall constitute full authority to its officers who are charged with the duty of executing certificates to execute and issue the necessary certificates for the AIR Debenture upon the exercise of the purchase rights under this AIR. The Company covenants that the AIR Debenture which may be issued upon the exercise of the purchase rights represented by this AIR is duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue). The Company will take all such reasonable action as may be necessary to assure that the AIR Debenture may be issued as provided herein without violation of any applicable law or regulation.

ii. Delivery of Certificates Upon Exercise. Certificates for the AIR Debenture purchased hereunder shall be delivered to the Holder within 3 Trading Days from the delivery to the Company of the Notice of Exercise Form, surrender of this AIR and payment of the principal amount as set forth above ("AIR Debenture Delivery Date"). This AIR shall be deemed to have been exercised on the date the payment of the principal amount is received by the Company. The AIR Debenture shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such security for all purposes, as of the date the AIR has been exercised by payment to the Company of the principal amount and all taxes required to be paid by the Holder, if any, pursuant to Section 2(e)(vii) prior to the issuance of such security, have been paid.

iii. Delivery of New AIRs Upon Exercise. If this AIR shall have been exercised in part, the Company shall, at the time of delivery of the certificate or certificates representing the AIR Debenture, deliver to Holder a new AIR evidencing the rights of Holder to purchase the unpurchased AIR Debenture called for by this AIR, which new AIR shall in all other respects be identical with this AIR.

iv. Rescission Rights. If the Company fails to deliver to the Holder a certificate or certificates representing the AIR Debenture pursuant to this Section 2(e)(iv) by the AIR Debenture Delivery Date, then the Holder will have the right to rescind such exercise.

v. Charges, Taxes and Expenses. Issuance of certificates for AIR Debentures shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such certificate, all of which taxes and expenses shall be paid by the Company, and such certificates shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event certificates for AIR Debentures are to be issued in a name other than the name of the Holder, this AIR when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder; and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto.

vi. Closing of Books. The Company will not close its records in any manner which prevents the timely exercise of this AIR, pursuant to the terms hereof or the conversion of the AIR Debentures pursuant to the terms hereof.

Section 3. Notice and Fundamental Transactions.

a) Notice of Certain Events. If (A) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, of any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property or (B) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company; then, in each case, the Company shall cause to be mailed to the Holder at its last address as it shall appear upon the AIR Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange. The Holder is entitled to exercise this AIR during the 20-day period commencing the date of such notice to the effective date of the event triggering such notice.

b) Able Energy Transaction. If, at any time while this AIR is outstanding, the Company effects the Able Energy Transaction, then, upon any subsequent exercise of this AIR the Holder shall have the right to receive upon exercise of the AIR, the securities of Able Energy required to be exchanged for the Debentures pursuant to Section 4.9 of the Purchase Agreement ("Alternative Securities"). To the extent necessary to effectuate the foregoing provisions, Able Energy shall issue to the Holder a new additional investment right consistent with the foregoing provisions and evidencing the Holder's right to exercise such additional investment right ultimately into Alternate Securities. The terms of any agreement pursuant to which the Able Energy Transaction is effected shall include

terms requiring Able Energy to comply with the provisions of this paragraph (b) and insuring that this AIR (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to the Able Energy Transaction.

Section 4. Transfer of AIR.

a) Transferability. Subject to compliance with any applicable securities laws and to the provisions of Section 4.1 of the Purchase Agreement, this AIR and all rights hereunder are transferable, in whole or in part, upon surrender of this AIR at the principal office of the Company, together with a written assignment of this AIR substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new AIR or AIRs in the name of the assignee or assignees and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new AIR evidencing the portion of this AIR not so assigned, and this AIR shall promptly be cancelled. An AIR, if properly assigned, may be exercised by a new holder for the purchase of AIR Debentures without having a new AIR issued.

b) New AIRs. This AIR may be divided or combined with other AIRs upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new AIRs are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new AIR or AIRs in exchange for the AIR or AIRs to be divided or combined in accordance with such notice.

c) AIR Register. The Company shall register this AIR, upon records to be maintained by the Company for that purpose (the “AIR Register”), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this AIR as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d) Transfer Restrictions. If, at the time of the surrender of this AIR in connection with any transfer of this AIR, the transfer of this AIR shall not be registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws, the Company may require, as a condition of allowing such transfer (i) that the Holder or transferee of this AIR, as the case may be, furnish to the Company a written opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that such transfer may be made without registration under the Securities Act and under applicable state securities or blue sky laws, (ii) that the holder or transferee execute and deliver to the Company an investment letter in form and substance acceptable to the Company and (iii) that the transferee be an “accredited investor” as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7), or (a)(8) promulgated under the Securities Act or a qualified institutional buyer as defined in Rule 144A(a) under the Securities Act.

Section 5. Miscellaneous.

a) Title to the Additional Investment Right. Prior to the Termination Date and subject to compliance with applicable laws and Section 4 of this AIR, this AIR and all rights hereunder are transferable, in whole or in part, at the office or agency of the Company by the Holder in person or by duly authorized attorney, upon surrender of this AIR together with the Assignment Form annexed hereto properly endorsed. The transferee shall sign an investment letter in form and substance reasonably satisfactory to the Company.

b) No Rights as Shareholder. This AIR does not entitle the Holder to any voting rights or other rights as a shareholder of the Company. Upon the surrender of this AIR and the payment of the aggregate principal, the AIR Debentures so purchased shall be and be deemed to be issued to such Holder as the record owner of such Debentures as of the close of business on the later of the date of such surrender or payment.

c) Loss, Theft, Destruction or Mutilation of AIR. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this AIR or any certificate relating to the AIR Debentures, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the AIR, shall not include the posting of any bond), and upon surrender and cancellation of such AIR or certificate, if mutilated, the Company will make and deliver a new AIR or certificate of like tenor and dated as of such cancellation, in lieu of such AIR or certificate.

d) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall be a Saturday, Sunday or a legal holiday, then such action may be taken or such right may be exercised on the next succeeding day not a Saturday, Sunday or legal holiday.

e) Authority.

The Company further covenants that its issuance of this AIR shall constitute full authority to its officers who are charged with the duty of executing certificates to execute and issue the necessary certificates for the AIR Debentures upon the exercise of the purchase rights under this AIR. The Company will take all such reasonable action as may be necessary to assure that such AIR Debentures may be issued as provided herein without violation of any applicable law or regulation.

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this AIR or the AIR Debentures, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this

AIR and the AIR Debenture against impairment. Without limiting the generality of the foregoing, the Company will (a) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable AIR Debentures upon the exercise of this AIR, and (b) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be necessary to enable the Company to perform its obligations under this AIR and the AIR Debentures.

Before taking any action which would result in an adjustment in the AIR Debentures for which this AIR is exercisable, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

The Company shall take any and all actions and execute any and all documents reasonably required by the Holder to insure that the liens on the real and personal property of All American, Yosemite Development Corp. and Mountainside Development, LLC (the “Borrowers”) as granted pursuant to the Loan Documents and the pledge granted pursuant to the Pledge Documents are modified and extended to secure the obligations of the Company under the AIR Debenture.

f) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this AIR shall be determined in accordance with the provisions of the Purchase Agreement.

g) Restrictions. The Holder acknowledges that the AIR Debentures acquired upon the exercise of this AIR, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

h) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice Holder’s rights, powers or remedies, notwithstanding the fact that all rights hereunder terminate on the Termination Date. If the Company willfully and knowingly fails to comply with any provision of this AIR, which results in any material damages to the Holder, the Company shall pay to Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys’ fees, including those of appellate proceedings, incurred by Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

i) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Purchase Agreement.

j) Limitation of Liability. No provision hereof, in the absence of any affirmative action by Holder to exercise this AIR or purchase AIR Debentures, and no enumeration herein of the rights or privileges of Holder, shall give rise to any liability of

Holder, whether such liability is asserted by the Company or by creditors of the Company.

k) Remedies. Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this AIR. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this AIR and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

l) Successors and Assigns. Subject to applicable securities laws, this AIR and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors of the Company and the successors and permitted assigns of Holder. The provisions of this AIR are intended to be for the benefit of all Holders from time to time of this AIR and shall be enforceable by any such Holder or holder of AIR Debentures.

m) Amendment. This AIR may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

n) Severability. Wherever possible, each provision of this AIR shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this AIR 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 provisions or the remaining provisions of this AIR.

o) Headings. The headings used in this AIR are for the convenience of reference only and shall not, for any purpose, be deemed a part of this AIR.

IN WITNESS WHEREOF, the Company has caused this AIR to be executed by its officer thereunto duly authorized.

Dated: January ____, 2006

ALL AMERICAN PLAZAS, INC.

By: _____
Name:
Title:

NOTICE OF EXERCISE

TO: [_____]

(1) The undersigned hereby elects to purchase \$_____ principal amount of AIR Debentures of [_____] pursuant to the terms of the attached AIR and tenders herewith payment of the principal in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box) in lawful money of the United States; or

(3) Please issue a certificate or certificates representing said AIR Debentures in the name of the undersigned or in such other name as is specified below:

The AIR Debentures shall be delivered to the following:

(4) Accredited Investor. The undersigned is an “accredited investor” as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing AIR, execute this form and supply required information. Do not use this form to exercise the AIR.)

FOR VALUE RECEIVED, the foregoing AIR and all rights evidenced thereby are hereby assigned to

_____ whose address is

_____.

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

Signature Guaranteed: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the AIR, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing AIR.

SECURITY AGREEMENT

Agreement made as of _____, 2006, between St. John's Realty Corporation, with a mailing address in care of Austern & Austern, P.C., P.O. Box 558, 2 Taconic Court, Wading River, New York 11792 (hereinafter referred to as "Debtor"), and Lilac Ventures Master Fund Ltd., with a mailing address c/o Omicron Capital, LP, 650 Fifth Avenue, 24th Floor, New York, New York 10019, as agent for the Secured Parties listed on Schedule A (hereinafter referred to as "Creditor").

In consideration of the mutual covenants and promises set forth herein, the parties agree as follows:

1. Creation of Security Interest.

Debtor grants to Creditor a first security interest in the collateral described in Section Two, to ensure the performance and payment of Debentures by the Debtor to the Secured Parties of this date in the initial aggregate amount of Two Million Five Hundred Thousand Dollars (\$2,500,000) (the "Debentures"), and performance of a Securities Purchase Agreement and a Loan Agreement between Debtor and Creditor of even date, as they may be amended, and any additional Debentures issued to the Creditors. (All capitalized words not defined in this agreement shall be defined as described in the Loan Agreement.) The Debentures, Securities Purchase Agreement, Loan Agreement, and all documents executed thereunder by any of the Borrowers are referred to as the "Loan Documents.")

2. Description of Collateral.

The collateral that is subject to this security interest consists of the personal property of the Debtor of the following description:

The following properties, assets and rights of the Debtor, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof (all of the same being hereinafter called the "Collateral"): all personal and fixture property of every kind and

nature including without limitation all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (but excluding health-care-insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, and all general intangibles (including all payment intangibles).

3. Obligations of Debtor.

a. Payment. Debtor shall pay to Creditor the sum evidenced by the Debentures, or any extensions or renewals thereof, in accordance with the terms of the Debentures, and all other amounts due Creditor under the Loan Agreement, and the Securities Purchase Agreement.

b. Financing Statements. At the request of the Creditor, the Debtor will file all necessary financing statements and other instruments in a form satisfactory to Creditor, and will pay the cost of filing such statements, to perfect Creditor's security interest in the Collateral.

c. Location and Identification of Collateral. Debtor will not remove the Collateral from its places of business located at Long Island City, New York, and Plymouth and Groton, New Hampshire, without the written consent of the Creditor.

d. Maintenance of Collateral. Debtor will not, without the written consent of Creditor, sell, lease, encumber, or otherwise dispose of any interest in the Collateral, and Debtor shall keep the Collateral in good order and repair. Creditor shall have the right to inspect the Collateral at reasonable times, upon reasonable notice.

e. Insurance. Debtor shall insure the Collateral to the satisfaction of the Creditor. Such insurance shall be for the benefit of the Debtor and Creditor as their interests may appear.

f. Taxes. Debtor shall pay promptly all taxes and assessments levied on the Collateral.

g. Records and Accounts. Debtor shall keep an accurate record of the Collateral and will deliver a copy of such records to the Creditor at such intervals as the Creditor may reasonably require.

h. Additional Liens. Debtor will not grant or incur any other lien, security interest, or other encumbrance on the Collateral without Creditor's prior written consent.

4. Representations of Debtor. In addition to any representations and warranties contained in the Loan Agreement, Debtor represents and warrants that it is a corporation organized under the laws of Delaware.

5. Default. If Debtor fails to pay when due any amount payable on the Debentures, fails to perform any of the provisions of this agreement, the Loan Agreement, or the Securities Purchase Agreement, or any representation or warranty is materially false, and upon lapse of any applicable grace periods contained in the Loan Documents, Debtor shall be in default. In addition to all rights granted the Creditor under the note and Loan Agreement, Creditor may exercise any and all of the rights granted by Part 6 of NHRSA 382-A, Article 9, as to Collateral in New Hampshire, and any equivalent section of the Uniform Commercial Code in effect in the State of New York as to any other Collateral. Creditor shall be entitled to collect from Debtor,

and to deduct from the proceeds of the sale of the Collateral, its expenses incurred in enforcing this agreement, including reasonable attorneys' fees and legal expenses.

Written notice mailed to Debtor ten (10) days before public or private sale of the collateral shall constitute reasonable notice. Creditor may require Debtor to assemble the collateral and to make it available to Creditor at a designated place reasonably convenient to both parties. The Secured Parties may purchase the collateral at a private sale.

6. New Hampshire Agreement. This security agreement shall be construed according to NHRSA 382-A and all other applicable laws of the State of New Hampshire.

IN WITNESS WHEREOF, the parties have executed this agreement on the date written above.

St. John's Realty Corporation

By: _____
Frank Nocito, President

Lilac Ventures Master Fund Ltd., agent

By: _____

LOAN AGREEMENT

AGREEMENT entered as of _____, 2006, between **ALL AMERICAN PLAZAS, INC.** (“All American”), **ST. JOHN’S REALTY CORPORATION** (“St. John’s”) (collectively, “Borrowers”), and **LILAC VENTURES MASTER FUND, LTD., and the additional parties identified on the signature pages of this Agreement** (“Lenders”).

RECITALS:

A. Borrowers and Lenders have entered into a Securities Purchase Agreement of approximately this date, under which the Borrowers will issue secured debentures to the Lenders, of approximately this date, in an aggregate amount of Two Million Five Hundred Thousand Dollars (\$2,500,000.00).

B. The Lenders have requested and the Borrowers have agreed to deliver additional security for its payment and performance obligations under the Securities Purchase Agreement and the secured debentures, including mortgages and other interests in real estate owned by St. John’s in Plymouth and Groton, New Hampshire.

C. This Agreement sets forth the additional obligations and rights of the parties relating to that real estate, and constitutes additional provisions of the Securities Purchase Agreement.

NOW, THEREFORE, for consideration paid, the parties agree that:

1. DEFINITIONS.

Each reference in this Agreement to the following terms shall be deemed to have the following meanings:

All American: All American Plazas, Inc., a Pennsylvania corporation.

Collateral: The assets that secure the obligations of the Borrowers.

Debentures: The Secured Debentures issued by the Borrowers to the Lenders of approximately this date in the aggregate amount of Two Million Five Hundred Thousand Dollars (\$2,500,000.00).

Environmental Laws: Any and all federal, state, and municipal laws, whether now in force, or as amended or enacted in the future, pertaining to health or the environment, including, without limitation, the New Hampshire statutes pertaining to underground storage facilities, RSA Chapter 146-C; the New Hampshire statutes pertaining to the oil discharge and disposal cleanup fund, RSA Chapter 146-D; the New Hampshire Hazardous Waste Management Act, RSA Chapter 147-A; the New Hampshire Hazardous Waste Clean Up Fund Act, RSA Chapter 147-B; the New Hampshire Worker's Right to Know Act, RSA Chapter 277-A; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq.; and the regulations adopted pursuant to those laws.

Hazardous Materials: Any substance defined as a "hazardous substance," "hazardous material," or "hazardous waste" in the Environmental Laws, and any other substance or compound prohibited or regulated under the Environmental Laws.

Improvements: Any additions to a development of any of the Real Estate for which any Borrower has applied for or received approvals from governmental entities or that Borrowers have represented to Lenders as projected development of the Real Estate, including without limitation construction of roads, utilities, and dwellings.

Incipient Default: Any event which with notice or lapse of time, or both, would become an event of default.

Loan: The advance of funds by the Lenders for purchase of the Debentures, and the repayment obligation of the Borrowers, as described in the Securities Purchase Agreement and the Debentures.

Loan Documents: All of the documents executed by Borrowers in connection with the Loan.

New Hampshire Real Estate: All land and buildings located in Grafton County, New Hampshire, and all appurtenant rights, owned by St. John's.

Real Estate: All real estate, including leasehold rights, of the Borrowers included in the Collateral.

Real Estate Loan Documents: This Agreement and the Loan Documents required to be executed and delivered to Lenders by this Agreement.

Real Estate Security Documents: Those Loan Documents that secure performance of Borrowers' obligations to the Lenders that relate to the Real Estate, as described in this Agreement.

St. John's: St. John's Realty Corporation, a Delaware corporation.

Securities Purchase Agreement: The agreement for the sale of certain debentures of Borrowers to Lenders, of approximately this date, as amended from time to time.

Securities Purchase Documents: All of the documents required to be executed and delivered to Lenders by the Securities Purchase Agreement.

Security Documents: Those Loan Documents that secure performance of Borrowers' obligations to the Lenders under the Securities Purchase Agreement and this Agreement.

Ski Area: The ski area known as Tenney Mountain Ski Area, located on the New Hampshire Real Estate.

Stock Acquisition: The acquisition by All American of all of the shares of St. John's.

2. THE LOAN. Lenders will advance funds to Borrowers (subject to the conditions described below), in the initial aggregate principal amount of Two Million Five Hundred Thousand Dollars (\$2,500,000.00), as evidenced by the Debentures and in accordance with the Securities Purchase Agreement, which incorporates the provisions of this agreement by reference.

3. SECURITY FOR LOAN. In addition to any Security Documents described in the Securities Purchase Agreement, the Loan and the payment and performance of Borrower's obligations under the Debentures and the Securities Purchase Agreement, and all other sums due Lenders under the terms of any of the Loan Documents or this Agreement, are secured by the following Real Estate Security Documents:

3.1 Mortgage. A first mortgage and security interest in the fixtures on the New Hampshire Real Estate, substantially in the form of Exhibit 3.1.(the "St. John's Mortgage").

3.2 Security Agreement. Security agreements, granting a security interest in all fixtures and personal property of St. John's, substantially in the form of Exhibit 3.2 (the "St. John's Security Agreement").

3.3 Assignment of Plans, Permits, and Contract Rights. A collateral assignment of all Permits, Plans and Specifications, and contract rights held or controlled by the Borrowers in connection with the development of the New Hampshire Real Estate, substantially in the form of Exhibit 3.3 (the "St. John's Assignment").

3.4 Pledge of Shares. A pledge by All American of all of the shares of St. John's, substantially in the form of Exhibit 3.4 (the "Stock Pledge Agreement") and all documents required by the Stock Pledge Agreement.

4. CONDITIONS PRECEDENT TO THE MAKING OF THE LOAN.

4.1 General Conditions. The obligation of the Lenders to make the Loan, and to make any disbursements of the Loan, is subject to satisfaction of all conditions in the Securities Purchase Agreement and the Debentures and to each of the following conditions:

4.1.1 There have been no Events of Default or Incipient Default under this Agreement or the Securities Purchase Agreement and the Debentures.

4.1.2 None of the Borrowers has experienced any material adverse change in its financial condition or in its ability to perform its obligations under this Agreement, the Debentures, the Securities Purchase Agreement, or the Loan Documents.

4.1.3 Borrowers have executed and delivered to Lenders all of the Loan Documents.

4.2 Real Estate Documents. The Lenders have received each of the following; each is acceptable to the Lenders; and none of them has been amended without the Lenders' consent:

4.2.1 Taxes. Evidence of payment of property taxes on the New Hampshire Real Estate.

4.2.2 Insurance. Evidence of insurance for such insurance as Lenders may require, as further described in section 7.1.

4.2.3 Title Insurance. Commitments for Lenders' title insurance policies on the New Hampshire Real Estate in a form and with endorsements approved by Lenders without any

exceptions not approved by the Lenders' attorneys, insuring the Lenders in the amount of the St. John's Mortgage.

4.2.4 Mechanic's Liens. Mechanic's lien waivers or the subordination of such liens to the lien of the Lenders submitted by all parties who have the right to claim such a lien on the New Hampshire Real Estate, or Borrower's affidavit that no labor has been performed or materials furnished and no contracts to perform labor or furnish materials have been entered into in connection with the New Hampshire Real Estate, within one hundred twenty (120) days prior to this Agreement, except as disclosed in writing to and approved by Lenders.

4.2.5 Contracts and Franchise Agreements. Copies of all Contracts and Franchise Agreements for the New Hampshire Real Estate, including operation of the Ski Area.

4.2.6 Permits. Copies of all permits and appraisals from all municipal, state and federal authorities issued for the development and operation of the New Hampshire Real Estate, including the Ski Area.

4.3. Entity Existence and Authorizations. The Lenders have received the following evidence of Borrowers' authorization and existence:

4.3.1 For All American:

4.3.1.1 Certificate of Existence;

4.3.1.2 Certificates of Corporate Vote authorizing the execution and performance of the Loan Documents;

4.3.1.3 Certificates of Incumbency; and

4.3.1.4 Certified copies of the Articles of Incorporation and Bylaws.

4.3.2 For St. John's:

4.3.2.1 Certificate of Existence;

4.3.2.2 Certificates of Corporate Vote authorizing the execution and performance of the Loan Documents;

4.3.2.3 Certificates of Incumbency;

4.3.2.4 Certified copies of the Articles of Incorporation and Bylaws; and

4.3.2.5 Certificate of Registration to Conduct Business in New Hampshire.

4.5 Appraisal. An appraisal by an appraisal firm satisfactory to Lender disclosing a fair market value of the New Hampshire Real Estate, including the Ski Area (the “Appraisal”), at least equal to one hundred twenty percent (120%) of the amount of the Loan (the “Loan to Value Ratio”).

4.6 Other. Such other documents and schedules relating to the New Hampshire Real Estate, the Ski Area, and the Borrowers as the Lenders may request.

4.7 Additional Collateral. If the Appraisal does not show the required Loan to Value Ratio, the Borrowers shall provide additional collateral acceptable to Lenders (the “Additional Collateral”), which may include a collateral assignment of a leasehold interest by All American of property located in Breezewood, Pennsylvania (the “Pennsylvania Real Estate”) by execution and recording of a collateral assignment of lease reasonably satisfactory to Lenders (the “Pennsylvania Lease Assignment”). If the Appraisal is not completed prior to the advance of the Loan Funds, Lenders shall not be deemed to have waived this provision, and may require the Additional Collateral as a condition subsequent to the Loan.

5. REPRESENTATIONS AND WARRANTIES.

In order to induce the Lenders to make the Loan, the Borrowers makes the following representations, warranties and promises:

5.1 Financial Condition. Subject to any limitations stated therein, all financial data and all other documents which have been or will be furnished to the Lenders to induce it to enter into this Agreement do, or will, fairly represent the financial condition of the Borrowers and are, or will be, accurate, true and complete in all material respects.

5.2 Financial Statements. The financial statements have been and will be prepared in accordance with generally accepted accounting principles, consistently applied and fairly and completely set forth the financial position of Borrowers, as applicable, as of their date. Except as previously disclosed in writing to the Lenders, since the date of the financial statements, there has been no significant assignment of assets or material adverse change or threatened change in the financial condition, operation or business prospects of the Borrowers.

5.3 Entity Status.

5.3.1 All American. All American is a Pennsylvania corporation duly organized and existing in good standing under the laws of Pennsylvania, has complied with all laws and regulations and has obtained all permits and approvals from all federal, state and municipal authorities necessary to conduct its current business.

5.3.2 St. John's. St. John's is a Delaware corporation duly organized and existing in good standing under the laws of the State of Delaware and registered to conduct business in New Hampshire, has complied with all laws and regulations and has obtained all permits and approvals from all federal, state and municipal authorities necessary to conduct its current business, including the development and operation of the Ski Area.

5.4 Ownership of Membership Interests. Upon completion of the Stock Acquisition, All American shall own all of the shares of stock issued by St. John's, and no other person shall have any legal or beneficial interest in those interests.

5.5 Pending Litigation. There is not now pending or threatened against any of the Borrowers any litigation or any proceedings before any court or administrative agency, the outcome of which might adversely affect the financial condition of the Borrowers or the Collateral or their ability to perform their obligations under this Agreement, the Securities Purchase Agreement, or the Debentures.

5.6 Approvals. No approval of any person, corporation, or other entity is a prerequisite to the execution and delivery of any of the Loan Documents submitted to the Lenders in connection with the Loan, or to ensure their validity or enforceability.

5.7 Due Execution. The execution, delivery and performance of the Loan Documents are within the power of Borrowers, have been duly authorized, are not in contravention of law or any agreement or undertaking to which any of the Borrowers is a party or by which it is bound, and when executed will constitute the valid and binding obligations of Borrowers, and will be enforceable according to their terms.

5.8 Title. St. John's holds good and marketable title to the New Hampshire Real Estate, free and clear of all mortgages, liens, and encumbrances, except those matters listed on Schedule 5.8. The St. John's Mortgage, when duly recorded in the Grafton County Registry of Deeds, shall grant a first mortgage to the New Hampshire Real Estate.

5.9 Compliance With Laws. The New Hampshire Real Estate is and will be in compliance with all federal, state, and local laws, including, without limitation, all zoning and land-use restrictions and all laws relating to use, storage, and disposal of Hazardous Materials.

5.10 Trade Names. No Borrower has used any trade names or other entities in connection with its ownership of its Real Estate within the past five years, except as set forth on Schedule 5.10.

6. USE OF FUNDS. The funds advanced by the Lenders shall be used by Borrowers for the Stock Purchase, and for such other uses as set forth in the Use of Funds Schedule attached as Schedule 6.

7. COVENANTS OF BORROWERS.

7.1 Insurance.

7.1.1 St. John's shall maintain insurance in full force and effect and will deposit certificates with the Lenders for the following:

7.1.1.1 Commercial general liability insurance, including limited contractual liability and coverage limits of not less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate;

7.1.1.2 Fire and broad form coverage insurance;

7.1.1.3 Business interruption insurance;

7.1.1.4 All insurance required by any documents or agreements related to the operation or development of any of the Real Estate and by any other Loan Documents.

All required insurance policies shall be issued by companies satisfactory to Lenders; be in an amount sufficient to protect Lenders' interest; shall show the Borrowers and Lenders as

insured, as their interest may appear, or, where appropriate, show Lenders as Mortgagee, an additional named insured and lender loss-payee; be evidenced by duplicate original policies or ACORD 28 forms; and shall require thirty (30) days' prior written notice to Lenders of any intended cancellation.

7.1.2 In the event Borrowers fail to provide insurance as provided above, the Lenders may at its option provide such insurance and charge the amount to the Borrowers' account; such action by the Lenders shall not constitute a waiver of the Lenders' right to claim a default.

7.2 Additional Liens. Borrowers shall not create, assume, incur, or allow to be created, assumed or incurred, any mortgage, lien, attachment or security interest or other encumbrance of any kind in respect to any of the Real Estate during the existence of the Loan, without Lenders' prior written approval. Any such encumbrance shall be discharged or released within thirty (30) days, or within such longer term as is reasonably required, provided that Borrower (a) contests the encumbrance in good faith, (b) is taking all steps reasonably necessary to contest the encumbrance, and (c) maintains adequate reserves or insurance to discharge the encumbrance if its challenge is unsuccessful.

7.3 Actions Against Borrowers. Borrowers shall notify the Lenders in writing as soon as any one of them has knowledge of any pending or threatened actions, suits, or proceedings at law, in equity, or before any governmental authority, against or affecting any of the Borrowers or the Real Estate, or any business activities conducted or planned to be conducted by any of the Borrowers, or involving the validity or enforceability of the Loan Documents or the priority of the liens created by any of the Loan Documents.

7.4 Tax Receipt. The Borrowers shall, within thirty (30) days from the date any taxes or any assessment on any of the Real Estate must be paid without incurring a penalty, furnish to the Lenders a receipted tax or assessment bill. All taxes and assessments on the Real Estate shall be paid on or before the due date.

7.5 Tax Escrow. For the purpose of providing regularly for the prompt payment of all taxes levied or assessed against the Property, in the event any Borrower fails to pay any taxes when due, Lenders may require the Borrower to deposit with the Lenders, on the dates installments under the Note are payable, an amount equal to an estimate of such taxes divided by the number of months to elapse prior to the date when such taxes will become due and payable. The monies thus deposited with the Lenders shall earn such interest as is required by law, and are to be held by the Lenders as escrowee and disbursed by it in payment of such taxes as and when due, upon Borrower's timely submission of a tax bill.

7.6 Additional Documents. The Borrowers shall execute any and all documents required by the Lenders to confirm the priority of Lenders' interest in the Collateral.

7.7 Financial Statements and Records. In addition to such other financial information as the Lenders may request, each of the Borrowers shall provide the following to Lenders:

7.7.1 Tax Returns. Borrowers shall provide the Lenders with copies of all federal tax returns within one hundred twenty (120) days after the close of its fiscal year.

7.7.2 Financial Records. Each of the Borrowers shall, during the term of the Loan, keep accurate and complete records of its financial condition and records of the operation of the Real Estate owned by it, including the Ski Area, which records shall be located at the

Borrower's place of business as listed in this agreement. Lenders and its agents shall have the right, upon reasonable notice to Borrowers, to inspect, audit, check and make extracts from any copies of such records relating to the Real Estate or to the general financial condition of Borrower, and the Borrower shall provide copies of any such records as Lenders may request.

7.8 Expenses and Fees. In addition to all other amounts due under this Agreement, the Loan Documents, and the Securities Purchase Agreement, Borrowers shall pay, when specified below or upon demand, all costs and expenses of:

7.8.1 Preparing the Loan Documents by Lenders and Lenders' attorneys, and all filing and recording fees;

7.8.2 Preserving and inspecting the Real Estate; inspecting and auditing the financial records of Borrower; collecting all amounts due Lenders under this Agreement, the Debentures, the Securities Purchase Agreement, or the Loan Documents, including, without limitation, filing fees and attorneys' fees; and exercising any of its other rights and remedies under this Agreement;

7.8.3 Any appraisals, environmental site assessments, and other site tests or investigations required or permitted by this Agreement;

7.8.4 The title search and title insurance policies required by this Agreement.

7.9 Repairs. Each Borrower will maintain the Real Estate owned by it in good repair, working order, and condition, and will make all needed and proper repairs, renewals, and replacements, and shall take all actions necessary to comply with and maintain in good standing any permits and approvals granted for the development and operation of the Real Estate, including the Ski Area.

7.10 Transfer of Interest in the Real Estate. Borrowers shall not sell, assign, or lease any interest in the Real Estate.

7.11 Extraordinary Entity Actions. Except with the prior written consent of Lenders, each of the Borrowers shall not:

7.11.1 Merge or consolidate or be merged or consolidated with or into any other entity, or allow any change in ownership or control of the Borrower.

7.11.2 Sell or dispose of any of its assets except in the ordinary and usual course of business.

7.11.3 Engage in any business other than the business in which it is currently engaged or a business reasonably related to it.

7.11.4 Amend any of its articles of incorporation, bylaws, certificates of formation, and operating agreements, or any other entity formation and governance documents.

7.11.5 Issue any shares or membership interests, unless pledged to Lenders.

7.12 Covenants for Additional Collateral. Upon Borrowers' granting any Additional Collateral, the covenants relating to the Collateral granted as of the inception of the Loan, including the New Hampshire Real Estate, shall apply to the Additional Collateral. Any covenants relating to ownership of New Hampshire Real Estate shall apply to Borrowers' leasehold interest in the Pennsylvania Real Estate, subject to any fee interest of the owner thereof and encumbrances reasonably acceptable to Lenders in the Pennsylvania Real Estate.

8. EVENTS OF DEFAULT AND REMEDIES.

8.1 Events of Default. Borrowers shall be in default under this Agreement upon the occurrence of any one or more of the following events:

8.1.1 Any Borrower fails to make any payment due on the Debentures, this Agreement, or any of the Loan Documents, as due and prior to the expiration of any applicable grace period.

8.1.2 Any Borrower fail to comply with any of the other covenants or provisions of this Agreement, and fails to cure the default within fifteen (15) days of Lenders' written notice of default, or within such longer time as is reasonably necessary to cure any default that cannot be cured within fifteen (15) days, provided Borrowers act diligently to cure the default and the interests of Lenders are not prejudiced by the delay, except for lapse of Borrowers' insurance under section 7.1, or of the Debentures, the Securities Purchase Agreement, the Loan Documents, or any other document delivered in connection with the Loan, and the lapse of any applicable grace periods.

8.1.3 Any representation or warranty made in this Agreement, or any Loan Documents, or in any report, certificate, financial statement or other instrument furnished in connection with this Agreement or the Loan is false or misleading in any material respect.

8.1.4 A receiver or trustee of the property of any of the Borrowers is appointed, or a Borrower files or have filed against it a petition under any of the provisions of the bankruptcy law or any similar law, state or federal, that is not dismissed or discharged within sixty (60) days, or makes an assignment for the benefit of creditors.

8.1.5 Any Real Estate is found to contain Hazardous Waste, or a lien under RSA 147-B:10-b, is placed on any of the Real Estate, unless Borrowers provide evidence acceptable to Lenders of their ability to remediate or remove the Hazardous Waste and Borrowers diligently undertake and complete within a reasonable time removal or remediation of the Hazardous

Waste in accordance with the requirements of the New Hampshire Department of Environmental Services, and the Environmental Protection Agency.

8.1.6 Any of the Real Estate is materially injured or destroyed by fire or other casualty, and Lenders reasonably determines that the available insurance proceeds are not sufficient to restore the Real Estate to its original condition, or the Real Estate or any material portion of the Real Estate is taken by eminent domain and the Real Estate cannot be used by Borrower for its original purpose.

8.2 Lenders' Rights on Default. Upon the occurrence of any one or more of the Events of Default, and at any time thereafter:

8.2.1 Acceleration of Debt. Any and all indebtedness of the Borrowers to the Lenders shall, at the Lenders' option, become immediately due and payable, without presentment, demand, protest or notice of any kind, all of such being hereby expressly waived by the Borrowers.

8.2.2 Other Remedies. The Lenders may pursue any and all other remedies granted it under this Agreement, the Securities Purchase Agreement, and the other Loan Documents, including without limitation the right to occupy and operate the Real Estate, to collect the proceeds therefrom, and to pay expenses of maintenance and operation of the Real Estate. All payments made or liabilities incurred by Lenders hereunder of any kind shall be secured by the Security Documents, shall be paid by Borrower to Lenders on demand, and shall bear interest at the highest rate stipulated in the Note until the date of repayment.

8.3 Insurance and Condemnation Procedure. If one of the events set forth in subsection 8.1.6 occurs, the insurance proceeds or condemnation award, as the case may be, shall

be paid to the Lenders alone, to be applied in the Lenders' discretion, and in such order as the Lenders may determine in accordance with the Mortgages. The Lenders are authorized, without the consent of the Borrowers, to adjust and compromise any such loss or condemnation award, collect and receipt for any such proceeds or awards and endorse the Borrowers' name on any check or draft in payment thereof.

8.4 Project Completion. The Lenders may enter upon any of the Real Estate and construct, equip, and complete the Improvements, with such changes therein as the Lenders may, from time to time, and in their sole discretion, deem appropriate. The Lenders may assume any construction contract made by the Borrowers in any way relating to the Improvements and take over and use all or any part or parts of the labor, materials, supplies and equipment contracted for by the Borrowers, whether or not previously incorporated into the Improvements, all in the sole and absolute discretion of the Lenders. In connection with any construction of the Improvements undertaken by the Lenders pursuant to the provisions of this section, the Lenders may engage builders, contractors, architects and engineers and others for the purpose of furnishing labor, materials and equipment in connection with the Improvements; pay, settle or compromise all bills or claims that may become liens against the Improvements or that have been or will be incurred in any manner in connection with the construction, equipping and completion of the Improvements; and take such other action hereunder, or refrain from acting hereunder, as the Lenders may, in its sole and absolute discretion, from time to time determine to carry out the intent of this section. The Borrowers shall be liable to the Lenders for all costs paid or incurred by Lenders for the construction, completion, and equipping of the Improvements. All payments made or liabilities incurred by the Lenders hereunder of any kind whatsoever shall be secured by

the Security Documents; shall bear interest at the annual interest rate specified in the Debentures; and shall be paid by the Borrowers to the Lenders on demand. In the event the Lenders takes possession of any of the Real Estate and assumes control of the construction of the Improvements, it shall not be obligated to continue such construction longer than it shall see fit and may thereafter at any time change any course of action undertaken by it or abandon such construction and decline to make further payments for the account of the Borrowers, whether or not the Improvements have been completed.

8.5 Power of Attorney. For the purpose of carrying out the provisions and exercising the rights, powers and privileges granted by Section 8 in the event of a default, the Borrowers hereby irrevocably constitutes and appoints the Lenders their true and lawful attorney-in-fact, with full power of substitution, to execute, acknowledge and deliver any instruments and do and perform any acts which are referred to in Section 8 in the name and on behalf of the Borrowers. The power vested in the attorney-in-fact is, and shall be deemed to be, coupled with an interest and irrevocable.

8.6 Remedies Not Exclusive. The Lenders' rights and remedies under this Agreement are cumulative. The Lenders' failure to exercise any remedy shall not constitute a waiver of its other remedies hereunder or a waiver of the default or any subsequent event of default.

9. GENERAL CONDITIONS.

9.1 Inspection. The Lenders shall have the right to inspect the Real Estate at all reasonable times. All inspections made by the Lenders or its agents are made solely to ascertain the condition of the Real Estate for the benefit of the Lenders, and the Borrowers agree that the

Lenders does not thereby assume additional responsibilities, and agrees that it will indemnify and hold the Lenders harmless from any liability asserted by reason of such inspections.

9.2 Notices. Except as expressly provided, all required notices between the Borrowers and the Lenders or to any of the following shall be in writing and shall be deemed to have been properly given when sent by certified or registered mail, return receipt requested, postage prepaid, or by Federal Express or other reputable courier service providing receipted delivery, addressed as set forth in the Security Purchase Documents and to the following:

- (1) If to Lenders:

Robert F. Charron
Feldman Weinstein LLP
The Graybar Building
420 Lexington Avenue
New York, NY 10170-0002
Tel: 212-931-8704
Fax: 212-401-4741

and

James F. Raymond
Upton & Hatfield, LLP
10 Centre Street
P.O. Box 1090
Concord, NH 03302-1090
Tel: 603-224-7791
Fax: 603-224-0320

- (2) If to Borrowers:

Jonathan Austern
Austern & Austern, P.C.
P.O. Box 558
2 Taconic Court
Wading River, NY 11792
Tel: 631-929-4541
Fax: 631-929-4543

9.3 Waiver. The waiver of any of the terms and conditions of this Agreement shall not be deemed to constitute a subsequent waiver of the same or any other terms or condition.

9.4 Complete Agreement. This Agreement, together with the Loan Documents, the Securities Purchase Agreement, and the Securities Purchase Documents, constitute the complete understanding between the parties and may not be changed except by an agreement in writing signed by the parties.

9.5 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the Governing Law for the Securities Purchase Agreement, except that any rights and remedies as to the New Hampshire Real Estate granted by this Agreement and the Loan Documents shall be construed with and in accordance with the laws of the State of New Hampshire.

9.6 Waiver of Jury Trial. The parties waive and elect not to assert their right to trial by jury on any issues triable by a jury on any issue triable by a jury arising under this Agreement or any of the Loan Documents.

9.7 Assurance of Execution and Delivery of Additional Instruments. The Borrowers agree to execute and deliver, or to cause to be executed and delivered, to the Lenders all such further instruments, and to do or cause to be done all such further acts and things, as the Lenders may reasonably request to achieve the purposes of this Agreement and the Loan Documents.

9.8 Agent for Lenders. By separate agreement, the Lenders may appoint an agent to hold any Collateral and to exercise any of the remedies of Lenders under this Agreement or any of the Loan Documents. Any reference to Lenders in this Agreement shall be deemed to refer to the Agent acting in that capacity in the Loan Documents, and any reference to "Lender" in the

Loan Documents shall include the Lenders as their interests may be defined in the agency agreement with the Agent.

9.9 Counterparts; Facsimile Signatures. This Agreement, and all of the Loan Documents, may be executed in any number of counterparts, with the same effect as if all of the signatures on such counterparts appeared on one document, and each such counterpart shall be deemed to be an original document. Facsimile or electronic signatures of the Lenders shall be accepted as originals.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

All American Plazas, Inc.

By: _____
Frank Nocito,
Executive Vice President

St. John's Realty Corporation

By: _____
Frank Nocito, President

Lilac Ventures Master Fund Ltd.

By: _____

print name:

title:

Smithfield Fiduciary LLC

By: _____

print name:

title:

Crestview Capital Master, LLC

By: _____

print name:

title:

Iroquois Master Fund Ltd.

By: _____

print name:

title:

Cranshire Capital, L.P.

By: _____

print name: