

SECURITY AGREEMENT  
(Security Interest in Inventory and Equipment)

TO: GENERAL ELECTRIC COMPANY

1. In order to induce you to extend credit to the undersigned for the purchase of merchandise for inventory, and in consideration of any extensions of credit you may in your discretion make to undersigned, but without in any way binding you to extend such credit, undersigned hereby grants to you, as security for all undersigned's debts and obligations to you, existing or future, under this or any other agreement between us, or under any note or other evidence of indebtedness made by the undersigned, a security interest in all its inventory, new and used, presently owned and hereafter acquired, of Electrak garden tractors, accessories and parts therefor, and other products, present or future, of the Outdoor Power Equipment Operation of General Electric Company, together with all proceeds of the sale or other disposition thereof.
2. Unless other payment terms are specified in a separate note made by undersigned and accepted by you, or in a separate writing signed by you and delivered to undersigned, undersigned agrees to pay you in full the amount of the purchase price for each item of merchandise purchased from you by undersigned, when due in accordance with your terms in effect at the time of shipment, or when undersigned sells such unit of inventory, whichever sooner occurs. (For the purposes of this agreement the term "purchase price" includes, but is not limited to, the amount of any indebtedness of the undersigned to you arising out of the purchase of inventory by undersigned from you, together with interest and finance charges thereon at such regularly scheduled rates as may be applicable thereto at the time such indebtedness arises.) Undersigned hereby authorizes you, by any employee or employees of your designation, to sign, execute, endorse, transfer, file or deliver in the name of the undersigned any document or instrument which in your discretion may be necessary or appropriate to effectuate the intent of this agreement, including, without limitation, any Uniform Commercial Code statements concerning your security interest hereunder, any certificates of title or origin or applications therefor, and any evidences of indebtedness with respect to the purchase price of merchandise acquired from you, or any agreements with respect to the extension or modification thereof, and to endorse in the name of the undersigned any notes, checks, drafts and other instruments for the payment of money which may come into your possession.
3. So long as undersigned is not in default under any of its obligations to you hereunder or otherwise, undersigned shall have the right to sell all inventory the purchase price of which is hereby secured in the normal course of its business and undersigned will notify you promptly of any sale of any item of such inventory and pay you therefor in accordance with paragraph 2 hereof. To the extent that undersigned may become obligated to pay any amount to you upon the sale of any unit of inventory by it, undersigned agrees that it will hold all proceeds of the sale of such unit in trust for you.
4. Undersigned will at all times keep accurate and complete records of undersigned's inventory and you or any of your agents shall have the right to inspect undersigned's inventory and to inspect and make extracts from the books and records relating to undersigned's inventory or to any other transactions between the parties hereto. Undersigned will pay promptly when due all taxes and transportation, storage and warehousing charges on inventory and shall keep it insured for its full value against any and all risk of loss or damage with loss payable to undersigned and you as the parties' interests may appear and with policies subject to cancellation or modification only upon ten days written notice to you.
5. If undersigned shall fail to pay when due any amount payable on any indebtedness of undersigned to you, or shall fail to observe or perform any of the provisions of this or any other agreement between us, or if undersigned assigns for the benefit of creditors, or ceases to do business as a going concern, or if a petition under any of the chapters of the Bankruptcy Act or for a receiver be filed by or against undersigned, undersigned shall be in default hereunder. Upon such default, all indebtedness secured hereby shall become immediately due and payable at your option without notice to undersigned, and you may proceed to enforce payment of same and to exercise any or all of the rights and remedies afforded to you by the Uniform Commercial Code, as in effect in undersigned's state, or otherwise possessed by you. Undersigned agrees to pay reasonable attorney's fees incurred by you in enforcing your rights and remedies after default under this agreement. To assist you in the implementation of such rights and remedies undersigned will, at your request, assemble and prepare for removal such items of inventory covered by this agreement, to be selected by you, as shall in your sole judgment have a value sufficient to cover all undersigned's debts and obligations to you. It is agreed that sale of any unit of inventory at

