

## SECURITY AGREEMENT

Date: \_\_\_\_\_

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(NAME AND ADDRESS OF DEALER)

(hereinafter called "Dealer"), for valuable consideration, receipt whereof is hereby acknowledged, hereby grants to Temperature Equipment Corporation, Bryant Mungo, Harry Alter Company, Temp Excel Properties, LLC, dba, National Excelsior Company its Divisions, (herein called "Secured Parties"), a security interest in the following property and any and all additions, accessions and substitutions thereto or therefore (hereinafter called the "Collateral"):

*All inventory now or hereafter owned or acquired by Dealer, which is manufactured, sold, or distributed by Secured Parties, including but not limited to inventory of the following types: air conditioning, refrigeration, heating, air moving, ventilating, humidifying or dehumidifying equipment, machinery and systems, transportation refrigeration, air conditioning units and apparatus, appliances and all parts and accessories for or used in connection with any of the above described types of goods; and all replacements, additions, substitutions, returned or repossessed goods and all proceeds, products, increases and accessions of or to the foregoing in any form (herein called "Collateral"). "Proceeds" means whatever is received when collateral is sold, leased, exchanged or otherwise disposed of, whether voluntarily or involuntarily, and includes insurance proceeds.*

The above Collateral is given to secure payment of the present indebtedness at the time of this agreement and also all liabilities, direct or indirect, absolute or contingent, now existing or hereafter arising, of Dealer to Secured Parties.

If Dealer "converts" any of the above Collateral, Secured Parties shall immediately acquire a security interest in all the Dealer's accounts receivable and inventory then owned and thereafter acquired and to all the proceeds and products thereof.

Dealer agrees to pay Secured Parties according to the terms on the invoices. Dealer agrees to pay all attorney's fees and any other expenses incurred incidental to the settlement, collection, or adjustment, by suit or otherwise to collect the payment of this account.

Dealer will keep the Collateral free from any adverse lien, security interest or encumbrance and in good order and repair and will not waste or destroy the Collateral or any part thereof; Dealer will not use the Collateral in violation of any statute or ordinance; and Secured Parties may examine and inspect the Collateral at any time, wherever located.

Dealer will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation.

At its option, Secured Parties may discharge taxes, liens, or security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral. Dealer agrees to reimburse Secured Parties on demand for any payment, or any expense incurred by Secured Parties pursuant to the foregoing authorization.

**Until default, Dealer may have possession of the Collateral and use it in any lawful manner not inconsistent with this agreement and not inconsistent with any policy of insurance thereon. Dealer may sell all or any part of the above referred to Collateral only in the ordinary course of business.**

**Dealer shall be in default under this agreement upon the happening of any of the following events or conditions:**

- (1) Default in the payment or performance of any obligations, covenant or liability contained or referred to herein;**
- (2) Any warranty, representation or statement made or furnished to Secured Parties by or on behalf of Dealer proves to have been false in any material respect when made or furnished;**
- (3) Loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon;**
- (4) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against, Dealer or any guarantor or surety for Dealer.**

**Date:** \_\_\_\_\_

\_\_\_\_\_  
**(SIGNATURE)**

\_\_\_\_\_  
**(TITLE)**