

## Security Agreement

To secure payment and performance of all obligations, Customer hereby grants Creditor a continuing security interest in all inventory, equipment, and goods manufactured by or distributed by Creditor, whenever sold, consigned, leased, rented or delivered, directly or indirectly, to or for the benefit of Customer by Creditor, wherever located, now owned and hereafter acquired including but not limited to all Heating, Air Conditioning and Refrigeration (HVAC/R) Equipment and/or Inventory identified under the name Heating & Cooling Supply LLC and/or otherwise supplied from Heating & Cooling Supply LLC; and all replacement parts, accessories and supplies including repossessions and returns; and all proceeds from the sale, lease or rental thereof; and all existing or subsequently arising accounts and accounts receivable, chattel paper, general intangibles, and supporting obligations which may from time to time hereafter come into existence during the term of this Security Agreement. Creditor's security interest is explicitly limited to outstanding obligations between Creditor and Customer. Customer will maintain the Collateral in original condition but for the ordinary wear and tear, and will insure the Collateral against all expected risks. Customer will not subject the Collateral to any adverse encumbrance or lien, or sale or other transfer other than as approved in writing by Creditor including through this Agreement. If Customer fails to timely make any payment, Creditor may repossess and remove any Product(s) from Customer with or without Notice. Customer will not locate the Collateral at any location other than as known to Creditor. Customer will promptly advise Creditor of any change of Customer's name or business nature, location, and business openings and closings. The following constitute Customer defaults: Non-payment in timely fashion of Customer's indebtedness to Creditor, bankruptcy, insolvency, or assignment for the benefit of Creditors; misrepresentation in respect of any provision of this or any Agreement between Creditor and Customer. In the event of default Creditor may declare all unpaid balances due and payable and or may require Customer to assemble the collateral and make it available to allow Creditor to take possession or dispose of the collateral. Customer authorizes Secured Party to file a financing statement describing the collateral.

Company Name: \_\_\_\_\_

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

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