

STATE OF SOUTH CAROLINA )  
 )  
 COUNTY OF GREENVILLE )

INVENTORY AND EQUIPMENT  
 SECURITY AGREEMENT

THIS AGREEMENT made this 15<sup>th</sup> day of October, 1970, between Southern Bank and Trust Company, Greenville, South Carolina ( hereinafter referred to as "Bank"), and Thomas J. Stafford, Jean F. Stafford, and Berea Hardware, Inc., a South Carolina corporation, (hereinafter referred to as "Borrower").

(1) Borrower's Places of Business. Borrower warrants that Borrower's only places of business are at the addresses appearing after Borrower's signature hereto and at the following locations:

Berea Plaza, Greenville, South Carolina  
 Farr's Bridge Road, Greenville, South Carolina

(2) Loan. The Bank has agreed to make a loan to Borrower in the amount of \$20,000.00 on the condition, among others, that Borrower secure said loan by granting this Security Interest to the Bank in the Borrower's Inventory and Equipment.

(3) Definition of Inventory. The term "Inventory", as used herein, means goods held for sale or being processed for sale in Borrower's business, as now or hereafter conducted, including all materials, goods in process, finished goods and supplies customarily classified as inventory.

(4) Definition of Equipment. The term "Equipment", as used herein, means equipment and fixtures normally used in the Borrower's business as now or hereafter conducted, including, but not limited to, counters, cash registers, display counters, tools and machinery normally used or needed in the operation of a hardware business.

(5) Bank's Security Interest in Inventory and Equipment. As security for the payment of the recited loan of \$20,000.00 or any future loans made by the Bank to the Borrower, including any extensions and renewals thereof, Borrower hereby assigns to Bank and grants to Bank a security interest in all of Borrower's Inventory and Equipment now owned or hereafter acquired during the term of this agreement.

At such intervals as may be prescribed by the Bank, Borrower will give the Bank a certified schedule of Borrower's Inventory and Equipment in such form and detail as required by the Bank.