

Ellis Equipment Co, Inc.

Distributor – Western USA
701 South Main, Logan Utah 84321
Phone 435-752-4311
Fax 435-752-4384
Email contact@ellisequipment.com

DEALERSHIP

Legal Name (Dealer) _____
Doing Business As _____ Proprietorship ___ Corporation ___ Partnership ___
Shipping Address _____
Billing Address _____
Phone _____ Fax _____ Email _____
Federal Tax ID or Soc Sec No _____ Sales Tax Permit _____
Years Using Business Name _____ Years at Present Location _____
Land at Dealership, Acres _____ Land Owned By _____
Latest Sales/Year \$ _____ Bank _____

PEOPLE

Owners _____
General Manager _____ Sales Manager _____
Salespeople _____
Parts Manager _____ Accounts Manager _____
Service Manager _____ Total Number of Employees _____

PRODUCTS

Tractor or Major Lines Sold _____
Shortlines Sold _____
Other Distributor Accounts _____
Equipment Markets Served (hay, dairy, construction etc.) _____
ELLIS Lines Most Interested In _____

SALES AND SECURITY AGREEMENT

CONDITIONS OF SALE

This Agreement applies to all goods and services ordered or received by the above-named Dealer from Ellis Equipment Co., Inc. (Distributor), prior to this agreement and hereafter. Dealer has no obligation to order goods from Distributor or to maintain a stock of parts or whole machines or attachments. Distributor has no obligation to accept Dealer's orders, nor to make shipments or extend credit to Dealer. Dealer agrees to accept delivery of all goods ordered by Dealer, and to pay for such goods, including freight, assembly and associated charges, when due. Dealer will pay for any freight-damaged goods on which Dealer fails to make a timely and sufficient claim. Dealer's obligations under this Agreement are payable to Distributor at Logan Utah. Distributor may make credit inquiries of Dealer's suppliers and creditors listed above. This Agreement may not be assigned by Dealer.

PRICES AND TERMS

Dealer's purchases are subject to Distributor's printed list prices, discounts and terms, as modified from time to time, which are incorporated into this Agreement by reference. Distributor may change its prices, discounts or terms without notice, but such changes will not affect goods already invoiced. Returns are subject to Distributor's consent and terms. Any provision of this Agreement that creates a requirement in Dealer's state for Distributor to repurchase inventory upon termination is excluded from this Agreement. Dealer will pay finance charges at the rate of 1.5% per month (18% per year) from the date of invoice, but Distributor will waive the finance charges on invoices that are paid when due.

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WARRANTY

Dealer agrees to rely solely on the manufacturer's warranty. Distributor makes no warranty of merchantability, nor of fitness for any purpose, nor otherwise, beyond the manufacturer's description of the goods. Distributor's liability for any claim or loss shall not exceed the price of the part which gives rise to the claim, with no liability for indirect or consequential damages. Dealer agrees to assemble, prepare and inspect all goods before delivery to a retail customer, to instruct them in the proper and safe use of the goods, and to be liable for any failure to do so.

SECURITY INTEREST

To induce Distributor to extend or guarantee credit, Dealer hereby grants to Distributor a security interest under the Uniform Commercial Code in the collateral described below, to secure all present and future obligations of Dealer to Distributor, including any future advances or contingent liabilities. The collateral is:

"Existing and after-acquired inventory distributed or sold by Ellis Equipment Co., Inc. to Debtor (Dealer), and all proceeds of such inventory, including cash, accounts receivable, contract rights, or other property."

To perfect this security interest, Dealer authorizes Distributor to execute and file financing statements covering the Collateral. This security interest shall continue and remain in effect to secure future obligations even though it may cover no obligations at some times.

CARE OF COLLATERAL

Dealer assumes all risk of loss of the collateral. Prior to delivery of any collateral to a customer, Dealer shall obtain a full settlement from the customer, and shall hold those proceeds in trust for Distributor until all sums due Distributor have been paid to Distributor. Dealer shall discharge tax and other liens on the collateral, or shall pay Distributor to do so. Distributor or its agent may inspect the collateral and any related documents at any reasonable time or during Dealer's regular hours.

DEFAULT

The occurrence of any of the following shall, at the option of Distributor and without notice or demand, constitute a default by Dealer:

"Dealer's failure to pay Distributor when due or to perform any other obligation to Distributor; Dealer's material misrepresentation to Distributor; Dealer's failure to pay a third party the proceeds from the sale of that party's collateral; the commencement of Dealer's bankruptcy, insolvency, liquidation or cessation of business; the termination, incapacity or insolvency of any of Dealer's owners, manager or guarantors, Dealer's failure to pay or termination of business with a third party finance company that leads to that company exercising a repurchase agreement with Distributor."

If Dealer defaults, Distributor may, without notice or demand, accelerate any of Dealer's obligations to Distributor and take possession of the Collateral. If Dealer defaults, Dealer shall pay Distributor's costs incurred in protecting and enforcing Distributor's rights under this Agreement, including attorney fees, and shall pay Distributor for any deficiency remaining after liquidation of the collateral. If Dealer defaults, all parties will submit to the laws and courts of the state of Utah, and to the venue of Cache County Utah.

PERSONAL GUARANTEES

To further induce Distributor to extend credit to Dealer, the undersigned Personal Guarantor(s) individually guarantee to Distributor a complete fulfillment of Dealer's obligations to Distributor under this Agreement, and acknowledge receipt of a copy of this Agreement. The Personal Guarantors waive notice of acceptance of this guarantee, consent to and waive notice of any transactions or agreements between Dealer and Distributor or of default by Dealer. Each Personal Guarantor's guarantee shall continue until that Guarantor gives written notice to distributor to make no further advances on the security of that guarantee. Such notice shall not affect the guarantee of Dealer's obligations incurred prior to the notice.

OTHER PROVISIONS

Dealer warrants to Distributor that the information provided in this Agreement is accurate, that the undersigned is authorized to execute this Agreement, and that Dealer has received a copy of this Agreement. The failure of any party to enforce any provision of this Agreement does not constitute a waiver of that or any other provision. The rights and remedies stated herein are cumulative. Should any provision of this Agreement be determined to be illegal or unenforceable, such determination shall not invalidate the other provisions. Any notice under this Agreement shall be delivered to Distributor or Dealer at the address shown on this Agreement. This Agreement is effective upon its execution by all parties, and is perpetual, continuing in force unless modified by a mutual written agreement. Dealer waives notice of acceptance of this Agreement. This Agreement, when effective, supersedes and cancels any prior sales or security agreements between the parties.

Date _____

Dealer Name _____

By, X _____

Print Name _____ Title _____

Personal Guarantor, X _____

Name, Address _____

Personal Guarantor, X _____

Name, Address _____

Accepted by Ellis Equipment Co., Inc., Date _____

By X _____