

Dennis and Carol Costa  
P.O. Box 158  
Minden, Nevada 89423

SECURITY AGREEMENT

I

Creation of Security Interest

of

Johr F. Carter, Jr. and Edy L. Carter, Husband and Wife as Joint Tenants, hereinafter designated as "debtor", for valuable consideration, receipt of which is hereby acknowledged, grant unto Dennis Costa and Carol Costa, Husband and Wife as Joint Tenants, hereinafter designated as "secured party", a present security interest in all that business commonly known as "The Eggeception" and accessories and/or inventory thereto and proceeds thereof associated with the debtor.

II

Obligations of Debtor

Debtor shall pay to secured party the sum evidenced by a promissory note signed by debtor in the principal amount of TWENTY TWO THOUSAND SEVEN HUNDRED FORTY SEVEN AND 97/100 DOLLARS (\$22,747.97 ) in accordance with the terms of said note. In the event that said promissory note shall be subsequently amended, debtor shall pay to secured party the sum evidenced and in a manner prescribed by said amendment.

III

Default

Misrepresentation of misstatement in connection with non-compliance with or non-performance of any of debtor's obligations or agreements shall constitute default under this security agreement. In addition, debtor shall be default if bankruptcy or insolvency proceedings are instituted by or against the debtor or if debtor makes any assignment for the benefit of creditors.

IV

Rigths and Remedies of Secured Party

Debotr shall be considered to be in default if the monthly payment in the amount of \$500.00, which is due on the day of each and every month, shall remain unpaid for a period in excess of Thirty (30) days from the due date of the respective payment.

Upon debtor's default, secured party may exercise its right of enforcement under the Uniform Commercial Code in the State of Nevada. At the date of this security agreement and in conjunction with, addition to or substitution for those rights at secured party's discretion may:

- (1) Enter upon debtor's premises to take possession of, assemble and collect the collateral or to render it unusable;
- (2) Require debtor to assemble the collateral and make it available at a place secured party designates which is mutually convenient to allow secured party to take possession or dispose of the collateral;
- (3) Waive any default or remedy any default in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default.

V

Rights and Remedies of Debtor

Debtor shall have all the right and remedies before or after default provided for in Article IX of the Uniform Commerical Code in effect in the State of Nevada at the date of this security agreement.

VI

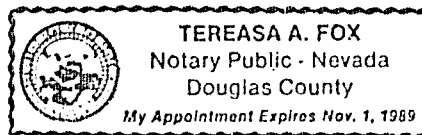
Additional Agreements and Affirmations

- (a) Debtor and secured party as used in this security agreement includes the successors and assigns of those parties;
- (b) The law governing this security agreement shall be the law of the State of Nevada in force at the date hereof.

IN WITNESS WHEREOF the paties hereto have hereunto set their hands this 27th day of February 1987.

DEBTOR: *John F. Carter, Jr.*  
 John F. Carter, Jr.

DEBTOR: *Edy L. Carter*  
 Edy L. Carter



SECURED PARTY: *Dennis Costa*  
 Dennis Costa

SECURED PARTY: *Carol Costa*  
 Carol Costa

STATE OF NEVADA  
 COUNTY OF DOUGLAS  
 On February 27, 1987 personally appeared before me, a Notary Public John F Carter, Jr. and Edy L Carter, Dennis Costa and Carol Costa, who acknowledged that they executed the above document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official stamp at my office in the County of Douglas, the day and year in this certificate first above written

REQUESTED BY  
FIRST NEVADA TITLE COMPANY

IN OFFICIAL RECORDS OF  
DOUGLAS COUNTY, NEVADA

'87 MAR -2 A11 :49

SUZANNE BEQUIN AU  
 RECORDED  
 \$ 6.00 PAID Bh DEPUTY

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