UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 12, 2009

THE TORO COMPANY

(Exact name of registrant as specified in its charter)

Delaware	**1-8649**	**41-0580470**
(State of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

8111 Lyndale Avenue South **Bloomington, Minnesota**	**55420**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(952) 888-8801**

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 1 — Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement

On August 12, 2009, The Toro Company, a Delaware corporation ("Toro"), and TCF Inventory Finance, Inc., a Minnesota corporation ("TCFIF"), entered into an Agreement to Form Joint Venture ("JV Agreement") pursuant to which Toro and TCFIF agreed to establish a joint venture to provide commercial inventory financing, including floor plan financing and open account inventory financing, to distributors and dealers of products of Toro and certain of its affiliates ("Toro Products") in the United States and to distributors of Toro Products in Canada. Additionally, under the terms of the JV Agreement, TCFIF will implement a program to provide commercial inventory financing to dealers of Toro Products in Canada. Toro and its affiliates will continue to provide commercial inventory financing to mass market retailer customers, wholly-owned distributors, non-United States and non-Canadian international distributors and dealers, and government entity customers. The joint venture will be conducted through Red Iron Acceptance, LLC, a newly-formed Delaware limited liability company ("Red Iron").

Also on August 12, 2009, and in connection with the establishment of the joint venture, Toro (and/or one or more of its wholly-owned subsidiaries), TCFIF (and/or one of its wholly-owned subsidiaries) and Red Iron entered into several other agreements, including: (i) a Limited Liability Company Agreement of Red Iron ("LLC Agreement") between Red Iron Holding Corporation, a Delaware corporation and wholly-owned subsidiary of Toro ("Red Iron Holding"), and TCFIF Joint Venture I, LLC, a Minnesota limited liability company and wholly-owned subsidiary of TCFIF ("TCFIF JV I"); (ii) a Credit and Security Agreement ("Credit Agreement") between TCFIF, as lender, and Red Iron, as borrower; (iii) a Services Agreement between Toro and Red Iron; (iv) a Services Agreement between TCFIF and Red Iron; (v) a Trademark License Agreement between Toro and Red Iron; and (vi) a Trademark License Agreement between Exmark Manufacturing Company Incorporated, a Nebraska corporation and wholly-owned subsidiary of Toro, and Red Iron. In addition, pursuant to the terms of a Performance Assurance Agreement delivered by TCF National Bank, as the indirect parent company of TCFIF, in favor of Toro and Red Iron Holding, TCF National Bank has agreed for the benefit of Toro and Red Iron Holding to cause TCFIF to perform its obligations, as lender, under the Credit Agreement and to cause TCFIF JV I to make certain capital contributions under the LLC Agreement.

In addition, in connection with the operation of Red Iron, it is contemplated that at the appropriate time in the future (i) Toro and certain of its wholly-owned subsidiaries will enter into Receivable Purchase Agreements, in substantially the form attached as an exhibit to the JV Agreement, related to the transfer of certain commercial inventory receivables and related assets to Red Iron ("Receivable Purchase Agreements"); and (ii) Toro and Red Iron will enter into a

Repurchase Agreement, in substantially the form attached as an exhibit to the JV Agreement, regarding commercial inventory financing to be provided by Red Iron ("Repurchase Agreement").

With respect to the accounting for the joint venture, Toro does not intend to consolidate Red Iron's financial statements with Toro's consolidated financial statements and instead intends to account for its investment in Red Iron under the equity method of accounting. Further, Toro expects that TCFIF will consolidate Red Iron's financial statements with TCFIF's consolidated financial statements.

JV Agreement

The JV Agreement provides, among other things, that: (i) Toro and certain of its affiliates will sell to Red Iron certain commercial inventory receivables, including floor plan receivables and open account inventory receivables, from distributors and dealers of Toro Products; (ii) following the termination of applicable contractual obligations that Toro has to a third-party financing company, and during the term of Red Iron, Toro and its affiliates will use commercially reasonable efforts to recommend to all distributors and dealers of Toro Products in the United States and to all distributors of Toro Products in Canada to use Red Iron to finance the acquisition of inventory of Toro Products; (iii) during the term of Red Iron, Toro and its affiliates will not enter into any joint venture or similar jointly-owned business relationship with any other person or entity for the purpose of operating a commercial inventory finance business in the United States or Canada, or otherwise provide commercial inventory financing, to support the purchase of Toro Products; (iv) during the term of Red Iron, TCFIF and its affiliates will not enter into any joint venture or similar jointly-owned business relationship for the purpose of operating a wholesale finance business in the United States or Canada to support the financing of certain lawn and garden products, or otherwise providing financing, working capital or similar loan facilities to dealers or distributors of any manufacturer of certain lawn and garden products in the United States or Canada; (v) Toro will pay to TCFIF a performance fee if a certain wholesale management software system is satisfactorily delivered to Red Iron by TCFIF within a certain prescribed period of time and the amount of which will vary depending upon the timing within which TCFIF implements a program to provide floor plan and open account financing for dealers of Toro Products in Canada; and (vi) TCFIF will pay to Toro an exclusivity incentive fee if certain receivables are sold by Toro to Red Iron within a certain prescribed period of time. The JV Agreement also contains customary representations, warranties and other agreements by the parties, including confidentiality obligations and indemnification rights and obligations of the parties.

LLC Agreement

The LLC Agreement is the primary operating document of Red Iron and contains the understanding of Toro (through Red Iron Holding) and TCFIF (through TCFIF JV I) regarding the governance and operation of Red Iron. The LLC Agreement provides, among other things, that: (i) the initial term will continue until October 31, 2014, subject to unlimited automatic two-year extensions thereafter; (ii) either Red Iron Holding or TCFIF JV I may elect not to extend the initial term or any subsequent term by giving one-year notice to the other party of its intention not to extend the term; (iii) Red Iron Holding will have a 45 percent equity interest in Red Iron and TCFIF JV I will have a 55 percent equity interest in Red Iron; (iv) Red Iron Holding and TCFIF JV I will contribute a specified amount of the estimated cash required to enable Red Iron to provide commercial inventory financing to distributors and dealers of Toro Products in the United States and Canada, and Red Iron will borrow, under the Credit Agreement, the remaining requisite estimated cash; (v) Red Iron will be managed through a management committee consisting of eight persons, four of whom will be designated by Red Iron Holding and four of whom will be designated by TCFIF JV I; (vi) generally, the vote for any action to be taken by the management committee requires the vote of a majority of the managers, including one manager designated by each of Red Iron Holding and TCFIF JV I, which in limited certain circumstances regarding the sale of assets of Red Iron may not be unreasonably withheld; (vii) disputes under the LLC Agreement, including a deadlock of the management committee, will be resolved pursuant to a dispute resolution process involving submission of the matter to certain specified officers of Toro and TCFIF, followed by mediation and, ultimately, arbitration; (viii) neither Red Iron Holding or TCFIF JV I may transfer its equity interest in Red Iron without the consent of the other party and the consent of both parties is required in connection with the admission of any new member; (ix) Red Iron Holding will have the option to acquire the equity interest of TCFIF JV I in Red Iron at the end of the initial or additional term

or in certain termination events; and (x) in connection with the liquidation of the joint venture, if requested by Red Iron Holding, the business will continue for a period of up to the later of one year from the termination date or, if the termination date occurs between February 1 and June 30, until June 30 of the year following the termination date. The LLC Agreement also contains customary representations, warranties and other agreements by the parties.

Credit Agreement

The Credit Agreement provides for a $450 million secured revolving credit facility to be used by Red Iron primarily to purchase the commercial inventory financing receivables from Toro and its affiliates and to fund Red Iron's financing programs for distributors and dealers of Toro Products in the United States and for distributors of Toro Products in Canada. Amounts owed under the Credit Agreement are secured by substantially all of the assets of Red Iron. The Credit Agreement contains standard covenants regarding Red Iron, including affirmative financial covenants, such as the maintenance of a minimum tangible net worth, and negative covenants, which, among other things, limit the incurrence of additional indebtedness, loans and investments, dividends, disposition of assets, consolidations and mergers, capital expenditures, changes in its business, the issuance of additional equity securities, transactions with affiliates and other matters customarily restricted in such agreements. Generally, these restrictions are subject to certain minimum thresholds and exceptions. The Credit Agreement contains customary events of default, including payment defaults, material inaccuracy of representations and warranties, covenant defaults, bankruptcy and involuntary proceedings and monetary judgment defaults in excess of specified amounts. The Credit Agreement also contains customary representations, warranties and other agreements by the parties.

Form of Receivable Purchase Agreement

The form of Receivable Purchase Agreement provides that Toro and certain of its affiliates, as sellers, will sell to Red Iron, and Red Iron will purchase from such sellers, all of the sellers' right, title and interest in and to certain commercial inventory receivables, including floor plan receivables and open account inventory receivables, from distributors and dealers of Toro Products, and certain related assets, including security interests, financing agreements and books and records relating to the receivables, at a purchase price equal to the face value of the receivables or the purchase price paid for such receivables by the sellers. It is expected that such receivables and related assets will be sold to Red Iron in more than one transaction. The first transaction is expected to occur during Toro's fourth quarter of fiscal 2009. A second transaction is expected to occur during Toro's first quarter of fiscal 2010. Toro intends to remove the

receivables from its books upon completion of the sale and receipt of cash from Red Iron for the receivables purchased. The completion of the sale of the receivables and related assets is subject to customary closing conditions. The form of Receivable Purchase Agreement also contains customary representations, warranties and other agreements by the parties.

Form of Repurchase Agreement

The form of Repurchase Agreement provides the terms and conditions under which Red Iron will provide commercial inventory financing for certain dealers and distributors of Toro to purchase Toro Products and the manner of payment to Toro for such purchases of Toro Products. The form of Repurchase Agreement also provides the terms under which Toro will agree to repurchase any such Toro Products that are later repossessed by or otherwise in the possession of Red Iron. The form of Repurchase Agreement limits the aggregate amount of Toro's repurchase obligations to a maximum amount of $7.5 million per calendar year (the "Repurchase Limit"). Once the Repurchase Limit has been reached in any calendar year, Toro will agree to use its best efforts to remarket any additional repossessed Toro Products

on behalf of Red Iron on a non-discriminatory, non-priority basis for an amount not less than the outstanding balance remaining due Red Iron on such Toro Products. Red Iron will agree to reimburse Toro for third party expenses incurred by Toro in providing such remarketing services. The form of Repurchase Agreement also contains customary representations, warranties and other agreements by the parties.

The foregoing descriptions of the JV Agreement, the LLC Agreement, the Credit Agreement, the form of Receivable Purchase Agreement and the form of Repurchase Agreement are summaries of the material terms of such agreements, do not purport to be complete and are qualified in their entirety by reference to the complete text of such documents, copies of which are filed as Exhibits 2.1, 2.2, 10.1, 10.2 and 10.3, respectively, to this Current Report on Form 8-K, and each is incorporated herein by reference.

Section 7 — Regulation FD

Item 7.01 Regulation FD Disclosure

On August 13, 2009, Toro issued a press release announcing the formation of the joint venture with TCFIF. A copy of this press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 7.01, including Exhibit 99.1 attached hereto, is furnished pursuant to Item 7.01 and shall not be deemed "filed" for any other purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section. The information in this Item 7.01 of this Current Report on Form 8-K shall not be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act regardless of any general incorporation language in such filing.

Section 9 — Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
2.1 (1)	Agreement to Form Joint Venture dated August 12, 2009 by and between The Toro Company and TCF Inventory Finance, Inc.*
2.2 (1)	Limited Liability Company Agreement of Red Iron Acceptance, LLC dated August 12, 2009 by and between Red Iron Holding Corporation and TCFIF Joint Venture I, LLC*
10.1 (1)	Credit and Security Agreement dated August 12, 2009 by and between Red Iron Acceptance, LLC and TCF Inventory Finance, Inc.
10.2	Form of Receivable Purchase Agreement between The Toro Company, certain affiliates of The Toro Company (as applicable) and Red Iron Acceptance, LLC
10.3	Form of Repurchase Agreement between The Toro Company and Red Iron Acceptance, LLC

Exhibit No.	Description
99.1	Press Release issued on August 13, 2009 by The Toro Company

(1) Portions of this exhibit have been redacted and are subject to a confidential treatment request filed with the Secretary of the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended. The redacted material is being filed separately with the Securities and Exchange Commission.

* All exhibits and schedules to this exhibit have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Toro will furnish the omitted exhibits and schedules to the Securities and Exchange Commission upon request by the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE TORO COMPANY
(Registrant)

Date: August 13, 2009

By /s/ Stephen P. Wolfe
Stephen P. Wolfe
Vice President, Finance and Chief Financial Officer

THE TORO COMPANY
CURRENT REPORT ON FORM 8-K
EXHIBIT INDEX

Exhibit No.	Description	Method of Filing
2.1 (1)	Agreement to Form Joint Venture dated August 12, 2009 by and between The Toro Company and TCF Inventory Finance, Inc.*	Filed herewith
2.2 (1)	Limited Liability Company Agreement of Red Iron Acceptance, LLC dated August 12, 2009 by and between Red Iron Holding Corporation and TCFIF Joint Venture I, LLC*	Filed herewith
10.1 (1)	Credit and Security Agreement dated August 12, 2009 by and between Red Iron Acceptance, LLC and TCF Inventory Finance, Inc.	Filed herewith
10.2	Form of Receivable Purchase Agreement between The Toro Company, certain affiliates of The Toro Company (as applicable) and Red Iron Acceptance, LLC	Filed herewith
10.3	Form of Repurchase Agreement between The Toro Company and Red Iron Acceptance, LLC	Filed herewith
99.1	Press Release issued on August 13, 2009 by The Toro Company	Furnished herewith

(1) Portions of this exhibit have been redacted and are subject to a confidential treatment request filed with the Secretary of the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended. The redacted material is being filed separately with the Securities and Exchange Commission.

* All exhibits and schedules to this exhibit have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Toro will furnish the omitted exhibits and schedules to the Securities and Exchange Commission upon request by the Securities and Exchange Commission.

[PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

AGREEMENT TO FORM JOINT VENTURE

This Agreement To Form Joint Venture (this "Agreement") is made and entered into as of the 12th day of August, 2009, between The Toro Company, a Delaware corporation ("Toro"), and TCF Inventory Finance, Inc., a Minnesota corporation ("TCFIF") (collectively, Toro and TCFIF, the "Parties" and individually, a "Party").

Red Iron Holding Corporation, a Delaware corporation ("Toro Sub"), and TCFIF Joint Venture I, LLC, a Minnesota limited liability company ("TCFIF Sub"), respectively Affiliates of Toro and TCFIF, contemporaneously with the execution of this Agreement have entered into a Limited Liability Company Agreement with respect to Red Iron Acceptance, LLC, a Delaware limited liability company ("Red Iron"), organized for the operation of a commercial inventory finance business, including floorplan financing and open account inventory financing, supporting the business of Toro and its Affiliates within the United States and Canada and by this Agreement desire to set forth their understanding with regard to the operation of Red Iron and certain related matters.

Now, therefore, in consideration of the premises and mutual covenants, undertakings and obligations hereinafter set forth or referred to herein, the Parties mutually covenant and agree as follows:

ARTICLE I
Definitions

1.1 Definitions.

"AAA" is defined in Section 6.3.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. For purposes of this definition, "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Agreement" is defined in the preamble.

"Arbitrable Disputes" is defined in Section 6.1.

"Average Net Receivables" is defined in Section 2.12.

"Business Plan" is defined in Section 2.1.

"Confidential Information" is defined in Article IV.

"Credit Agreement" is defined in Section 2.2.

"DataScan" is defined in Section 2.13(a).

"DataScan Delivery Date" is defined in Section 2.13(a).

"DataScan System Enhancements" is defined in Section 2.13(a).

"Definitive Agreements" is defined in Section 2.2.

"Eligible Receivables" has the meaning ascribed to it in the Receivable Purchase Agreement.

"Exclusivity Calculation" is defined in Section 2.15.

"Exclusivity Incentive Payment" is defined in Section 2.15.

"Exmark" means Exmark Manufacturing Company Incorporated, a Nebraska corporation, a wholly owned subsidiary of Toro.

"Indemnified Parties" is defined in Article V.

"Lawn and Garden Products" means any one or more of the following: walk power mowers, lawn and garden tractors, zero-turn mowers, mid-size walk-behind and stand-on mowers, large reel and riding rotary mowers, riding and walk-behind mowers for putting greens, snow blowers, debris blowers, trimmers, tillers, sweepers and vacuums, aerators, walk-behind trenchers, turf cultivation equipment, turf sprayer equipment, compact utility loaders, golf course bunker maintenance equipment, irrigation systems, utility vehicles for golf courses and parts and accessories for any of the foregoing.

"LLC Agreement" is defined in Section 2.2.

"Management Committee" shall mean the management committee of Red Iron.

"Officers" means the President of Toro and the person to whom the President of TCFIF directly reports, provided, however, that neither such individual is or ever has been a member of the Management Committee. If either such individual is or has been a member of the Management Committee, then the "Officer" for the applicable Party shall be a senior executive officer of such Party who is not and has not ever been a member of the Management Committee, who is reasonably acceptable to the other Party.

"Party" and "Parties" is defined in the preamble

"Performance Assurance Agreement" is defined in Section 2.2.

"Person" means and includes an individual, a partnership, a corporation (including a business trust), a limited liability company, a joint stock company, an unincorporated association, a joint venture, a trust, a governmental authority or other entity.

"Program Letter" is defined in Section 2.2.

"Receivable Purchase Agreement" is defined in Section 2.2.

"Red Iron" is defined in the preamble.

"Repurchase Agreement" is defined in Section 2.2.

"Request Notice" is defined in Section 6.1.

"TCC" is defined in Section 2.5.

"TCFCFC" is defined in Section 2.12.

"TCFIF" is defined in the preamble.

"TCFIF Services Agreement" is defined in Section 2.2.

"TCFIF Sub" is defined in the preamble.

"Toro" is defined in the preamble.

"Toro Amount" is defined in Section 2.12.

"Toro Phase II Finance Business" means the commercial inventory finance business related to the sale of Toro Products presently provided to dealers and distributors of Toro and its Affiliates by third party floorplan finance lenders and open account inventory financing presently provided to dealers and distributors by Toro and its Affiliates, together with the commercial inventory finance business related to the sale of Lawn and Garden Products by Exmark.

"Toro Products" means Lawn and Garden Products manufactured and/or distributed by Toro and Toro's Affiliates.

"Toro Services Agreement" is defined in Section 2.2.

"Toro Sub" is defined in the preamble.

"Trademark License Agreement" is defined in Section 2.2.

ARTICLE II
Organizational Matters

2.1 Red Iron Business. The Parties have agreed to the Business Plan attached hereto as Exhibit A (as amended from time to time, the "Business Plan"), which Business Plan describes the marketing and operational goals of Red Iron (including the targeted return on total

assets goals for Red Iron and the formula to be used for determining interest rates to be charged to Toro and its dealers and distributors in connection with Red Iron's operations) and includes a pro forma budget covering a five-year period and the assumptions upon which such pro forma budget is based.

2.2 Agreements. Contemporaneously with the execution of this Agreement, Toro and TCFIF have executed and delivered, or have caused Toro Sub and TCFIF Sub to execute and deliver, a Limited Liability Company Agreement of Red Iron ("LLC Agreement"), a Credit and Security Agreement between Red Iron and TCFIF (the "Credit Agreement"), a Services Agreement between Red Iron and TCFIF (the "TCFIF Services Agreement"), a Services Agreement between Red Iron and Toro (the "Toro Services Agreement"), a Program Letter between Toro and Red Iron (the "Program Letter") and one or more Trademark License Agreements among Toro and its Affiliates and Red Iron (collectively, the "Trademark License Agreement"), and TCFIF has delivered to Toro a Performance Assurance Agreement from TCF National Bank, a national banking association, with respect to the performance of certain obligations of TCFIF and TCFIF Sub (the "Performance Assurance Agreement"). In connection with the operation of Red Iron, Toro and Red Iron shall execute a Repurchase Agreement in substantially the form of Exhibit B attached hereto regarding commercial inventory financing to be provided by Red Iron (the "Repurchase Agreement") and one or more Receivable Purchase Agreements in substantially the form of Exhibit C attached hereto between Toro, Affiliates of Toro and Red Iron related to the transfer of certain receivables to Red Iron (collectively, the "Receivable Purchase Agreement"). The agreements

and documents referred to in the preceding two sentences, collectively, with this Agreement, as they may be amended from time to time, are referred to herein as the "Definitive Agreements."

2.3 Qualification to do Business. TCFIF shall cause Red Iron to become qualified to do business in each state where such qualification is necessary to conduct the business of Red Iron. TCFIF shall also cause Red Iron to make such assumed name and fictitious name filings as are necessary for the conduct of the business of Red Iron as contemplated by this Agreement and the LLC Agreement. In connection with all filings for, or on behalf of, Red Iron for which TCFIF has responsibility, Toro shall cooperate with TCFIF in causing such filings to be made in a timely manner. All fees and expenses of the initial qualification to do business and assumed name and fictitious name filings incurred by TCFIF shall be charged to Red Iron. All fees and expenses of subsequent filings to maintain such qualifications and any related filings shall be borne by Red Iron.

2.4 Insurance.

(a) Toro and TCFIF each shall provide at their own expense directors and officers liability insurance for the individuals serving on the Management Committee appointed by its respective subsidiary which is a member of Red Iron in a policy amount of not less than $5,000,000. The Parties agree to cooperate with each other in coordinating the defense of litigation whenever the interests of the individuals serving on the Management Committee are aligned.

(b) TCFIF shall arrange for the extension of TCFIF's existing single interest insurance coverage to Red Iron's business. The costs for the extension of TCFIF's single interest insurance to Red Iron's business shall be charged to Red Iron.

2.5 Purchase of Receivables; Capital Contributions. On or before October 1, 2009, Toro shall, and shall cause its wholly owned subsidiary Toro Credit Company, a Minnesota corporation ("TCC") to, have taken all such actions required to be taken by Toro and TCC, respectively, to sell all or substantially all of their then-existing portfolio of Eligible Receivables (or such lesser portion thereof as Toro is permitted to sell under the terms of any agreement of Toro restricting the amount of such sale or as otherwise agreed by the Parties with respect to certain categories of receivables), other than Eligible Receivables relating to the Toro Phase II Finance Business, to Red Iron pursuant to the initial Receivable Purchase Agreement. On or before December 1, 2009, Toro shall, and shall cause TCC and any other Affiliates of Toro that are party to a Receivable Purchase Agreement to, have taken all such actions required to be taken by Toro and such Affiliates, respectively, pursuant to a Receivable Purchase Agreement, to sell to Red Iron their then-existing portfolio of Eligible Receivables relating to open account inventory financing provided to distributors by Toro and its Affiliates relating to the floorplan financing Eligible Receivables sold to Red Iron pursuant to the preceding sentence. On the first day of the month following the month in which the unsecured open account receivable balances are less than the cumulative limits set forth in clause (k) of the definition of "Eligible Receivable" in Section 1.1 of such Receivable Purchase Agreement, Toro shall, and shall cause TCC and any other Affiliates of Toro that are party to a Receivable Purchase Agreement to, have taken all such actions required to be taken by Toro and such Affiliates, respectively, pursuant to a Receivable Purchase Agreement, to sell to Red Iron their then-existing portfolio of Eligible Receivables not previously sold to Red Iron. Toro agrees to provide Toro Sub, and TCFIF agrees to provide TCFIF Sub, with sufficient capital to permit Toro Sub and TCFIF Sub to make any capital contributions required to be made pursuant to Sections 2.02 and 2.03 of the LLC Agreement in connection with the organization of Red Iron (including the payment of expenses described in Section 7.8) and the transactions contemplated by the Receivable Purchase Agreement.

2.6 Referral of Financing Business. Following the dates of the purchases described in Section 2.5 (but in no event any earlier than permitted under the terms of any agreement restricting such activities on the part of Toro or Toro's Affiliates, which agreements Toro undertakes to terminate as promptly as possible following the date of this Agreement), Toro shall use, and shall cause its Affiliates to use, commercially reasonable efforts to recommend to all dealers and distributors of Toro Products within the United States and all distributors of Toro Products within Canada to utilize Red Iron to finance the acquisition of inventory of Toro Products acquired during the term of Red Iron (it being understood that such obligation shall not commence with respect to the Toro Phase II Finance Business until the sale of such business to Red Iron), including all the floorplan financing and open account financing of all such Toro Products in accordance with Red Iron's credit policies in effect from time to time. Without limiting the generality of the foregoing, but subject to the limitation contained in the parenthetical phrase in the first sentence of this Section 2.6 and except as set forth in Section 2.8(d), during the term of Red Iron, Toro shall not, and Toro shall not permit any of its Affiliates to, recommend, except with respect to the Toro Phase II Finance Business until the date of the sale of such business to Red Iron, to any dealer or distributor of Toro Products within the United

States or within Canada that such dealer or distributor obtain floorplan financing or open account financing for such Toro Products from any source other than Red Iron or, in the case of Canadian dealers, from TCFIF or its Affiliates. TCFIF acknowledges that the distributors and dealers are independent businesses and shall decide in their own discretion whether or not to participate in the financing programs offered by Red Iron or TCFIF or its Affiliates and, once enrolled, whether to seek out or make referrals to independent sources of commercial inventory financing.

2.7 Obligation to Finance Red Iron Acquisition of Receivables; Most Favored Customer Pricing.

[PORTIONS OF THIS SECTION HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

(a) TCFIF and Toro shall jointly cause Red Iron to offer to participating Toro distributors and dealers floorplan financing and open account financing for all Toro Products in accordance with the credit policies of Red Iron in effect from time to time. Toro and TCFIF shall use their best efforts to enroll Toro distributors in the Red Iron finance program as promptly as possible and to enroll at least XXXXXXXXX (XXXXXXXXX) Toro dealers, representing at least XXXXXXXXX percent (XXXXXXXXX%) of the amount of floorplan financing of Toro Products by third-party floorplan finance lenders to Toro dealers during Toro's 2008 fiscal year, in the Red Iron finance program by XXXXXXXXX. TCFIF agrees to cause Red Iron to negotiate the terms of any agreements with Toro distributors and dealers in good faith and to include in such agreements commercially reasonable provisions requested by distributors in order to account for sales subject to commercial inventory financing as true sales. TCFIF covenants and agrees with Toro that, during the term of this Agreement in connection with the performance of its obligations under the TCFIF Services Agreement, it shall establish dedicated credit lines for each dealer and distributor covering Toro Products financed by Red

Iron. TCFIF agrees to cause Red Iron to service receivables which would qualify as Eligible Receivables but for the fact that the distributor or dealer does not qualify under the terms of the Red Iron credit policies on such terms as TCFIF and Red Iron shall mutually agree.

(b) TCFIF shall use its best efforts to cause Red Iron to provide to Toro distributors and dealers floorplan financing and open account financing with XXXXXXXXX. For purposes of determining "similarly situated distributors and dealers," all relevant factors shall be considered, including manufacturer rate and other support, dealer loss experience, manufacturer loss sharing, manufacturer participation, dealer credit quality, product mix, product turn, the budget for Red Iron and the targeted rate of return for Red Iron. This Section 2.7(b) shall not apply to any financing program heretofore or hereafter acquired by TCFIF for the then-remaining term (without any extension thereof) of such financing program. On not less than an annual basis, and more frequently as Toro may reasonably request, TCFIF shall send a representative to report to the Management Committee on TCFIF's compliance with TCFIF's obligations under this

Section 2.7(b). Notwithstanding the foregoing, in no event shall TCFIF be required to disclose to the Management Committee (i) any confidential or proprietary information of TCFIF, or (ii) any information that would cause it to violate any banking rules or regulations to which it is subject, including The Bank Secrecy Act of 1970, as amended, or any contractual confidentiality obligation owed to any third party.

(c) So that Toro and Toro Sub may make a fully informed decision as to whether to continue Red Iron beyond the initial term contemplated by the LLC Agreement, upon the request of Toro and Toro Sub made not later than July 31, 2013, TCFIF agrees to obtain from TCF Bank and provide to Toro and Toro Sub, no later than August 31, 2013, written notice indicating TCF Bank's intent with respect to extension of the term of the Performance Assurance Agreement in conjunction with TCFIF's willingness to extend the term of the Credit Agreement prior to the one-year advance notice date required in order to not extend the initial term of Red Iron. In the event the term of the LLC Agreement is extended beyond its initial term, upon the request of Toro and Toro Sub, TCFIF agrees to obtain from TCF Bank similar written notice no later than fourteen (14) months prior to any subsequent expiration of the term of Red Iron.

2.8 Exclusivity.

(a) Subject to the provisions of Section 2.8(d), Toro covenants and agrees with TCFIF that, during the term of Red Iron, it shall not, and it shall not permit any Affiliate of Toro to, directly or indirectly, operate, conduct, enter into, consummate, or otherwise arrange for any joint venture, partnership or other legal entity, contractual arrangement, or other legal or business relationship, except for the Toro Phase II Business prior to its sale to Red Iron, with any other person or entity for the purpose (whether exclusive, primary or otherwise) of operating a commercial inventory finance business in the United States or Canada to support the purchase of Toro Products or otherwise providing commercial inventory financing (including floorplan financing or open account financing) to some or all of the dealers or distributors of Toro or any of its Affiliates for Toro Products. Toro acknowledges and agrees that its agreement set forth in this Section 2.8(a) is a material inducement for TCFIF to enter into, and continue performing under, this Agreement.

(b) TCFIF covenants and agrees with Toro that, during the term of Red Iron it shall not, and it shall not permit any Affiliate of TCFIF (other than TCFIF Sub with respect to Red Iron) to, directly or indirectly, operate, conduct, enter into, consummate, or otherwise arrange for any joint venture, partnership or other jointly owned legal entity for the purpose (whether exclusive, primary or otherwise) of (i) operating a wholesale finance business within the United States or Canada to support the financing of Lawn and Garden Products, or (ii) otherwise providing financing (including floorplan financing), working capital or similar loan facilities to some or all of the dealers or distributors of any manufacturer of Lawn and Garden Products within the United States or Canada. TCFIF acknowledges and agrees that its agreement set forth in this Section 2.8(b) is a material inducement for Toro to enter into, and continue performing under, this Agreement.

(c) Nothing contained in this Agreement shall preclude TCFIF from providing commercial inventory financing to dealers and distributors within the United States or Canada for Lawn and Garden Products manufactured or distributed by manufacturers other than Toro, provided that (i) such financing is not conducted in contravention of Section 2.8(b) above and (ii) TCFIF is in compliance with its obligations set forth in Section 2.7 above.

(d) The provisions of Sections 2.6 and 2.8(a) shall not apply to commercial inventory finance business with respect to (i) receivables that are not Eligible Receivables or otherwise not acquired by Red Iron by reason of limits under the terms of the Credit Agreement or otherwise; (ii) receivables due from Affiliates of Toro (including distributors that are wholly owned subsidiaries of Toro), mass market retailer customers or governmental entities; (iii) receivables arising out of any business acquired by Toro or an Affiliate of Toro following the date hereof that are subject to a financing program agreement at the time of the acquisition thereof, provided that Toro agrees to use commercially reasonable efforts (so long as Toro is not obligated to incur any significant expense to do so) to terminate any such agreements in order to permit Red Iron to provide such financing, provided that Red Iron has the financial capacity including access to adequate lines of credit to accommodate such additional financing; (iv) receivables due Exmark prior to the date of the sale of the Toro Phase II Finance Business to Red Iron; or (v) receivables created during the liquidation period for Red Iron contemplated by Section 10.04 of the LLC Agreement. In addition, in the event TCFIF Sub fails to make a capital contribution required by Article II of the LLC Agreement and Toro Sub makes a corresponding Deficit Loan (as such term is defined in Section 2.05 of the LLC Agreement), and TCFIF fails to pay to Toro Sub all amounts due with respect to such Deficit Loan within thirty (30) days of the advancement thereof, the provisions of Section 2.8(a) shall no longer apply to Toro.

2.9 Services.

(a) TCFIF agrees to use commercially reasonable efforts to provide to Red Iron the services described in the TCFIF Services Agreement with such priority and speed as shall meet the reasonably expected needs of Red Iron.

(b) Toro agrees to use commercially reasonable efforts to provide to Red Iron the services described in the Toro Services Agreement with such priority and speed as shall meet the reasonably expected needs of Red Iron.

2.10 Other Business. During the term of Red Iron, each Party, and each Party's Affiliates, may continue to operate its business in the usual and ordinary course. Subject to the provisions of Section 2.8, each Party, and each Party's Affiliates (exclusive of Red Iron) may, at any time and from time to time, engage in and pursue other business ventures. Without limiting the scope of the foregoing, each of TCFIF, TCFIF Sub, Toro and Toro Sub may pursue other business opportunities (including joint ventures) with no obligation to refer business or offer opportunities to Red Iron or to each other, except as otherwise expressly provided in Sections 2.6 and 2.7 of this Agreement.

2.11 Trade Names. Subject to the terms of the Trademark License Agreement, neither Party shall obtain any rights in any trade name of the other Party or any of its Affiliates by virtue of this Agreement or as a result of the formation and operation of Red Iron. Upon dissolution and completion of the winding-up of Red Iron, Toro Sub shall succeed to the name "Red Iron Acceptance" and neither TCFIF nor TCFIF Sub shall have any rights thereto.

2.12 Canadian Program.

[PORTIONS OF THIS SECTION HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

(a) Within ninety (90) days of the date of this Agreement, TCFIF shall implement, in cooperation with Toro, a program to provide floorplan and open account financing for dealers of Toro Products located within Canada in form and substance reasonably satisfactory to Toro and TCFIF that shall provide for dedicated credit lines for each dealer covering Toro Products at competitive rates and terms, subject to applicable regulatory, legal, tax and accounting considerations. During such ninety (90) day period, TCFIF will develop a documentation process to accompany such program (including the preparation of appropriate form dealer documents). If such program is not implemented, or the accompanying documentation process is not developed, within ninety (90) days of the date of this Agreement, Toro's sole remedies for such failure will be to (i) elect to be released from its obligations under Section 2.8(a) with respect to dealers within Canada until such time as the program is implemented and such documentation process is developed, provided that such implementation occurs on or before December 31, 2009, and (ii) reduce the Performance Fee otherwise payable to TCFIF as follows:

Date of Implementation of the Canadian Program	Effect on Performance Fee
More than ninety (90) days after the date of this Agreement but on or prior to December 31, 2009	Reduced by XXXXXXXXX
After December 31, 2009	Reduced by XXXXXXXXX

Notwithstanding the foregoing, in no case will the amount of the Performance Fee, if any, be reduced below zero.

(b) To the extent the cumulative pre-tax return on assets of such program exceeds XXXXXXXXX%, then TCF Commercial Finance Canada, Inc. ("TCFCFC") will pay to Toro or its designated Affiliate XXXXXXXXX% of such excess; provided, however, that if such payment is made to Toro or an Affiliate of Toro not organized under the laws of Canada or any province of Canada, such payment shall be made net of withholding, if any, imposed on TCFCFC (the "Toro Amount"). The Toro Amount, less any Toro Amounts paid in prior years, will be paid by TCFCFC to Toro or its designated Affiliate on an annual basis. For purposes of determining the cumulative pre-tax return

on assets, within ninety (90) days of each December 31, TCFCFC will prepare and deliver to Toro a profit and loss statement covering the period from the program inception to December 31 of the most recently completed calendar year using the following: (i) cost of service assumptions of XXXXXXXXX% of the average of the beginning and ending receivable balances for each month included in the prior calendar year ("Average Net Receivables"), (ii) funding cost based on actual funding costs and a capital structure that assumes XXXXXXXXX% equity; provided, however, that if no third-party funding is in place, the implied rate will be based on the Canadian prime rate, and (iii) bad debt reserve rate assumptions based on XXXXXXXXX of Average Net Receivables, subject to TCFCFC's accounting policies and practices and the impact of any actual losses of the portfolio. Toro shall agree to provide a free floorplan period to dealers within Canada upon rates and terms substantially similar to rates and terms currently offered by Toro to dealers within Canada (which are substantially similar to rates and terms offered by Toro to dealers within the United States). Pricing to dealers and to Toro or its designated Affiliate within Canada will be indexed to 30-day Canadian bankers' acceptance rates. The Parties acknowledge that such program will not be conducted by Red Iron.

For purposes of this Section 2.12(b), the "cumulative pre-tax return on assets" shall mean a quotient, (x) the numerator of which is equal to the product of (i) the pre-tax income of the program from the date of inception through December 31 of the most recently completed calendar year, divided by the number of calendar months from the date of inception through December 31 of the most recently completed calendar year, multiplied by (ii) 12, and (y) the denominator of which is equal to (i) the sum of the monthly Average Net Receivables, divided by (ii) the number of calendar months from the date of inception through December 31 of the most recently completed calendar year.

2.13 DataScan Systems Enhancements; Performance Fee.

[PORTIONS OF THIS SECTION HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

(a) In accordance with Section 2.A of Schedule 1 to the TCFIF Services Agreement, TCFIF shall work with DataScan Technologies LLC ("DataScan") to provide to Red Iron the DataScan WMS 4.x test system and the DataScan DAS 4.x test system (collectively, the "Test System") with the system enhancements described in the System Enhancement Document attached as Annex A to Schedule 1 to the TCFIF Services Agreement (the "DataScan System Enhancements"). Subject to paragraph (b) below and Section 2.12, if the DataScan Delivery Date (as defined herein) occurs on or before December 31, 2009, Toro shall pay to TCFIF a performance fee as follows (the "Performance Fee"):

DataScan Delivery Date	Amount of Performance Fee
On or before October 12, 2009	$ XXXXXXXXX
October 13, 2009 through November 12, 2009	$ XXXXXXXXX
November 13, 2009 through December 12, 2009	$ XXXXXXXXX
December 13, 2009 through December 31, 2009	$ XXXXXXXXX

Toro shall not be required to pay a Performance Fee to TCFIF if the DataScan Delivery Date occurs after December 31, 2009. The Performance Fee, if any, shall be paid by Toro to TCFIF promptly upon the later to occur of (i) completion of the user acceptance testing described in clause (iii) of paragraph (b) below and (ii) implementation of the Canadian program described in Section 2.12.

"DataScan Delivery Date" will be deemed to be the date upon which DataScan makes a version of the Test System (including the DataScan System Enhancements) available to TCFIF and Toro (or Red Iron) for user acceptance testing, which subsequently passes user acceptance testing as contemplated by, and subject to the provisions of, clause (iii) of paragraph (b) below.

(b) (i) Toro shall use commercially reasonable efforts to cooperate with TCFIF and DataScan in connection with the determination of the testing requirements for the DataScan System Enhancements. In addition, Toro shall approve or otherwise respond to all DataScan provided "use cases" within four (4) business days of delivery thereof by TCFIF to Toro. For purposes of clarity, any changes to or requests for clarification regarding a "use case" shall toll the four (4) business day period until such changes or clarifications are received by Toro; provided, however, that during such tolling period, Toro responds to any request from DataScan within two (2) business days. If Toro fails to approve a "use case" within such four (4) business day period (or such additional tolling period permitted by the previous sentence), TCFIF's sole and exclusive remedy for such failure shall be that the specified enhancement to which such "use case" relates shall be deemed not to be a DataScan System Enhancement for purposes of determining the DataScan Delivery Date or completion of the user acceptance testing described in clause (iii) below.

(ii) If there is any change by, or at the request of, Toro to the scope of the DataScan System Enhancements that has the effect of extending the delivery date of any specific enhancement, TCFIF's sole and exclusive remedy for such scope change shall be that the specified enhancement to which such "use case" relates shall be deemed not to be a DataScan System Enhancement for purposes of determining the DataScan Delivery Date or completion of the user acceptance testing described in clause (iii) below.

(iii) Toro shall use commercially reasonable efforts to cooperate with TCFIF (including actively participating in the design and execution of user acceptance testing) and DataScan in connection with the user acceptance testing

of the Test System (including the DataScan System Enhancements) that is production ready in all material respects within twenty-six (26) calendar days from the date upon which DataScan first makes the Test System (including the DataScan System Enhancements) available to TCFIF and Toro (or Red Iron) for user acceptance testing. If the Test System (including the DataScan System Enhancements) is not production ready in all material respects within such twenty-six (26) calendar day period, then the DataScan Delivery Date for the purpose of determining the amount of the Performance Fee shall be the date of actual delivery of the Test System (including the DataScan System Enhancements) that is production ready in all material respects.

(c) The Performance Fee is in addition to any fees payable to TCFIF under the TCFIF Services Agreement for performance of services related to the Test System or the DataScan System Enhancements. The parties agree that the Performance Fee is between TCFIF and Toro and shall not be charged as an expense to Red Iron.

2.14 Credits. If Toro or any Toro Affiliate in the ordinary course of business issues any credit to any Account Debtor with respect to any Transferred Receivable (as those terms are defined in a Receivable Purchase Agreement) sold to Red Iron under the terms of any Receivable Purchase Agreement or any Wholesale Instrument (as such term is defined in any Repurchase Agreement) issued by Red Iron that reduces any amount due with respect to a Transferred Receivable or Wholesale Instrument, Toro shall, or shall cause such Affiliate to, pay to Red Iron an amount equal to such credit within two (2) Business Days of the issuance thereof.

2.15 Exclusivity Incentive Payment. On October 20, 2010 TCFIF shall pay to Toro an Exclusivity Incentive Payment (as defined herein) if on or before October 31, 2009, Toro shall have taken all such actions required to be taken by Toro pursuant to the initial Receivable Purchase Agreement in order to effect the initial sale of receivables under the initial Receivable Purchase Agreement which sale shall comprise all floorplan dealer and distributor receivables that are Eligible Receivables (or such lesser portion thereof as Toro is permitted to sell under the terms of any agreements of Toro restricting the amount of such sale, in which case the unsold portion is sold to Red Iron as soon as permitted under such agreements). "Exclusivity Incentive Payment" shall mean an amount equal to:

[PORTIONS OF THIS SECTION HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

Date Toro Offers Receivables for Sale Under Initial Receivable Purchase Agreement	Amount of Exclusivity Incentive Payment
On or before October 1, 2009	The product of XXXXXXXXX (the "Exclusivity Calculation")

Date Toro Offers Receivables for Sale Under Initial Receivable Purchase Agreement	Amount of Exclusivity Incentive Payment
October 2, 2009 through October 31, 2009	Exclusivity Calculation less the product of XXXXXXXXX
After October 31, 2009	Zero

Such Exclusivity Incentive Payment will be payable in consideration of the exclusive relationships among TCFIF, Toro and Red Iron, as described in Section 2.8 hereof, from which TCFIF will derive substantial benefit. If Red Iron shall be dissolved prior to October 31, 2014 pursuant to Section 10.01(a) of the LLC Agreement (with respect to Toro) or pursuant to TCFIF Sub's election pursuant to Sections 10.01(c), (d), (e), (i), and (j) of the LLC Agreement, then Toro shall remit to TCFIF an amount equal to the product of (i) the Exclusivity Incentive Payment multiplied by (ii) a fraction, the numerator of which shall be the number of days from the date of dissolution through October 31, 2014 and the denominator of which shall be the total number of days from the date of this Agreement through October 31, 2014. The parties agree that the Exclusivity Incentive Payment is between TCFIF and Toro and shall not be charged as an expense to Red Iron.

2.16 Termination of Toro Commercial Inventory Management System. The Parties shall work together to eliminate or minimize the cost of terminating Toro's third-party-provided commercial inventory management system. To the extent Toro is obligated to make a payment to such third party in connection with the termination and such payment results in a reduction to TCFIF's fees due to such third party for TCFIF's commercial inventory management system, TCFIF shall pay to Toro an amount equal to such reduction, as and when TCFIF receives the benefit of such reduction. Notwithstanding the provisions of the TCFIF Services Agreement, TCFIF shall not be required to pass along the benefit of any discount to Red Iron.

ARTICLE III
Representations and Warranties

Each Party represents and warrants to the other Party with respect to itself and its respective subsidiary that is a member of Red Iron that:

3.1 Due Organization; Authority. It is a corporation or limited liability company duly organized and validly existing in good standing under the laws of the state of its incorporation or formation, as applicable, and has the power, authority and legal right to enter into and perform its obligations under the Definitive Agreements to which it is a party.

3.2 Due Authorization; Enforceability. Each of the Definitive Agreements to which it is a party has been duly authorized, executed and delivered by it and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitutes its valid and legally binding obligation, enforceable against it in accordance with its terms, except as may be

limited by bankruptcy, insolvency, reorganization fraudulent conveyance, moratorium and other similar laws affecting the rights of creditors generally and by general principles of equity.

3.3 No Violation. The execution and delivery by it of the Definitive Agreements to which it is a party do not, and the performance by it of its obligations thereunder shall not (i) violate or conflict with any provision of its charter or by-laws or other constituent documents, any law, governmental rule or regulation, judgment or order applicable to it, or any provision of any indenture, mortgage, contract or other instrument to which it is a party or by which it or its property is bound, (ii) constitute a default under any agreement to which it is a party or by which it or its property is bound, or (iii) require the consent or approval of, the giving of notice to, the registration with or the taking of any action in respect of or by, any federal or state governmental authority or agency (including any local governmental authority or agency), except such as have been duly obtained, given or accomplished and are in full force and effect

3.4 Brokers or Finders. Neither it nor any of its officers, agents, representatives, employees, members or shareholders has employed any brokers, finders or other intermediaries, or incurred any liability for any broker's fees, finder's fees, commissions or other amounts, with respect to Red Iron or the transactions contemplated by the Definitive Agreements.

3.5 Sufficient Resources. It has sufficient resources to perform or to cause its Affiliates to perform their respective financial and other obligations as contemplated by the Definitive Agreements.

3.6 Liens. The performance of any transactions contemplated by this Agreement or the other Definitive Agreements shall not give rise to any liens on the property of Red Iron or either member of Red Iron, except as expressly contemplated by the Credit Agreement.

ARTICLE IV
Confidentiality

During the term of Red Iron and for a period of two (2) years thereafter, each Party shall, and shall cause its officers, directors, employees, representatives and agents and Affiliates to keep any nonpublic information which the other Party treats or designates as confidential, any nonpublic information concerning the formation and operation of Red Iron or the particulars thereof, and any other nonpublic information set forth in the Definitive Agreements or in other documents concerning Red Iron or relating to the performance by the Parties of any of the Definitive Agreements ("Confidential Information"), strictly confidential and not disclose any such information to any person (except for such Party's financial and legal advisors, lenders and accountants responsible for or actively engaged in the review, performance or development of Red Iron or its business), or use any such information in the business of such Party. The Parties and their Affiliates shall be deemed to have fulfilled their obligations hereunder if they exercise the same degree of care to preserve and safeguard such Confidential Information as Toro and TCFIF, respectively, use to preserve and safeguard their own confidential information, provided that upon discovery of any inadvertent disclosure of any Confidential Information, the Party making such inadvertent disclosure endeavors to prevent further use of such information and attempts to prevent similar future inadvertent disclosures. Notwithstanding the foregoing, neither Party shall be liable for any disclosure or use of any of the disclosing Party's Confidential

Information if such information is (1) publicly available or later becomes publicly available to such Party other than through a breach of this Agreement; (2) already previously known on the date such information is disclosed; (3) subsequently lawfully obtained by such Party from a third party who does not have an obligation to keep such information confidential; (4) independently developed by such Party without the use of the disclosing Party's Confidential Information; (5) disclosed pursuant to a valid regulatory or judicial order, decree, subpoena, or other process or requirement of law or regulation (including any requirements of any national securities exchange where such Party's securities are listed), provided that the Party disclosing such information to such court, governmental entity or regulatory authority shall give notice to the original disclosing Party in writing in advance thereof so the original disclosing Party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Article IV and the Party disclosing the information shall disclose only that portion of the Confidential Information that counsel to such Party disclosing the information advises is legally required to be disclosed; (6) disclosed in connection with an audit or examination of records conducted in the ordinary course of such Party's business by a governmental or regulatory authority (including any national securities exchange where such Party's securities are listed) with jurisdiction thereover, or by independent certified public accountants, provided that such governmental or regulatory authority or accountants shall have been advised of the confidential nature of such information; or (7) expressly released from the restrictions of this Article IV by the original disclosing Party in writing. Each Party recognizes and acknowledges that the injury to Red Iron and the other Party which would result from a breach of the provisions of this Article IV could not adequately be compensated by money damages. The Parties expressly agree and contemplate, therefore, that in the event of the breach or default by either Party of any provision of this Article IV, Red Iron or the other Party may, in addition to any remedies which it might otherwise be entitled to pursue, obtain such appropriate injunctive relief in support of any such provision of this Agreement.

ARTICLE V
Indemnification

Each Party shall indemnify, defend and hold harmless the other Party (and its Affiliates and the past, present and future officers, directors, shareholders, members, employees, attorneys, representatives and agents of such Party and such Affiliates) (collectively, the "Indemnified Parties") against all losses, costs, damages and expenses (including reasonable attorney's fees and expenses) incurred by the Indemnified Parties as a result of such Party's breach or the breach by the Affiliates of any Party of any of its representations, warranties or obligations hereunder or under any of the Definitive Agreements; provided, however, that to the extent such breach is or relates to an Arbitrable Dispute (as hereinafter defined), the Indemnified Party shall have complied with the dispute resolution procedures described in Article VI. NEITHER PARTY TO THIS AGREEMENT SHALL BE RESPONSIBLE OR LIABLE TO THE OTHER PARTY TO THIS AGREEMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OF SUCH PERSON OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR PUNITIVE, EXEMPLARY OR, EXCEPT IN THE CASE OF FRAUD, BAD FAITH, WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, INDIRECT OR CONSEQUENTIAL DAMAGES THAT MAY BE ALLEGED AS A RESULT OF ANY TRANSACTION CONTEMPLATED HEREUNDER.

ARTICLE VI
Dispute Resolution

6.1 Generally. If any controversy or claim arising out of or relating to the interpretation of this Agreement, or the existence or extent of, a breach of any duties hereunder (but exclusive of Article IV (confidential information), Article V (indemnification), Section 7.3 (governing laws; jurisdiction), Section 7.4 (waiver of jury trial) and Section 7.15 (publicity)) shall arise between the Parties, or if the Parties shall be unable to agree as to the determination of any accounting matter or other computation expressly contemplated by this Agreement (all such disputes and failures to agree, the "Arbitrable Disputes"), then either Party may request, by giving written notice to the other Party (the "Request Notice"), that the "Officers confer within five (5) business days regarding the Arbitrable Dispute. The Officers shall confer in good faith and use all reasonable efforts to resolve the Arbitrable Dispute. If the Officers do not resolve the Arbitrable Dispute within ten (10) business days after delivery of the Request Notice, then the Arbitrable Dispute shall be submitted to mediation and then arbitration in accordance with the procedures set forth below in this Article VI.

6.2 Mediation. Arbitrable Disputes shall be submitted to mediation (assuming other good faith attempts to resolve the dispute have failed) prior to submitting such claim to arbitration pursuant to this Article VI. The mediation shall take place in Minneapolis, Minnesota, unless the Parties agree to conduct the mediation at another location. If the Parties are unable to agree upon a mediator, each Party shall select a mediator, which mediators in turn shall select the mediator of the dispute. Each Party's representation at the mediation shall include a business representative having full settlement authority. The Parties shall use best efforts to schedule the mediation within thirty (30) days after delivery of the Request Notice. Any mediation shall be non-binding and all statements, whether oral or in writing, that are made as part of any mediation shall be subject to Federal Rule of Evidence 408 and cannot be used by either Party in any subsequent arbitration in a manner prohibited by Federal Rule of Evidence 408. The Parties acknowledge that they agree to mediate disputes in hopes of amicably resolving the matter before incurring significant attorneys' fees that may act as a barrier to settlement of the dispute at a later time. Accordingly, the Parties shall mediate in good faith and use reasonable efforts to reach a resolution of the matter.

6.3 Arbitration. If the Parties are unable to resolve an Arbitrable Dispute through mutual cooperation, negotiation or mediation, such Arbitrable Dispute shall be finally resolved by arbitration by a single arbitrator in accordance with the Commercial Arbitration Rules, except as otherwise provided herein, of the American Arbitration Association ("AAA") but without intervention of the AAA. The arbitration shall take place in Minneapolis, Minnesota, unless the Parties agree to conduct the arbitration at another location. If the Parties are unable to agree upon an arbitrator, each Party shall select an arbitrator, which arbitrators in turn shall select the arbitrator of the dispute. The arbitrator of the dispute shall be an accountant, attorney or retired judge with a working knowledge of the commercial inventory finance industry. The Parties agree to facilitate the arbitration by: (a) conducting arbitration hearings to the greatest extent possible on successive, contiguous days; and (b) observing strictly the time periods established by the applicable rules and procedures or by the arbitrator for the submission of evidence and briefs. Discovery in the arbitration shall be as limited as reasonably possible and in no event shall a Party be entitled to take more than three depositions (each deposition completed in no more than

seven hours), ask more than ten narrowly focused interrogatories (sub-parts of an interrogatory deemed as a separate interrogation), or make more than fifteen narrowly focused document requests (sub-parts of a request deemed as a separate request). Any up-front fees payable to the arbitrator or like up-front fees shall be divided equally between the Parties. The arbitrator shall have the authority to award relief under legal or equitable principles and to allocate responsibility for the costs of the arbitration and to award recovery of reasonable attorney's fees and expenses to the prevailing Party. A full and complete record and transcript of the arbitration proceeding shall be maintained. The arbitrator shall issue a reasoned decision. Each Party shall have five (5) business days to object to the arbitrator's decision, or any part thereof, by written submission made to the arbitrator and the other Party shall have five (5) business days to submit a written response to the objection. The arbitrator may hold a hearing regarding any objection if deemed appropriate by the arbitrator. In the event an objection is submitted, the arbitrator shall issue a supplemental reasoned decision addressing all objections. Thereafter, the decision of the arbitrator shall be final, binding and nonappealable and shall be reviewable only to the extent provided by law.

6.4 Additional Provisions. If either Party brings or appeals any judicial action to vacate or modify any award rendered pursuant to arbitration or opposes the confirmation of such award and the Party bringing or appealing such action or opposing confirmation of such award does not prevail, such Party shall pay all of the costs and expenses (including court costs, arbitrators' fees and expenses and reasonable attorneys' fees) incurred by the other Party in defending such action. Additionally, if either Party brings any action for judicial relief of an Arbitrable Dispute in the first instance without pursuing arbitration prior thereto, the Party bringing such action for judicial relief shall be liable for and shall immediately pay to the other Party all of the other Party's costs and expenses (including court costs and reasonable attorneys' fees) in the event the other Party successfully moves to stay or dismiss such judicial action and/or compel it to arbitration. The failure of either Party to exercise any rights granted hereunder shall not operate as a waiver of any of those rights. This Agreement concerns transactions involving commerce among the several states. The arbitrator shall not be empowered to award punitive, exemplary, or, except in the case of fraud, bad faith, willful misconduct or gross negligence, indirect or consequential damages. The arbitrator shall decide if any inconsistency exists between the rules of the applicable arbitral forum and the arbitration provisions contained herein. If such inconsistency exists, the arbitration provisions contained herein shall control and supersede such rules. The agreement to arbitrate shall survive termination of this Agreement. The initiation of the dispute resolution procedures in this Article VI shall not excuse either Party, or any of its respective Affiliates, from performing its obligations hereunder or under any of the other Definitive Agreements or in connection with the transactions contemplated hereby. While the dispute procedure is pending, the Parties and their respective Affiliates shall continue to perform in good faith their respective obligations hereunder and under the other Definitive Agreements, subject to any rights to terminate this Agreement or the other Definitive Agreements that may be available to the Parties or their respective Affiliates. The provisions of this Article VI shall be the exclusive process for all Arbitrable Disputes. The terms of this Article VI, shall be without prejudice to the rights of each Party to obtain recovery from, or to seek recourse against, the other Party (or otherwise), in such manner as such Party may elect (but subject to Section 7.4) for all claims, damages, losses, costs and matters other than those related to Arbitrable Disputes.

ARTICLE VII
General

7.1 Additional Documents and Acts; Further Assurances. In connection with this Agreement, as well as all transactions contemplated by this Agreement, each Party agrees to execute and deliver such additional documents and instruments, and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement, and all such transactions. All approvals of either Party hereunder shall be in writing.

7.2 Notices. Notices and all other communication provided for herein shall be in writing and shall be deemed to have been given to a Party at the earlier of (a) when personally delivered, (b) 72 hours after having been deposited into the custody of the U.S. Postal Service, sent by first class certified mail, postage prepaid, (c) one business day after deposit with a national overnight courier service, (d) upon receipt of a confirmation of facsimile transmission, or (e) upon receipt of electronic mail (with a notice contemporaneously given by another method specified in this Section 7.2); in each case addressed as follows:

If to TCFIF:

TCF Inventory Finance, Inc.
2300 Barrington Road, Suite 600
Hoffman Estates, IL 60169
Attention: Vincent E. Hillery, General Counsel
Telephone: (847) 252-6616
Facsimile: (847) 285-6012
Email: vhillery@tcfif.com

With copies to:

TCF National Bank
200 E. Lake Street
Wayzata, MN 55391
Attention: General Counsel
Telephone: (952) 475-6498
Facsimile: (952) 475-7975
Email: jgreen@tcfbank.com

and

Kaplan, Strangis and Kaplan, P.A.
5500 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402
Attention: Harvey F. Kaplan, Esq.
Telephone: (612) 375-1138
Facsimile: (612) 375-1143
Email: hfk@kskpa.com

If to Toro:

The Toro Company
8111 Lyndale Avenue South
Bloomington, MN 55420
Attention: Treasurer
Telephone: (952) 887-8449
Facsimile: (952) 887-8920
Email: Tom.Larson@toro.com

With copies to:

The Toro Company
8111 Lyndale Avenue South
Bloomington, MN 55420
Attention: General Counsel
Telephone: (952) 887-8178
Facsimile: (952) 887-8920
Email: Tim.Dordell@toro.com

and

Oppenheimer Wolff & Donnelly LLP
3300 Plaza VII Building
45 South Seventh Street
Attention: C. Robert Beattie, Esq.
Telephone: (612) 607-7395
Facsimile: (612) 607-7100
Email: RBeattie@Oppenheimer.com

or to such other address as either Party hereto may have furnished to the other Party hereto in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

7.3 Governing Laws; Jurisdiction. This Agreement shall be subject to and governed by the laws of the state of Minnesota, without regard to conflicts of laws principles. Each of the Parties hereby irrevocably submits to the non-exclusive jurisdiction of the Federal courts sitting in Minneapolis or St. Paul, Minnesota and any state court located in Hennepin County, Minnesota, and by execution and delivery of this Agreement, each Party hereto accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of such courts with respect to any litigation concerning this Agreement or the Definitive Agreements or the transactions contemplated thereby or any matters related thereto not subject to the provisions of Article VI. Each Party hereto irrevocably waives any objection (including any objection to the laying of venue or any objection on the grounds of forum non conveniens) which it may now or hereafter have to the bringing of any proceeding with respect to this Agreement or the Definitive Agreements to the courts set forth above. Each Party hereto agrees to the personal jurisdiction of such courts and that service of process may be made on it at

the address indicated in Section 7.2 above. Nothing herein shall affect the right to serve process in any other manner permitted by law.

7.4 Waiver of Jury Trial. EACH OF TORO AND TCFIF, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY AS TO ANY ISSUE RELATING TO THIS AGREEMENT OR ANY OTHER DEFINITIVE AGREEMENT IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER DEFINITIVE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. THIS WAIVER IS A MATERIAL INDUCEMENT FOR EACH PARTY ENTERING INTO THIS AGREEMENT.

7.5 Entire Agreement. This Agreement, together with the other Definitive Agreements and any documents or agreements contemplated hereby or thereby**,** contains all of the understandings and agreements of whatsoever kind and nature existing between the Parties hereto and their respective Affiliates with respect to this Agreement and the other Definitive Agreements, the subject matter hereof and of the other Definitive Agreements, and the rights, interests, understandings, agreements and obligations of the Parties and their respective Affiliates pertaining to the subject matter hereof and thereof and Red Iron, and supersedes any previous agreements between the Parties and their respective Affiliates.

7.6 Waiver. No consent or waiver, expressed or implied, by either Party or any of their respective Affiliates to or of any breach or default by the other Party or any of its Affiliates in the performance by the other Party or any of its Affiliates of its obligations under this Agreement or any of the other Definitive Agreements to which it is a party shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by that Party or any of its Affiliates of the same or any other obligations of that Party or its Affiliates. Failure on the part of either Party or its Affiliates to complain of any act or failure to act on the part of the other Party or its Affiliates or to declare the other Party or its Affiliates in default, irrespective of how long the failure continues, shall not constitute a waiver by that Party or its Affiliates of its rights under this Agreement or the other Definitive Agreements.

7.7 Severability. If any provision of this Agreement or its application to any Person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of the provisions to other persons or circumstances shall not be affected thereby, and this Agreement shall be enforced to the greatest extent permitted by law.

7.8 Expenses Incurred in the Formation of Red Iron. All disbursements for (a) organization, qualification to do business and fictitious name filings contemplated by Section 2.3, (b) single interest insurance contemplated by Section 2.4(b), (iii) preparation of the Business Plan contemplated by Section 2.1; (c) the pre-formation costs and other costs described on Schedule 7.8 attached hereto that are in the future or have been incurred by the Parties in

connection with the formation of Red Iron shall be charged by the Parties to Red Iron. All other fees, charges and expenses incurred by the Parties in connection with the formation of Red Iron and the transactions contemplated hereby (including all related legal fees) shall be borne by the Party incurring them.

7.9 Binding Agreement, Assignments. This Agreement shall be binding upon the Parties and their respective successors and assigns and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Notwithstanding the foregoing, neither Party hereto shall be permitted to assign its rights and obligations hereunder without the prior written consent of the other Party. Whenever a reference to any party or Party is made in this Agreement, such reference shall be deemed to include a reference to the successors and permitted assigns of that party or Party.

7.10 Third-Party Beneficiaries. This Agreement is for the sole and exclusive benefit of the Parties, and it shall not be deemed to be for the direct or indirect benefit of any other Person. With respect to the Definitive Agreements, Toro and TCFIF shall each be deemed a third-party beneficiary of each such Definitive Agreement to which any of its respective Affiliates or Red Iron is a party and entitled to (a) enforce any such agreements on behalf of such Affiliates or Red Iron and (b) recover damages incurred by such Party as a result of breach by any Affiliate of the other Party or Red Iron attributable to the other Party or any Affiliate of the other Party of any of the Definitive Agreements.

7.11 Disclaimer of Agency. This Agreement shall not constitute either Party (or any of its Affiliates) as a legal representative, agent, subsidiary, joint venturer, partner, employee or servant of the other Party (or any of its Affiliates) for any purpose whatsoever, nor shall a Party (or any of its Affiliates) have the right or authority to assume, create or incur any liability or any obligation of any kind, expressed or implied, against or in the name or on behalf of the other Party (or any of its Affiliates) or Red Iron, unless otherwise expressly permitted by such other Party, and except as expressly provided in any of the Definitive Agreements.

7.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

7.13 Headings; Interpretation. The headings in this Agreement are inserted for convenience only and are not to be considered in the interpretation or construction of the provisions hereof. Unless the context of this Agreement otherwise clearly requires, the following rules of construction shall apply to this Agreement: (a) the words “hereof,” “herein” and “hereunder” and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement; (b) the words “include” and “including” and words of similar import shall not be construed to be limiting or exclusive and (c) the word “or” shall have the meaning represented by the phrase “and/or.”

7.14 Amendments. This Agreement may be amended at any time and from time to time, but any amendment must be in writing and signed by the Parties.

7.15 Publicity. Neither Toro nor TCFIF nor any of their respective Affiliates shall make any public announcement or other disclosure to the press or public regarding this Agreement or Red Iron or any matter related hereto or thereto, unless Toro and TCFIF mutually agree to make an announcement in a form that both Parties have approved. Notwithstanding the foregoing, to the extent a Party (or its Affiliate) is required by law or the rules of a national securities exchange applicable to such Party (or such Affiliate) to make a public announcement

regarding this Agreement or Red Iron or any matter related hereto or thereto, then such Party (or such Affiliate) may make a public announcement in order for such Party (or such Affiliate) to duly comply with such law or rule, provided that such Party (or such Affiliate) gives notice to the other Party of such public announcement promptly upon such Party (or such Affiliate) becoming aware of its need to comply with such law or rule, but, in any event, not later than the time the public announcement is to be made.

7.16 No Assumption in Drafting. The Parties hereto acknowledge and agree that (a) each Party has reviewed and negotiated the terms and provisions of this Agreement and has had the opportunity to contribute to its revision, and (b) each Party has been represented by counsel in reviewing and negotiating such terms and provisions. Accordingly, the rule of construction to the effect that ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement. Rather, the terms of this Agreement shall be construed fairly as to both parties hereto and not in favor or against either Party.

[Signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of, and is effective as of, the date first set forth above.

THE TORO COMPANY

By: /s/ Thomas J. Larson

Name: Thomas J. Larson

Title: Vice President, Treasurer

TCF INVENTORY FINANCE, INC

By: /s/ Rosario A. Perrelli

Name: Rosario A. Perrelli

Title: President and CEO

LIMITED LIABILITY COMPANY AGREEMENT

of

RED IRON ACCEPTANCE, LLC

between

RED IRON HOLDING CORPORATION

and

TCFIF JOINT VENTURE I, LLC

Dated as of: August 12, 2009

[PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

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THIS LIMITED LIABILITY COMPANY AGREEMENT (this “Agreement”) of Red Iron Acceptance, LLC, a Delaware limited liability company (the “Company”), made as of the 12th day of August, 2009, by and between Red Iron Holding Corporation, a Delaware corporation (“Toro Sub”), and TCFIF Joint Venture I, LLC, a Minnesota limited liability company (“TCFIF Sub”) (each individually, a “Member” and, collectively, the “Members”).

WHEREAS, the Members desire to form a limited liability company in accordance with the provisions of the Delaware Limited Liability Company Act, as amended from time to time, and any successor statute (the “Act”), for the ownership and operation of a commercial inventory finance business, including floorplan financing and open account inventory financing, supporting the business of The Toro Company, a Delaware corporation (“Toro”), and its Affiliates (as defined below) within the United States and Canada; and

WHEREAS, the Members desire to enter into a written agreement pursuant to the Act governing the affairs of the Company and the conduct of its business. Accordingly, in consideration of the mutual covenants contained herein, the Members agree as follows:

SECTION I
ORGANIZATION

1.01 Formation. The Members have formed the Company as a limited liability company pursuant to the provisions of the Act. A Certificate of Formation for the Company has been filed in the Office of the Secretary of State of the State of Delaware in conformity with the Act. Each of the Members hereby ratifies the actions taken by or on behalf of the Company prior to the Formation Date (as defined in Section 1.04), as described in the preceding sentence. The Company and, if required, each of the Members shall execute or cause to be executed from time to time all other instruments, certificates, notices and documents and shall do or cause to be done all such acts and things (including keeping books and records and making publications or periodic filings) as may now or hereafter be required for the formation, valid existence and, when appropriate, termination of the Company as a limited liability company under the laws of the State of Delaware. In connection with the organization of the Company, the Members and certain of their respective Affiliates have entered into, are entering into contemporaneously with this Agreement or will enter into, the following ancillary agreements:

(a) That certain Agreement to Form Joint Venture between Toro and TCF Inventory Finance, Inc. (“TCFIF”) dated as of the date hereof (the “Joint Venture Agreement”);

(b) That certain Credit and Security Agreement between the Company and TCFIF dated as of the date hereof (the "Credit Agreement");

(c) That certain Services Agreement between the Company and TCFIF dated as of the date hereof (the "TCFIF Services Agreement");

(d) That certain Services Agreement between the Company and Toro dated as of the date hereof (the "Toro Services Agreement" and, together with the TCFIF Services Agreement, the "Services Agreements");

(e) That certain Repurchase Agreement between Toro and the Company in substantially the form set forth on Exhibit B attached to the Joint Venture Agreement;

(f) One or more Receivable Purchase Agreements among Toro Credit Company, Toro or any other Affiliate of Toro and the Company in substantially the form set forth in Exhibit C attached to the Joint Venture Agreement (each, a "Receivable Purchase Agreement");

(g) That certain Program Letter between Toro and the Company dated as of the date hereof;

(h) One or more Trademark License Agreements among Toro and/or an Affiliate of Toro and the Company dated as of the date hereof (the "Trademark License Agreement"); and

(i) That certain Performance Assurance Agreement made by TCF National Bank for the benefit of Toro and Toro Sub dated as of the date hereof.

collectively, with this Agreement, all such documents, the "Definitive Agreements."

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. For purposes of this definition, "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

1.02 Name and Office. The name of the Company shall be "Red Iron Acceptance, LLC." All business of the Company shall be carried on in this name, with such variations and changes as the Management Committee (as defined in Section 6.02(a)) in its sole judgment deems necessary or appropriate to comply with requirements of the jurisdictions in which the Company's operations are conducted, and all title to all property, real, personal, or mixed, owned by or leased to the Company shall be held in such name. The registered office and registered agent of the Company shall be The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, or such other office or agent as determined by the Management Committee. The principal offices and place of business of the Company shall be in Hoffman Estates, Illinois with an operations office in Bloomington, Minnesota or, in either case, such other place or places as the Management Committee may from time to time direct.

1.03 Purpose.

(a) The Company is formed for the following purposes: (i) subject to the terms of this Agreement, to own and operate a commercial inventory finance business to provide floor plan and open account financing to dealers and distributors of products, including parts, accessories, software and software updates to support equipment or services, advertising materials, advertising placements, training materials, point of sale or merchandising materials, extended service contracts, licenses for scheduling software and online services; (ii) to manage,

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own, supervise and dispose of the assets associated with the business referred to in the preceding clause (i); and (iii) to engage in any activities or transactions necessary or desirable to accomplish the foregoing purposes and to do any other act or thing incidental or ancillary thereto. The Company's business referred to in the preceding clauses (i) through (iii) is referred to herein as the "Business."

(b) The Company shall not, without the prior written consent of all the Members, engage in any business or activity other than the Business and those activities that are necessary or advisable to carry out the Business.

(c) Each Member shall restrict its business to its ownership of its interest in the Company and related activities. Each Member's Affiliates (exclusive of the Company), may, at any time and from time to time, engage in and pursue other business ventures.

1.04 Term. Subject to the provisions of Article X below, the initial term of the Company shall commence on the date first written above (the "Formation Date"), shall continue until October 31, 2014 (the "Initial Term"), and thereafter shall be extended automatically for additional two-year terms (each, an "Additional Term") unless at least one year prior to the expiration of the Initial Term or Additional Term (as applicable) either Member gives notice to the other Member of its intention not to extend the term, in which event the Company shall dissolve and be wound-up in accordance with the provisions of said Article X.

SECTION II
CAPITAL STRUCTURE AND CONTRIBUTIONS

2.01 Authorized Shares. Subject to the terms of this Agreement, the Company is authorized to issue equity interests in the Company designated as "Shares," which shall constitute limited liability company interests under the Act; unless otherwise determined by the Management Committee, Shares shall not be certificated. The total number of Shares which the Company shall have authority to issue is one hundred (100). All Shares shall be identical to each other in all respects. On the Formation Date, forty-five (45) Shares shall be issued to Toro Sub and fifty-five (55) Shares shall be issued to TCFIF Sub. For

purposes of this Agreement, a Member's "Percentage Interest" shall mean the number of outstanding Shares of such Member divided by the total number of issued and outstanding Shares.

2.02 Initial Capital Contributions. On the business day immediately following the Formation Date, each Member shall contribute to the capital of the Company (the "Initial Capital Contributions") cash in an amount set forth after each Member's name on Schedule 2.02. To the extent the Company requires additional capital prior to closing by the Company of the purchase under the initial Receivable Purchase Agreement and the Members approve such a capital contribution, Toro Sub shall contribute forty-five percent (45%) of such required capital contribution and TCFIF Sub shall contribute fifty-five percent (55%) of such required capital contribution.

2.03 Purchase Capital Contributions. On the date the Company makes the initial purchase pursuant to the terms of the initial Receivable Purchase Agreement, each Member shall contribute to the capital of the Company (a "Purchase Capital Contribution") cash in the amount

equal to the sum of XXXXXXXXXX. For purposes of this Agreement, "Total Tangible Assets of the Company" shall mean the remainder of (a) the total assets of the Company minus (b) all intangible assets of the Company to the extent included in calculating total assets in clause (a), all as determined in accordance with GAAP). **[PORTIONS OF THIS SECTION HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]**

2.04 Additional Capital Contributions/Loans. Notwithstanding the foregoing, each of Toro Sub and TCFIF Sub shall be required to contribute as additional capital to the Company (each, an "Additional Capital Contribution" and, together with the Initial Capital Contributions and the Purchase Capital Contributions, the "Capital Contributions") cash in an amount sufficient to increase and/or maintain such Member's Capital Account to an amount equal to the sum of XXXXXXXXXX. Such contributions shall be determined (x) as of the end of each month during the term of the Company, or (y) if approved by the Management Committee, more often. The Company shall provide notice to the Members, no later than the earlier of the twenty-fifth (25th) of each month or three (3) business days prior to the last day of the month, of the estimated contribution amount for such month, which contributions shall be made no later than the last day of such month or, with respect to Additional Capital Contributions referred to in clause (y) of this Section 2.04, within five (5) business days of receiving notice from the Company of any such contribution. To the extent the estimated contribution amount is greater or less than the actual capital needs for such month, such excess or shortage shall be taken into account in the Company's calculation of the Distributable Cash (as defined in Section 4.01(b)) for such month. The requirement of each Member to maintain sufficient funds in its Capital Account shall continue through the dissolution and winding-up of the Company as specified in Article X. No additional Shares shall be issued to the Members on account of any Capital Contribution made subsequent to the Initial Capital Contributions. Except as expressly provided in this Section 2.04 or with the prior written consent of each of the Members, no Member shall be required or entitled to contribute any other or further capital to the Company, nor, except as contemplated by this Agreement, shall any Member be required or entitled to loan any funds to the Company. **[PORTIONS OF THIS SECTION HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]**

2.05 Consequences of Failure to Provide Capital Contributions. If Capital Contributions are required to be made and if, on or prior to the due date thereof, one of the Members has made its Capital Contribution (the "Contributing Member") and the other Member has failed to make its Capital Contribution (the "Non-Contributing Member"), then the Contributing Member shall have the option during the following five (5) business day period to (i) request and receive from the Company an immediate return of the funds advanced in such instance as its Capital Contribution or (ii) elect to lend to the Non-Contributing Member the amount of the Capital Contribution not paid by the Non-Contributing Member (a "Deficit Loan") in such instance, the proceeds of which Deficit Loan shall be paid by the Contributing Member directly to the Company as a contribution to the capital account of the Non-Contributing Member. The

Contributing Member shall be entitled to interest from the Non-Contributing Member on the amount outstanding from time to time on each Deficit Loan calculated at a rate equal to the Index plus 10% per annum, or the highest rate permitted by law, whichever is less. Notwithstanding the provisions of Sections 4.01 and 10.03, distributions otherwise payable by the Company to a Non-Contributing Member shall first be made to the Contributing Member to the extent of the amount of any outstanding Deficit Loans, including accrued interest thereon, and such distribution shall be charged to the Capital Account of the Non-Contributing Member. In addition, any amounts otherwise payable by the Company to an Affiliate of the Non-Contributing Member under the terms of the TCFIF Services Agreement or the Toro Services Agreement, as appropriate, shall be paid to the Contributing Member to the extent the amount of any outstanding Deficit Loans, including interest thereon. The rights of the Contributing Member to receive the payments described in the preceding sentence shall be in addition to the right of the Contributing Member to receive payment of the amount of all outstanding Deficit Loans, including accrued interest thereon, at any time upon demand. The term "Index" shall mean the rate of interest published in the Money Rates section of The Wall Street Journal from time to time as the Prime Rate. If more than one Prime Rate is published in The Wall Street Journal for a day, the average of the Prime Rates so published shall be used and such average shall be rounded up to the nearest one quarter of one percent (.25%). If The Wall Street Journal ceases to publish the Prime Rate, the Contributing Member may select a comparable publication or service that publishes such Prime Rate, or its equivalent, and if such Prime Rate is no longer published, then the rate publicly announced by one of the ten largest money center banks in the United States (as selected by the Contributing Member in its discretion) as its "prime," "base" or "reference" rate shall be substituted.

2.06 No Interest on Capital Contributions. No Member shall be entitled to receive interest on its Capital Contributions.

2.07 Capital Accounts. A capital account ("Capital Account") shall be maintained for each Member on the books of the Company. The Capital Account for each Member shall be maintained in accordance with the following provisions:

(a) To each Member's Capital Account there shall be credited such Member's Capital Contributions, such Member's allocated share of Net Income (as defined in Section 5.08) and any items of income or gain specially allocated to such Member pursuant to Sections 5.03 or 5.04.

(b) To each Member's Capital Account there shall be debited such Member's allocated share of Net Loss (as defined in Section 5.08), any items of deduction or loss specially allocated to such Member pursuant to Sections 5.03 or 5.04 and the amount of cash and the value of any other property distributed to such Member (net of any liabilities assumed by such Member and liabilities, if any, to which such property is subject).

(c) A Member shall not be entitled to withdraw from the Company or withdraw any part of its Capital Account or receive any distributions from the Company except as specifically provided in this Agreement. No Member shall be entitled to receive any distribution in kind, except as otherwise provided herein. No interest shall be paid on or with respect to the Capital Account of any Member. Except as expressly provided herein, no Member

shall have any priority over any other Member as to the return of its Capital Contributions or as to compensation by way of income, and no additional share of the profits or losses of the Company shall accrue to any Member solely by virtue of its Capital Account being proportionately greater than the Capital Account of any other Member. No Member shall be entitled to make any Capital Contributions to the Company other than as provided herein.

(d) If any Member makes a loan to the Company, such loan shall not be considered a contribution to the capital of the Company and shall not increase the Capital Account of the lending Member. Repayment of such loans shall not be deemed a withdrawal from the capital of the Company.

(e) No Member shall be required to pay to the Company or to any other Member or person any deficit in such Member's Capital Account upon dissolution of the Company or otherwise.

(f) If any Member receives a distribution from the Company in excess of the amount such Member should have received in accordance with the provisions of this Agreement at the time the distribution was made, such Member shall be obligated to pay any such excess to the Company for reallocation to the Member or Members rightfully entitled to such distribution upon demand to do so by the Company.

(g) If all or any portion of a Member's Shares are transferred pursuant to Article IX hereof, the transferee shall succeed to the transferor's Capital Account to the extent it relates to the transferred Shares.

SECTION III
REPRESENTATIONS AND WARRANTIES

3.01 Toro Sub Representations. Toro Sub represents and warrants, as of the Formation Date, each of the following:

(a) Organization and Authority. Toro Sub is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, its sole purpose is the ownership of its Shares and activities ancillary to such ownership, and has all necessary power and authority to enter into, and to perform its obligations under, this Agreement. The execution and delivery of this Agreement by Toro Sub, the performance by Toro Sub of its obligations hereunder, and the consummation by Toro Sub of the transactions contemplated hereby have been duly and validly authorized and approved by all necessary corporate action on behalf of Toro Sub. This Agreement has been duly executed and delivered by Toro Sub, and (assuming due execution and delivery by TCFIF Sub), this Agreement constitutes a legal, valid and binding obligation of Toro Sub enforceable against Toro Sub in accordance with its terms.

(b) No Conflict. The execution, delivery and performance of this Agreement by Toro Sub does not and will not (i) violate, conflict with or result in the breach of any provision of the certificate of incorporation of Toro Sub, (ii) conflict with or violate any law or order of any court or other governmental authority applicable to Toro Sub or any of its assets, properties or businesses, or (iii) conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under,

require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any encumbrance on any of the assets or properties of Toro Sub, pursuant to any note, bond, mortgage or indenture, contract agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which Toro Sub is a party or by which any of such assets or properties is bound or affected, except, in the case of clauses (ii) and (iii) above, where such conflict, violation, breach, default, failure to obtain any such consent, rights or creation will not reasonably be expected to have a material adverse effect on the Business or on Toro Sub's ability to enter into this Agreement and perform its obligations hereunder.

3.02 TCFIF Sub Representations. TCFIF Sub represents and warrants, as of the Formation Date, each of the following:

(a) Organization and Authority. TCFIF Sub is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Minnesota, its sole purpose is the ownership of its Shares and activities ancillary to such ownership, and has all necessary power and authority to enter into, and to perform its obligations under, this Agreement. The execution and delivery of this Agreement by TCFIF Sub, the performance by TCFIF Sub of its obligations hereunder, and the consummation by TCFIF Sub of the transactions contemplated hereby have been duly and validly authorized and approved by all necessary limited liability company action on behalf of TCFIF Sub. This Agreement has been duly executed and delivered by TCFIF Sub, and (assuming due execution and delivery by Toro Sub) this Agreement constitutes a legal, valid and binding obligation of TCFIF Sub enforceable against TCFIF Sub in accordance with its terms.

(b) No Conflict. The execution, delivery and performance of this Agreement by TCFIF Sub does not and will not (i) violate, conflict with or result in the breach of any provision of the articles of organization of TCFIF Sub, (ii) conflict with or violate any law or order of any court or other governmental authority applicable to TCFIF Sub or any of its assets, properties or businesses, or (iii) conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any encumbrance on any of the assets or properties of TCFIF Sub pursuant to any note, bond, mortgage or indenture, contract agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which TCFIF Sub is a party or by which any of such assets or properties is bound or affected, except, in the case of clauses (ii) and

(iii) above, where such conflict, violation, breach, default, failure to obtain any such consent, rights or creation will not reasonably be expected to have a material adverse effect on the Business or on TCFIF Sub's ability to enter into this Agreement and perform its obligations hereunder.

3.03 Survival. All representations and warranties contained in this Article (notwithstanding any investigation or inquiry which any party hereto or any representative may make) shall relate solely to the Formation Date, and shall survive the execution and delivery of this Agreement and continue until the dissolution and winding-up of the Company in accordance with Article X.

SECTION IV
DISTRIBUTIONS

4.01 Distributions.

(a) From and after the date hereof, except as otherwise provided in this Agreement (including Sections 2.05 and 10.03), the Company shall make distributions in the same proportions as Net Income would be allocated to Members pursuant to Section 5.01.

(b) Subject to Section 4.01(a) and except as otherwise approved by the Management Committee, the Company shall make distributions in cash pursuant to this Section 4.01 on a monthly basis, on or before the last day of each calendar month, in an amount equal to the Company's Distributable Cash as of the end of such month. "Distributable Cash" shall mean the positive difference, if any, between (i) the estimated Capital Account balances of all the Members and (ii) the sum of XXXXXXXXXX. Such estimates shall be calculated on the date that is the earlier of the twenty-fifth (25th) of each month or three (3) business days prior to the last day of the month. Each distribution pursuant to this Section 4.01 shall be made in immediately available funds by wire transfer in accordance with wire transfer instructions provided in writing from time to time by each Member. Any change in such wire transfer instructions shall be effective two (2) business days following receipt of notice thereof by the Company. **[PORTIONS OF THIS SECTION HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]**

SECTION V
ALLOCATIONS

5.01 Net Income. Except as provided in Sections 5.03, 5.04 and 10.03, the Net Income shall be allocated for each fiscal year (or for any applicable portion of a fiscal year, such applicable portion to be calculated pursuant to a hypothetical closing of the Company's books based on the specific portion of the fiscal year and not on a pro rata or other similar basis) to the Members, pro rata in accordance with their respective Percentage Interests.

5.02 Net Losses. Except as provided in Sections 5.03, 5.04 and 10.03, Net Loss shall be allocated for each fiscal year (or for any applicable portion of a fiscal year, such applicable portion to be calculated pursuant to a hypothetical closing of the Company's books based on the specific portion of the fiscal year and not on a pro rata or other similar basis) to the Members, pro rata in accordance with their respective Percentage Interests.

5.03 Regulatory Allocations.

(a) Maintenance of Capital Accounts. The Capital Accounts shall be maintained in accordance with Section §1.704-1(b) of the Regulations.

(b) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and

(6) of the Regulations, items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 5.03(b) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article V have been tentatively made as if this Section 5.03(b) were not in this Agreement.

(c) Gross Income Allocation. In the event any Member has a negative Capital Account at the end of any fiscal year which is in excess of the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible provided that an allocation pursuant to this Section 5.03 shall be made only if and to the extent that such Member would have a negative Capital Account in excess of such sum after all other allocations provided for in this Article V have been made as if Section 5.03(b) and this Section 5.03(c) were not in this Agreement.

5.04 Curative Allocations. The allocations set forth in Section 5.03 hereof (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 5.04. Therefore, notwithstanding any other provision of this Article V (other than the Regulatory Allocations), offsetting special allocations of Company income, gain, loss or deduction shall be made so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Agreement and all Company items were allocated pursuant to this Article V without regard to the Regulatory Allocations. In exercising their discretion under this Section 5.04, the Members shall take into account future Regulatory Allocations under Section 5.03 that, although not yet made, are likely to offset other Regulatory Allocations previously made under Section 5.03.

5.05 Tax Allocations.

(a) In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes (and, as such, it is not intended to change the accounting allocation), be allocated between the Members so as to take account of any variation between the adjusted basis of such property to the Company for Federal income tax purposes and its fair market value at the time of contribution.

(b) Any elections or other decisions relating to such allocations shall be made by the Management Committee in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 5.05 are solely for purposes of Federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any

Member's Capital Account or share of Net Income, Net Loss, other items, or distributions pursuant to any provision of this Agreement.

(c) Except as otherwise provided in this Agreement, all items of Company income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided between the Members in the same proportions as they share Net Income or Net Loss, or amounts specially allocated pursuant to Section 5.03 or 5.04 hereof, as the case may be, for the fiscal year.

5.06 Other Allocation Rules.

(a) Solely for purposes of determining the Members' proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section 1.752-3(a)(3), the Members' interests in the Company profits shall be allocated in the same manner such item would have been allocated pursuant to Section 5.01.

(b) To the extent permitted by Section 1.704-2(h)(3) of the Regulations, the Members shall endeavor to treat distributions of cash as having been made from the proceeds of a nonrecourse liability only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for any Member.

5.07 Tax Decisions. The Company shall file its income and all other tax returns (including sales, use, property, excise, information and unclaimed property reports) as a partnership. Except as otherwise provided in this Agreement, the tax matters partner shall, upon consultation with the Management Committee, make all applicable elections, determinations and other tax decisions for the Company relating to all tax matters, including, without limitation, the positions to be taken on the Company's tax returns and the settlement or further contest and litigation of any audit matters raised by the Internal Revenue Service or any other taxing authority. TCFIF Sub shall be the tax matters partner within the meaning of Section 6231(a)(7) of the Code. TCFIF Sub shall cause all tax returns of the Company to be timely filed. The Company shall provide a draft copy of all income tax and information returns to Toro Sub for its review and comment at least ten (10) business days prior to the due date for filing such returns.

5.08 Certain Definitions. The following terms shall be defined for purposes of this Agreement as set forth below:

"Adjusted Capital Account Deficit" means, with respect to each Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Member is deemed to be obligated to restore pursuant to the penultimate sentences of each of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

"Code" means the Internal Revenue Code of 1986, as amended, modified or supplemented from time to time, or any successor legislation.

"Net Income" and "Net Loss" mean, for each fiscal period, an amount equal to the Company's taxable income or loss for such fiscal period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss).

"Regulations" means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as amended, modified or supplemented from time to time.

SECTION VI
MANAGEMENT

6.01 Members.

(a) Subject to the limitations and restrictions set forth in this Agreement and the Act, each Member shall have all the rights, powers and obligations which may be possessed by a member of a limited liability company under the Act and otherwise as provided by law.

(b) Meetings of the Members may be called by any Member on at least ten (10) business days' prior written notice to the other Members, which notice shall contain the time, place and purpose of such meeting. The presence in person or by proxy of both of the Members shall constitute a quorum for the transaction of business by the Members at such meeting. Except as otherwise expressly set forth herein, all actions of the Members taken at a meeting shall require the affirmative vote of both of the Members.

(c) Notice of any meeting of the Members may be waived by any Member before or after such meeting. Meetings of the Members may be conducted by conference telephone facilities or other similar technology. The Members may approve a matter or take any action without a meeting by a written consent of the Members, which must be executed by both of the Members. In no instance where action is authorized by written consent of the Members shall a meeting of the Members be required to be called or notice to be given. The writing or writings evidencing any such consent shall be filed with the minutes of proceedings of the Company and copies thereof shall be sent to each of the Members.

(d) Except as expressly set forth herein, neither Member or any of its Affiliates shall have any liability for the debts, obligations or liabilities of the Company or of the other Member or any of its Affiliates.

(e) The Members shall adopt credit and operational policies described in Exhibit A attached hereto, which policies may be modified from time to time by mutual agreement of the Members; provided, however, that such credit and operational policies shall not be inconsistent with the credit and operational policies of TCFIF. TCFIF Sub shall be responsible for advising the Members of TCFIF's credit and operational policies.

6.02 Management Committee.

(a) Subject to such matters which are expressly reserved under this Agreement or the Act to the Members for decision, the Business shall be managed through a committee of managers (the "Management Committee"), which shall initially consist of eight (8) persons (the "Managers") who shall be determined as follows: (i) TCFIF Sub shall be entitled to designate four (4) Managers (the "TCFIF Sub Managers") and (ii) Toro Sub shall be entitled to designate four (4) Managers (collectively, with the TCFIF Sub Managers, the "Designated Managers"). The Designated Managers shall appoint a General Manager (the "General Manager") and all other executive officers (if any) of the Company by the affirmative vote or written consent of at least five (5) Managers, including the affirmative vote of at least one of the Designated Managers appointed by each Member (a "Majority of the Managers"); provided, however, that if the Management Committee shall at any time be deadlocked and unable to appoint a General Manager, then TCFIF Sub shall have the sole right to appoint the General Manager on an interim basis pending resolution of the deadlock regarding final appointment of the General Manager as provided in Section 7.08. For purposes of the preceding sentence, any Designated Manager under consideration for appointment as General Manager, or other executive officer position (if any), shall not be recused from voting on such matter. Each of the Members shall, in its respective sole discretion, be entitled to remove or discharge (with or without cause and with or without prior notice) one or more of its Designated Managers at any time, and to designate an alternate (who shall be permitted to attend, and have full voting powers at, any meeting at which the Designated Manager is absent) or a successor therefor. Designated Managers may only be removed in accordance with the preceding sentence. The Member that has removed or discharged one or more of its Managers and designated an alternate or alternates shall promptly give notice to the other Member of the names of the removed or discharged Manager(s) and the name(s) and address(es) of the replacement Manager(s). The initial Designated Managers and the General Manager as of the date of this Agreement are set forth on Schedule 6.02(a) hereto, which shall be updated from time to time to reflect the addition or removal of such persons.

(b) Subject to the next sentence, the Management Committee shall meet at such times as may be necessary for the Business on at least ten (10) business days' prior written notice to each Manager of such meeting given by any one (1) Manager, which written notice shall contain the time and place of such meeting and the proposed items of business; unless otherwise agreed by a Majority of the Managers, meetings of the Management Committee shall be held at the office of one of the Members. The initial meeting of the Management Committee shall be held within sixty (60) days of the Formation Date and, thereafter, the Management Committee shall meet at least once every fiscal quarter. Provided that proper and adequate notice has been provided as required by the first sentence of this Section 6.02(b), the presence of at least a Majority of the Managers (or their respective alternates) shall be required to constitute a quorum for the transaction of any business by the Management Committee. Each Manager shall have one (1) vote on all matters before the Management Committee. All actions of the Management Committee shall require the affirmative vote of at least a Majority of the Managers. No Manager (acting in his or her capacity as such) shall have any authority to bind the Company to any third party with respect to any matter, except pursuant to a resolution expressly authorizing such action (and authorizing such Manager to bind the Company with respect to such

action) which resolution is duly adopted by the Management Committee by the affirmative vote of at least a Majority of the Managers.

(c) Except as otherwise expressly required by this Agreement, in the event the Management Committee is evenly divided on any matter, such matter shall promptly be referred to the Members for decision and approval in accordance with the provisions of Section 7.07 or 7.08, as the case may be.

(d) There shall be no committees of the Management Committee and there shall be no delegation of the powers, duties and authorities of the Management Committee to any other person, entity, or committee, except as otherwise provided herein or expressly approved by the Management Committee.

(e) No item of business that is not contained in the notice of the meeting may be considered unless at least a Majority of the Managers consent. Notice of any Management Committee meeting may be waived by any Manager before or after such meeting. Meetings of the Management Committee shall be conducted by conference telephone facilities (or other similar technology) if any Manager so requests. Managers may approve a matter or take any action without a meeting by a written consent of the Managers, which must be executed by at least a Majority of the Managers. In no instance where action is authorized by written consent of the Managers shall a meeting of the Managers be required to be called or notice required to be given. The writing or writings evidencing any such consent shall be filed with the minutes of proceedings of the Company and copies thereof shall be sent to each of the Managers. The Management Committee shall cause written minutes to be prepared of all actions taken by the Management Committee at a meeting thereof and shall cause a copy thereof to be delivered to each Manager within thirty (30) calendar days after each such meeting.

(f) The Management Committee shall review and approve all budgets and business plans, including any amendments thereto from time to time as necessary or desirable, of the Company. At each quarterly meeting of the Management Committee, the Management Committee will review the report, forecast and calculation referred to in Section 6.03(j) and, if such report reflects a pre-tax return on assets that is different from the Target Return by more than one-tenth of one percent, the Management Committee shall consider taking such action or actions, if any, as it may deem to be appropriate to target a pre-tax return on assets of the Company, determined cumulatively as of the end of the applicable Adjustment Period, equal to the Target Return. To that end, the Management Committee shall consider such changes deemed appropriate by the Management Committee under the currently existing or

forecasted circumstances, which may include changes to the manufacturer support rate, the dealer rate or cost savings. For purposes of this Agreement, "pre-tax return on assets" shall mean a quotient, (x) the numerator of which is equal to the product of (i) the pre-tax income of the Company from the first day of the first calendar month covered by such calculation, divided by the number of calendar months included in the period covered by such calculation, multiplied by (ii) 12, and (y) the denominator of which is equal to (i) the sum of the monthly Average Net Receivables for each calendar month included in the period covered by such calculation, divided by (ii) the number of calendar months included in the period covered by such calculation.

(g) The Management Committee shall review and approve the accounting policies, tax policies, methods or practices of the Company from time to time, which accounting policies, tax policies, methods and practices shall at all times not be inconsistent with those of TCFIF. TCFIF Sub Manager shall be responsible for advising the Management Committee of TCFIF's accounting policies, tax policies, methods and practices.

6.03 General Manager. The General Manager of the Company shall have the responsibility for managing the Business on a day-to-day basis and supervising the other officers of the Company (if any), subject to the absolute direction, supervision and control of the Management Committee. The General Manager shall have no authority or power to enter into any material agreement or material arrangement on behalf of the Company which binds the Company to any third party outside the scope of the Business, but shall have the authority and power:

(a) To generally manage the Company's credit and operations office or offices and the Company's marketing efforts;

(b) [Reserved];

(c) To exercise credit authority within the limits established by the Company's credit policies;

(d) To comply with credit, operations, legal and other policies adopted by the Management Committee;

(e) To manage the Company's dealer and distributor relations with respect to the Business;

(f) To call special meetings of the Management Committee;

(g) To support the staff of TCFIF and Toro in the performance of their obligations under their respective Services Agreement;

(h) To pay expenses of the Company in the ordinary course of the Business, including expenses provided for in the Definitive Agreements;

(i) To prepare the Company's annual budget, which shall reflect a target pre-tax return on assets of XXXXXXXXXX (the "Target Return"), unless otherwise approved by the Management Committee; and **[PORTIONS OF THIS SECTION HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]**

(j) To prepare for, and deliver to, the Management Committee not later than the 15th day of the first month of each calendar quarter (the first day of such quarter being an "Adjustment Date") commencing after September 30, 2010, a report reflecting the pre-tax return on assets of the Company for the immediately preceding four calendar quarters (the

"Measurement Period Return") and on a cumulative basis over the then-current Initial Term or Additional Term of the Company, a forecast of the expected returns for the remainder of the then-current Initial Term or Additional Term of the Company, and a calculation of the adjustment, if any, that would be required to be made to the Business Plan (as that term is defined in the Joint Venture Agreement) over the applicable Adjustment Period (as defined below) in order for the Company to achieve a target pre-tax return on assets of not less than the Target Return, determined cumulatively:

(i) In the case where the difference between the Measurement Period Return and the Target Return is XXXXXXXXXX, then the "Adjustment Period" will be the next four calendar quarters beginning on the Adjustment Date (or such shorter period of time as is then remaining in the then-current Initial Term or Additional Term of the Company);

(ii) In the case where the difference between the Measurement Period Return and the Target Return is XXXXXXXXXX, then the "Adjustment Period" will be the next eight calendar quarters beginning on the Adjustment Date (or such shorter period of time as is then remaining in the then-current Initial Term or Additional Term of the Company); and

(iii) In the case where the difference between the Measurement Period Return and the Target Return is XXXXXXXXXX, then the "Adjustment Period" will be the next twelve calendar quarters beginning on the Adjustment Date (or such shorter period of time as is then remaining in the then-current Initial Term or Additional Term of the Company)

[PORTIONS OF THIS SECTION HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

(k) To do such other things and take such other actions as shall be authorized by the Management Committee.

The powers and duties of the General Manager shall at all times be subject to the provisions of Section 6.04 hereof. The General Manager may not be removed or discharged without cause without the approval of the Management Committee. The General Manager shall preside over all meetings of the

Management Committee. In the absence of the General Manager, his or her designated alternate shall assume his or her powers, duties and authority at such meeting.

6.04 Required Approvals. The following actions shall under no circumstances be taken by the General Manager, or any other Manager or officer (if any) on behalf of the Company or by the Management Committee, without the approval of the Management Committee:

(a) merge or consolidate with, purchase all or any substantial part of the assets of, make or agree to make capital contributions to or investments in, or otherwise acquire any securities, interest or ownership in, any person, joint venture, firm, corporation or division thereof;

(b) sell all or a significant portion of the assets of the Company, provided however, that the Toro Sub Managers shall not unreasonably withhold their consent to any proposed disposition of the assets of the Company to any party other than a party primarily engaged in the manufacture, sale or financing of Lawn and Garden Products (as defined in the Joint Venture Agreement);

(c) dissolve or liquidate the Company;

(d) enter into, amend or terminate any agreement or contract involving aggregate expense for the Company in excess of $25,000 (in a single transaction or a series of related transactions), or if such contract is not so quantifiable, which would have a material adverse effect on the operations or condition (financial or otherwise) of the Business;

(e) make any operating expenditure or commitment therefor involving the expenditure of more than $25,000 for any individual transaction or series of related transactions or $50,000 in the aggregate in any 12-month period or any capital expenditures in any amount, except to the extent such expenditure is provided for in a budget previously approved by the Management Committee;

(f) change the nature of the Business or enter into any new line of business;

(g) except as contemplated by Article IV or Section 10.03 hereof, determine the amount and timing of any distribution to be made to the Members by the Company;

(h) enter into or amend any written agreement, or engage in any other transaction, with any officer (if any) of the Company or direct or indirect holder of any Shares (or any of such person's Affiliates);

(i) create any lien, mortgage or other encumbrance on the property or assets of the Company, provided, however, that the Toro Sub Managers shall not unreasonably withhold their consent to any proposed encumbrance on the assets of the Company in favor of any party other than a party primarily engaged in the manufacture, sale or financing of Lawn and Garden Products (as defined in the Joint Venture Agreement);

(j) incur indebtedness for, lend or advance money to, or guarantee or endorse the obligations of, any other person, except as otherwise expressly provided herein and except for endorsement of checks in the ordinary course of business;

(k) incur indebtedness for borrowed money in excess of $25,000 other than as contemplated by the Credit Agreement;

(l) (i) lease any real property, (ii) lease any personal property for a term longer than 36 months or exceeding $10,000 in the aggregate or (iii) acquire any property of any kind in excess of $10,000 in the aggregate, other than financial assets arising out of the Business or any collateral securing the performance of such financial assets;

(m) engage in any transaction or series of transactions that results in the incorporation of the Company or any other material change in organizational form or causes the Company to lose its status as a partnership for any tax purpose;

(n) except as provided in Sections 2.02, 2.03, 2.04 and 2.05, accept any contribution to the capital of the Company or (A) issue or sell or (B) purchase or redeem, in each case, by the Company, any Shares in the Company;

(o) file any petition by or on behalf of the Company seeking relief under the federal bankruptcy act or similar relief under any law or statute of the United States or any state thereof;

(p) except as provided in Section 8.03, hire or change the registered independent public accounting firm of the Company;

(q) subject to Section 6.02(g), make any material change with respect to the accounting policies, tax policies, methods or practices of the Company, except as otherwise required by generally accepted accounting principles as adopted in the United States ("GAAP"), consistently applied;

(r) appoint or remove any executive officer of the Company;

(s) conduct the Business under any name other than "Red Iron Acceptance, LLC";

(t) initiate or otherwise engage in any litigation on behalf of the Company other than in the ordinary course of the Business or to enforce an obligation of a Member under any Definitive Agreement that is not the subject of an Arbitrable Dispute under such Definitive Agreement;

(u) amend, extend or restate or otherwise modify any of the Definitive Agreements to which the Company is a party;

(v) invest any of the Company's funds;

(w) enter into any contracts of insurance;

(x) [Reserved];

(y) issue any additional Shares or repurchase any outstanding Shares;

(z) incur any cost on behalf of the Company if the amount thereof would result in an increase in the total budgeted expenses for the Company of more than 5%;

(aa) remove the General Manager;

(bb) establish or amend the Company budget or business plan; or

(cc) decrease or terminate the Commitment, as that term is defined under the Credit Agreement.

6.05 Consents and Approvals. Each of the Members agrees to use its commercially reasonable efforts to assist the Company in obtaining as promptly as practicable all consents, authorizations, approvals, and waivers from any governmental entity required to be obtained by the Company in order to operate the Business, including, without limitation, assisting the Company in making any required filings, submissions and notifications with any court, governmental, regulatory, or administrative body, agency or authority, department, commission, instrumentality or arbitrator. Each of the Members shall furnish to the Company such necessary information and reasonable assistance as the Company may reasonably request in connection with the foregoing.

SECTION VII
ADDITIONAL AGREEMENTS

7.01 Conduct of Business; No Employees. From the date hereof until the dissolution and liquidation of the Company pursuant to Article X hereof, the Company, Toro Sub and TCFIF Sub shall (A) act in good faith and use commercially reasonable efforts to maintain the value of the Company's assets and not permit the Shares or any of the Company's assets to become subject to any lien other than liens as may be provided for in the Credit Agreement, (B) continue to operate the business, activities and practices of the Company in the ordinary course of business, and (C) use their respective commercially reasonable efforts to preserve the business organization of the Company, and to preserve the goodwill of customers and others with whom material business relationships exist. The Company shall have no employees at any time.

7.02 Technology. Any processes, techniques, hardware, software, copyrights, patents, practices or other intellectual property which are owned or used by either Member or any of its Affiliates and used by such Member or Affiliate in the performance of its obligations under this Agreement or any of the other Definitive Agreements and which are proprietary to such Member or Affiliate including the System Technology of either TCFIF or Toro (collectively, the "Technology"), shall be and at all times shall remain the property of such Member or Affiliate or property of the licensor thereof, and neither the other Member nor any of its Affiliates nor the Company shall have any interest in such Technology, except to the extent expressly provided to the contrary in one or more of the Definitive Agreements. "System Technology" means the hardware and software (including, without limitation, the operating system software, the source code and the machine code, and including software owned by a Member and its Affiliates and third party licensed software) used by a Member or its Affiliates to provide the services under a Services Agreement, together with all written manuals and other documentation for system use (which are internally written or produced by a Member or an Affiliate or licensed to a Member or an Affiliate), diagnostic processes, security procedures, file arrays, database systems, processing procedures, program logic, data manipulation formats, data manipulation and processing routines including, but not limited to, (a) internal programming processing logic, (b) software logic, software formatting and software sequencing for (i) invoice purchasing, (ii) cash application, (iii) invoice purchase approval, (iv) the development and use of rates and terms, (v) credit underwriting, (vi) portfolio control, and (vii) floor check collateral verifications, and (c) third-party licensed products, but excluding system generated reports, forms of billing

statements, forms of transaction statements and any information not subject to copyright (or which is not otherwise proprietary to a Member or its Affiliates) related to such hardware and software, as such may be modified, expanded or superseded from time to time.

Any Technology developed by a Member or any of its Affiliates in connection with the operation of the Company, which relates to services provided by TCFIF or Toro, respectively, shall be deemed to be the property of TCFIF or Toro, respectively, and such Technology shall not be deemed property of the Company; provided, however, that if such Technology is developed for use by the Company at the request of the Company, or if substantially all of the cost of developing such Technology is paid by the Company, then (subject to the last sentence of this Section 7.02) TCFIF or Toro, as appropriate, shall permit the Company to replicate for its own use such Technology, and such replicated Technology shall be deemed to be property of the Company, and the Company shall have an independent, perpetual, non-exclusive, non-transferable right to use such replicated Technology. Notwithstanding the foregoing, the Company shall be permitted to replicate the Technology only to the extent that TCFIF or Toro is the owner of such Technology or, with respect to all such Technology not owned by TCFIF or Toro, has the legal right to permit the Company to replicate such Technology.

7.03 Trade Names. Subject to the terms of the Trademark License Agreement, neither Member shall obtain any rights in any trade name of the other Member or any of its Affiliates by virtue of this Agreement or as a result of the formation and operation of the Company. The Company shall not use the name, fictitious or otherwise, of either Member or any Affiliate of either Member without the consent of such entity, which consent may be withheld in the sole discretion of any such entity. Upon dissolution and completion of the winding-up of the Company, Toro Sub shall succeed to the name "Red Iron Acceptance, LLC" and neither TCFIF nor TCFIF Sub shall have any rights thereto.

7.04 Insurance. Each of the Members shall cause its respective parent entity to provide at its own expense directors and officers liability insurance for its Designated Managers in a policy amount of not less than $5,000,000. The Members agree to cooperate with each other in coordinating the defense of litigation whenever the interests of the members of the Management Committee are aligned.

7.05 Confidentiality. During the term of the Company and for a period of two (2) years thereafter, each Member shall, and shall cause its officers, directors, employees, representatives and agents to keep any nonpublic information which the other Member treats or designates as confidential (including, without limitation, the Technology and System Technology), any nonpublic information concerning the formation and operation of the Company or the particulars thereof, and any other nonpublic information set forth in the Definitive Agreements or in other documents concerning the Company or relating to the performance by the Members of any of the Definitive Agreements ("Confidential Information"), strictly confidential and not disclose any such information to any person (except for such Member's financial and legal advisors, lenders and accountants responsible for or actively engaged in the review, performance or development of the Business), or use any such information in the business of such Member. The Members and their Affiliates will be deemed to have fulfilled their obligations hereunder if they exercise the same degree of care to preserve and safeguard such Confidential Information as Toro and TCFIF, respectively, use to preserve and safeguard their own confidential information, provided

that upon discovery of any inadvertent disclosure of any Confidential Information, the Member making such inadvertent disclosure endeavors to prevent further use of such information and attempts to prevent similar future inadvertent disclosures. Notwithstanding the foregoing, neither Member will be liable for any disclosure or use of any of the disclosing Member's Confidential Information if such information is (1) publicly available or later becomes publicly available to such Member other than through a breach of this Agreement, (2) already previously known on the date such information is disclosed, (3) subsequently lawfully obtained by such Member from a third party who does not have an obligation to keep such information confidential, (4) independently developed by such Member without the use of the disclosing Member's Confidential Information as evidenced in writing, (5) disclosed pursuant to a valid regulatory or judicial order, decree, subpoena, or other process or requirement of law or regulation (including any requirements of any national securities exchange where such Member's securities are listed), provided that the Member disclosing such information to such court, governmental entity or regulatory authority shall give notice to the original disclosing Member in writing in advance thereof so the original disclosing Member may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Section 7.05 and the Member disclosing the information shall disclose only that portion of the Confidential Information that counsel to such Member disclosing the information advises is legally required to be disclosed, (6) disclosed in connection with an audit or examination of records conducted in the ordinary course of such Member's business by a governmental or regulatory authority (including any national securities exchange where such Member's securities are listed) with jurisdiction thereover, or by independent certified public accountants, provided that such governmental or regulatory authority or accountants shall have been advised of the confidential nature of such information, or (7) expressly released from the restrictions of this Section 7.05 by the original disclosing Member in writing. Each Member recognizes and acknowledges that the injury to the Company and the other Member which would result from a breach of the provisions of this Section 7.05 could not adequately be compensated by money damages. The Members expressly agree and contemplate, therefore, that in the event of the breach or default by either Member of any provision of this Section 7.05, the Company or the other Member may, in addition to any remedies which it might otherwise be entitled to pursue, obtain such appropriate injunctive relief in support of any such provision of this Agreement. For purposes of this Section 7.05, references to a Member shall be deemed to include that Member's Affiliates.

7.06 Publicity. Neither Toro Sub nor TCFIF Sub nor any of their respective Affiliates shall make any public announcement or other disclosure to the press or public regarding this Agreement or the Company or any matter related hereto or thereto, unless Toro Sub and TCFIF Sub mutually agree to make an announcement in a form that both Members have approved. Notwithstanding the foregoing, to the extent a Member (or its Affiliate) is required by law, including the Federal securities laws, or the rules of a national securities exchange applicable to such Member (or such Affiliate) to make a public announcement regarding this Agreement or the Company or any matter related hereto or thereto, then such Member (or such Affiliate) may make a public announcement in order for such Member (or such Affiliate) to duly comply with such law or rule, provided that such Member (or such Affiliate) gives notice to the other Member of such public announcement promptly upon such Member (or such Affiliate) becoming aware of its need to comply with such law or rule, but, in any event, not later than the time the public announcement is to be made.

7.07 Dispute Resolution.

(a) If any controversy or claim arising out of or relating to the interpretation of this Agreement, or the existence or extent of, a breach of any duties hereunder (but exclusive of Section 7.02 (technology), Section 7.05 (confidentiality), Section 7.06 (publicity), Section 11.02 (indemnities), Section 11.04 (governing law) and Section 11.15 (waiver of jury trial)) shall arise between the Members, or if the Members shall be unable to agree as to the determination of any accounting matter or other computation expressly contemplated by this Agreement (all such disputes and failures to agree, the "Arbitrable Disputes"), then either Member may request, by giving written notice to the other Member (the "Request Notice"), that the Officers confer within five (5) business days regarding the Arbitrable Dispute. The Officers shall confer in good faith and use all reasonable efforts to resolve the Arbitrable Dispute. For purposes of this Section 7.07, "Officers" shall mean the President of Toro and the person to whom the President of TCFIF directly reports, provided, however, that neither such individual is or ever has been a member of the Management Committee. If either such individual is or has been a member of the Management Committee, then the "Officer" for the applicable Member shall be a senior executive officer of such Member who is not and has not ever been a member of the Management Committee, who is reasonably acceptable to the other Member.

(b) If the Officers do not resolve the Arbitrable Dispute within ten (10) business days after delivery of the Request Notice, then the Arbitrable Dispute shall be submitted to mediation and then arbitration in accordance with the procedures set forth below in this Section 7.07.

(c) Arbitrable Disputes will be submitted to mediation (assuming other good faith attempts to resolve the dispute have failed) prior to submitting such claim to arbitration pursuant to this Section 7.07. The mediation will take place in Minneapolis, Minnesota, unless the Members agree to conduct the mediation at another location. If the Members are unable to agree upon a mediator, each Member will select a mediator, which mediators in turn will select the mediator of the dispute. Each Member's representation at the mediation will include a business representative having full settlement authority. The Members will use best efforts to schedule the mediation within thirty (30) days after delivery of the Request Notice. Any mediation will be non-binding and all statements, whether oral or in writing, that are made as part of any mediation will be subject to Federal Rule of Evidence 408 and cannot be used by either party in any subsequent arbitration in a manner prohibited by Federal Rule of Evidence 408. The Members acknowledge that they agree to mediate disputes in hopes of amicably resolving the matter before incurring significant attorneys' fees which may act as a barrier to settlement of the dispute at a later time. Accordingly, the Members will mediate in good faith and use reasonable efforts to reach a resolution of the matter.

(d) If the Members are unable to resolve an Arbitrable Dispute through mutual cooperation, negotiation or mediation, such Arbitrable Dispute will be finally resolved by arbitration by a single arbitrator in accordance with the Commercial Arbitration Rules, except as otherwise provided

herein, of the American Arbitration Association ("AAA") but without intervention of the AAA. The arbitration will take place in Minneapolis, Minnesota, unless the Members agree to conduct the mediation at another location. If the Members are unable to agree upon an arbitrator, each Member will select an arbitrator, which arbitrators in turn will select the

arbitrator of the dispute. The arbitrator of the dispute shall be an accountant, attorney or retired judge with a working knowledge of the commercial inventory finance industry.

(e) The Members agree to facilitate the arbitration by: (a) conducting arbitration hearings to the greatest extent possible on successive, contiguous days; and (b) observing strictly the time periods established by the applicable rules and procedures or by the arbitrator for the submission of evidence and briefs. Discovery in the arbitration shall be as limited as reasonably possible and in no event will a Member be entitled to take more than three depositions (each deposition completed in no more than seven hours), ask more than ten narrowly focused interrogatories (sub-parts of an interrogatory deemed as a separate interrogation), or make more than fifteen narrowly focused document requests (sub-parts of a request deemed as a separate request). Any up-front fees payable to the arbitrator or like up-front fees will be divided equally between the Members.

(f) The arbitrator shall have the authority to award relief under legal or equitable principles and to allocate responsibility for the costs of the arbitration and to award recovery of reasonable attorney's fees and expenses to the prevailing Member. A full and complete record and transcript of the arbitration proceeding shall be maintained. The arbitrator shall issue a reasoned decision.

(g) Each Member shall have five (5) business days to object to the arbitrator's decision, or any part thereof, by written submission made to the arbitrator and the other Member shall have five (5) business days to submit a written response to the objection. The arbitrator may hold a hearing regarding any objection if deemed appropriate by the arbitrator. In the event an objection is submitted, the arbitrator shall issue a supplemental reasoned decision addressing all objections. Thereafter, the decision of the arbitrator shall be final, binding and nonappealable and shall be reviewable only to the extent provided by law.

(h) If either Member brings or appeals any judicial action to vacate or modify any award rendered pursuant to arbitration or opposes the confirmation of such award and the Member bringing or appealing such action or opposing confirmation of such award does not prevail, such Member shall pay all of the costs and expenses (including, without limitation, court costs, arbitrators' fees and expenses and reasonable attorneys' fees) incurred by the other Member in defending such action. Additionally, if either Member brings any action for judicial relief of an Arbitrable Dispute in the first instance without pursuing arbitration prior thereto, the Member bringing such action for judicial relief shall be liable for and shall immediately pay to the other Member all of the other Member's costs and expenses (including, without limitation, court costs and reasonable attorneys' fees) in the event the other Member successfully moves to stay or dismiss such judicial action and/or compel it to arbitration. The failure of either Member to exercise any rights granted hereunder shall not operate as a waiver of any of those rights. This Agreement concerns transactions involving commerce among the several states. The arbitrator will not be empowered to award punitive, exemplary, or, except in the case of fraud, bad faith, willful misconduct or gross negligence, indirect or consequential damages. The arbitrator will decide if any inconsistency exists between the rules of the applicable arbitral forum and the arbitration provisions contained herein. If such inconsistency exists, the arbitration provisions contained herein will control and supersede such rules. The agreement to arbitrate will survive termination of this Agreement.

(i) The initiation of the dispute resolution procedures in this Section 7.07 shall not excuse either Member, or any of its respective Affiliates, from performing its obligations hereunder or under any of the other Definitive Agreements or in connection with the transactions contemplated hereby. While the dispute procedure is pending, the Members and their respective Affiliates shall continue to perform in good faith their respective obligations hereunder and under the other Definitive Agreements, subject to any rights to terminate this Agreement or the other Definitive Agreements that may be available to the Members or their respective Affiliates.

(j) The provisions of this Section 7.07 shall be the exclusive process for all Arbitrable Disputes. The terms of this Section 7.07, shall be without prejudice to the rights of each Member to obtain recovery from, or to seek recourse against, the other Member (or otherwise), in such manner as such Member may elect (but subject to Section 11.15) for all claims, damages, losses, costs and matters other than those related to Arbitrable Disputes.

7.08 Alternate Dispute Resolution.

(a) In the event:

(i) service levels provided by either the TCFIF Services Agreement or the Toro Services Agreement become a continuing matter of dispute between the Members;

(ii) matters of credit policy, credit decisions or matters of credit administration made by or presented to the Management Committee become a continuing matter of material dispute between the Members;

(iii) the Management Committee is evenly divided with regard to appointment of a General Manager, as described in Section 6.02(a); or

(iv) the Management Committee is evenly divided on a matter regarding the approval of the Company budget as described in Section 6.02(f);

a Member may send a notice ("Dispute Resolution Notice") to the other Member of its desire to utilize the provisions of this Section 7.08 to address the issue ("Issue") described in the Dispute Resolution Notice. Such Dispute Resolution Notice shall identify with particularity the Issue to be addressed and the notifying Member's suggestion for resolving the issue.

(b) Within fifteen (15) days after the receipt of a Dispute Resolution Notice, the Management Committee shall meet to discuss the Issue raised in the Dispute Resolution Notice and the desired request for change. The General Manager will be responsible for preparing and making available to the Members any information regarding such Issue requested by either Member. If the Management Committee agrees to a resolution of the Issue raised in a Dispute Resolution Notice, such resolution shall be documented in the minutes of the Management Committee and appropriate amendments made to any agreement, policy or other documents required to evidence such resolution.

(c) If, (i) within fifteen (15) days after convening a meeting of the Management Committee to address an Issue, the Management Committee is unable to agree to an acceptable resolution of such Issue; (ii) the Management Committee is deadlocked with regard to appointment of a General Manager as described in Section 6.02(a) or (iii) the Management Committee is evenly divided on a matter regarding approval of the Company budget as described in Section 6.02(f) (each, a "Disputed Matter"), then either Member may request, by giving notice to the other Member, that the Officers (as defined in Section 7.07(a)) confer within five (5) business days regarding the issue. The Officers shall confer in good faith and use all reasonable efforts to resolve the Disputed Matter. If the Officers do not resolve the Disputed Matter within ten (10) business days after the delivery to them of notice of the Disputed Matter, the Disputed Matter shall be submitted to mediation in accordance with the procedures described in Section 7.07(c).

(d) If the Members are unable to resolve an Issue described in Section 7.08(a) through mutual cooperation, negotiation or mediation, within thirty (30) days after delivery of the Dispute Resolution Notice relating to such Issue, the Member which originally served the Dispute Resolution Notice relating to such Issue shall have the right to terminate this Agreement, provided that such notice of termination must be given within sixty (60) days after delivery of the Dispute Resolution Notice related to the Issue. Failure to timely send such notice of termination will be deemed a waiver by the notifying party of its right to terminate the Agreement as a consequence of such Issue.

SECTION VIII
BOOKS AND RECORDS

8.01 Bank Accounts. The Management Committee shall have authority to open bank accounts and designate signatories with respect thereto on behalf of the Company and may authorize agents and independent contractors of the Company to open such bank accounts as deemed necessary or desirable for the conduct of the Business. The Company bank accounts shall be maintained on behalf of the Company as segregated accounts and shall not be commingled with the funds of any person other than the Company. The Company's excess funds shall be invested in the manner established by the Management Committee from time to time.

8.02 Books of Account.

(a) TCFIF Sub shall cause to be kept full and proper ledgers and other books of account of all receipts and disbursements and the following financial reports or information shall be provided to each Member:

(i) within a reasonable time after the end of each calendar month and consistent with past practices of the Business, but in any event within ten (10) days thereafter, the unaudited balance sheet and the related statements of income of the Company, prepared in accordance with GAAP, applied on a consistent basis, as of the end of, and for, such month and the fiscal year-to-date;

(ii) within a reasonable time after expiration of each fiscal year and consistent with past practices of the Business, but in any event no later than the following April 15, the balance sheet and the related statements of income and cash flows of the Company and a statement of Capital Accounts and changes thereto, each prepared in accordance with GAAP, applied on a consistent basis, accompanied by all necessary tax reporting information required by each of the Members for preparation of its Federal, state and local income tax returns, including each Member's allocable share of income, gain, loss, deductions and credits for such fiscal year;

(iii) promptly, but in no event more than ten (10) days following the end of each calendar month and consistent with past practices of the Business, a monthly operating summary of the Company's activities in a form to be agreed upon by Toro Sub and TCFIF Sub; and

(iv) within a reasonable period of time after a request, such other financial information as to the Company as any Member shall reasonably request.

The tax returns of the Company will be maintained at the offices of TCF National Bank in Wayzata, Minnesota. All other ledgers, books of account and financial statements shall be maintained at the offices of TCFIF in Hoffman Estates, Illinois.

TCFIF Sub shall certify on behalf of the Company that the financial information provided in subsections (i) through (iv) above (A) has been prepared in accordance with the books of account and other financial records of the Company, (B) presents fairly the financial condition and results of operations of the Company as of the date thereof or for the periods covered thereby, (C) has been prepared in accordance with GAAP, applied on a consistent basis, and (D) includes, with respect to annual financial statements, all adjustments that are necessary for a fair presentation of the financial condition of the Company as of the dates thereof or for the periods covered thereby and that there are no material adjustments with respect to quarterly financial statements.

(b) Upon reasonable notice, the Company shall and shall cause each of its officers, agents, accountants and counsel to: (i) afford the officers, authorized agents, accountants, counsel and representatives of the Members and their Affiliates reasonable access, during normal business hours, to the offices, properties, other facilities, books and records of the Company and to those officers, agents, accountants and counsel of the Company who have any knowledge relating to the Company or the Business and (ii) furnish to the officers, authorized agents, accountants, counsel and representatives of the Members and their Affiliates such additional financial and operating data and other information regarding the Business and the assets, properties and goodwill of the Company as the Members or their Affiliates may from time to time reasonably request. The parties shall use commercially reasonable efforts to minimize any disruption to the Business resulting from this Section 8.02.

(c) The Company's fiscal year end shall be December 31.

8.03 Registered Independent Public Accounting Firm. If the Management Committee determines that the Company needs to engage a registered independent public accounting firm, the Company shall retain, at its sole cost and expense, KPMG LLP to be such registered independent public accounting firm for the Company; provided, however, that TCFIF Sub, in the exercise of its reasonable discretion, shall be permitted to cause the Company instead to retain such other registered independent public accounting firm of national repute as may, from time to time, be the auditor for TCFIF Sub's ultimate parent entity (the "Accountant"). The fees and expenses of the Accountant shall be paid by the Company.

SECTION IX
TRANSFER OF MEMBER INTERESTS

9.01 No Transfer. No Member may sell, assign, transfer, give, hypothecate or otherwise encumber, directly or indirectly, by operation of law or otherwise (including by merger, consolidation, dividend or distribution) (any such sale, assignment, transfer, gift, hypothecation or encumbrance being hereinafter referred to as a "Transfer"), any Shares or any interest of any kind therein or derived therefrom, except upon the prior written consent of the other Member. Any Transfer of any Shares in contravention of this Article IX shall be null and void.

9.02 New Members. Subject to the unanimous approval of the Members, no person not then a Member shall become a Member. The admission of any person as a Member under any of the provisions hereof shall be conditioned upon such person expressly assuming and agreeing to be bound by all of the terms and conditions of this Agreement. All reasonable costs and expenses incurred by the Company in connection with any Transfer and, if applicable, the admission of a person as a Member hereunder, shall be paid by the transferor. Upon compliance with all provisions hereof applicable to such person becoming a Member, the other Member agrees to execute and deliver such amendments hereto as are necessary to constitute such person a Member of the Company.

9.03 Toro Sub Purchase Option. Toro Sub shall have the option to purchase all, but not less than all, of the Shares owned by TCFIF Sub or its transferees on the Closing Date (as hereinafter defined), at the end of the Initial Term or the next succeeding Additional Term (the "End of Term Option"), or upon the termination of the Company pursuant to Section 10.01 (other than pursuant to Section 10.01(f) or (g)) (the "Termination Event Option" and collectively with the End of Term Option, the "Toro Sub Purchase Option"), in each case pursuant to this Section 9.03.

[PORTIONS OF THIS SECTION HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

(a) Purchase Price.

(i) If Toro Sub exercises the End of Term Option, the purchase price to be paid for by Toro Sub to TCFIF Sub for the Shares owned by TCFIF Sub shall be the sum of (i) the amount standing to the credit of the Capital Account of TCFIF Sub as of the Closing Date plus (ii) an amount equal to the Percentage

Interest of TCFIF Sub multiplied by the Allowance as of the Closing Date plus (iii) the applicable Toro Sub Purchase Premium plus (iv) the unpaid balance as of the Closing Date, if any, of any Deficit Loans made by TCFIF Sub to Toro Sub including accrued interest thereon minus (v) the unpaid balance as of the Closing Date, if any, of any Deficit Loan made by Toro Sub to TCFIF Sub including accrued interest thereon, which purchase price shall be payable by Toro Sub to TCFIF Sub at the closing on the Closing Date; upon payment of the purchase price, the Deficit Loan made by Toro Sub to TCFIF Sub shall be deemed to have been paid in full. For purposes of this Agreement, the term "Toro Sub Purchase Premium" shall mean:

(A) if the Closing Date occurs at October 31, 2014, an amount equal to the greater of (y) XXXXXXXXXX or (z) XXXXXXXXXX;

(B) if the Closing Date occurs at October 31, 2016, an amount equal to XXXXXXXXXX;

(C) if the Closing Date occurs at October 31, 2018 or at any time thereafter, an amount equal to XXXXXXXXXX.

"Average Net Receivables" shall be the mean of the average of the beginning and ending receivable balances for each of the months included in the calculation and shall be calculated for the 12-month period immediately preceding the Closing Date.

(ii) If Toro Sub exercises the Termination Event Option pursuant to a termination of the Company under Section 10.01(a), the purchase price shall be the greater of (A) the purchase price calculated under Section 9.03(a)(i) above, and (B) the fair market value of the Shares owned by TCFIF Sub as of the Closing Date, as determined by an independent third party expert mutually agreeable to Toro Sub and TCFIF Sub.

(iii) If Toro Sub exercises the Termination Event Option pursuant to any other termination of the Company under Section 10.01, the purchase price shall be the fair market value of the Shares owned by TCFIF as of the Closing Date, as determined by an independent third party expert mutually agreeable to Toro Sub and TCFIF Sub.

(iv) "Closing Date" shall mean (A) for purposes of the End of Term Option, the last date of the Initial Term or the next succeeding Additional Term, as applicable; and (B) for purposes of the Termination Event Option, the date mutually agreed to by Toro Sub and TCFIF Sub, not to exceed 120 days from the date Toro Sub provides the notice required by Section 9.03(b)(ii).

(b) Notice of Exercise; Closing.

(i) Toro Sub shall exercise the End of Term Option, if at all, by giving written notice to such effect to TCFIF Sub either (i) during the 31-day period

commencing October 1, 2013, or (ii) during the 31-day period commencing on the date which is thirteen (13) months prior to the end of each Additional Period; provided, however, if TCFIF Sub gives notice of its election not to renew the term of the Company pursuant to Section 1.04, Toro Sub shall have ninety (90) days after receipt of such notice within which to exercise the End of Term Option.

(ii) Toro Sub shall exercise the Termination Event Option, if at all, by giving written notice to such effect to TCFIF Sub at the time of the events giving rise to the applicable termination event, or as soon as reasonably practicable thereafter. Upon Toro Sub's delivery of such notice, no Termination Event (as hereinafter defined) shall have occurred, no Termination Payment (as hereinafter defined) shall be payable and the Members shall cooperate to effect an orderly transfer of the Shares to Toro Sub (including causing the Credit Agreement to continue through the Closing Date) and to consummate the closing on the Closing Date; provided, that if the closing is not consummated for any reason, then such Termination Event shall be deemed to have occurred and the related Termination Payment, if any, shall be due.

(iii) Contemporaneously with the closing on the Closing Date, Toro Sub shall cause the Company to repay to TCFIF all indebtedness under the Credit Agreement.

SECTION X
TERMINATION

10.01 Dissolution. Subject to Toro Sub's exercise of the Toro Sub Purchase Option under Section 9.03, the Company shall be dissolved and its business wound up as provided in Section 10.04 following the occurrence of any of the following events, whichever shall first occur (the "Termination Date"):

(a) the dissolution, liquidation or final adjudication as bankrupt or the filing of a voluntary petition in bankruptcy of TCF Financial Corporation, a Delaware corporation ("TCF"), TCF National Bank, TCFIF, or Toro;

(b) the final adjudication as bankrupt or the filing of a voluntary petition in bankruptcy of the Company;

(c) an election by a Member or any of its Affiliates to terminate any of the Definitive Agreements by reason of default of the other Member or any of such other Member's Affiliates thereunder (other than failure of a Member to make a Capital Contribution pursuant to this Agreement as to which a Deficit Loan has been made by the other Member);

(d) upon the election of a Member following the transfer by the other Member of its Shares (other than to an Affiliate of such Member or in accordance with Article IX hereof);

(e) upon the election of a Member following the sale, assignment or encumbrance of any part of the equity interest in other Member held by the parent of such other Member (other than to an Affiliate of such Member);

(f) the end of the term of the Company;

(g) upon delivery of a notice of termination in accordance with the provisions of Section 7.08(d);

(h) upon election of a Member to dissolve due to non-viability of the Company, as described below, provided that notice of such election may not be given prior to the second anniversary of the initial closing by the Company of a purchase under the initial Receivable Purchase Agreement. (For purposes of this Agreement, "non-viability" shall mean (i) failure of the Company to achieve a minimum four quarter rolling return average for each four-quarter period ending after the second anniversary of the initial closing of a purchase by the Company under the initial Receivable Purchase Agreement of XXXXXXXXXX% of pre-tax return on assets or such other return as may hereafter be agreed upon in writing by the Members or (ii) agreement of the Members to the effect that the equity requirements of the Company exceed the sum of XXXXXXXXXX; **[PORTIONS OF THIS SECTION HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]**

(i) upon the election of a Member due to the acquisition of the other Member or its direct or indirect parent (or in the case of TCFIF Sub, TCF National Bank) by a competitor of the direct or indirect parent company of the electing Member;

(j) upon election of a Member in the event that a controlling interest in the ultimate parent of the other Member (or in the case of TCFIF Sub, TCF National Bank) were to be directly or indirectly acquired by a third party, provided that notice of such election is given to such other Member within twelve (12) months after the electing Member has notice of the acquisition, such dissolution to be effective not earlier than two (2) years after the delivery of such notice, subject to the potential earlier termination of the Company at the end of the then current term; or

(k) the mutual written consent thereto of all of the Members.

Dissolution will not be complete until the Company has been wound-up after collecting or charging off all receivables of the Company and discharging all debts of the Company with Company assets or as a result of pursuing the obligations of the Members.

10.02 Termination Payment. In the event of a dissolution of the Company on account of an event described in Section 10.01(c), (d) or (e), the other Member shall pay to the Member electing to dissolve the Company a termination payment (the "Termination Payment") as follows:

[PORTIONS OF THIS SECTION HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

(a) if the termination occurs with more than two (2) years remaining in the Initial Term, then an amount equal to (x) $XXXXXXXXXX (in the case of a Termination Payment to be made by TCFIF Sub) or (y) $XXXXXXXXXX (in the case of a Termination Payment to be made by Toro Sub);

(b) if the termination occurs with more than one (1) but two (2) or less years remaining in the Initial Term, then an amount equal to (x) $XXXXXXXXXX (in the case of a Termination Payment to be made by TCFIF Sub) or (y) $XXXXXXXXXX (in the case of a Termination Payment to be made by Toro Sub);

(c) if the termination occurs with one (1) year or less remaining in the Initial Term, then an amount equal to (x) $XXXXXXXXXX (in the case of a Termination Payment to be made by TCFIF Sub) or (y) $XXXXXXXXXX (in the case of a Termination Payment to be made by Toro Sub).

Such Termination Payment shall be paid no later than thirty (30) days after the Member electing to dissolve the Company delivers notice thereof to the other Member.

10.03 Distributions upon Dissolution. Upon the dissolution of the Company as a result of any of the events set forth in Section 10.01, the Management Committee (or, if dissolution should occur by reason of an event of default under Section 10.01(a) or (d), the remaining Member) shall proceed, subject to the provisions herein, to liquidate the Company and apply the proceeds in such liquidation, or in their sole discretion to distribute Company assets, in the following order of priority:

(a) first, to the payment of secured debts and secured liabilities of the Company;

(b) second, to the payment of expenses of liquidation;

(c) third, to the payment of ordinary unsecured debts and liabilities owing to third parties;

(d) fourth, to the payment of all unsecured indebtedness owing to the Members or their Affiliates;

(e) fifth, to the payment of all obligations under the TCFIF Services Agreement and the Toro Services Agreement;

(f) sixth, to the payment of all obligations under any of the other Definitive Agreements;

(g) seventh, to any reserves deemed necessary by the Management Committee for contingent or unforeseen liabilities of the Company;

(h) eighth, to the Members pro rata in accordance with their Capital Account balances.

Any distribution to a Member shall be subject to the provisions of Section 2.05 and to set-off for any damages to the Company by a default by such Member in the payment or performance of any of the obligations of such Member owing to the Company.

10.04 Time for Liquidation. The Members acknowledge that any liquidation of assets of the Company must be handled in such a manner as to minimize the impact of such liquidation on the business of Toro and its Affiliates and agree, subject to the provisions of the following sentence, if so requested by Toro Sub to continue the Business for a period of up to the later of one year following the Termination Date, or, if such date shall occur in the months of February through June, until June 30 of the year following the Termination Date during which time the Members acknowledge that (a) the Company will no longer be entitled to any exclusive rights to provide floor plan and open account financing to Toro dealers and distributors and (b) TCFIF shall no longer be bound to its exclusivity obligations under Section 2.8(b) of the Joint Venture Agreement. Notwithstanding the foregoing, in the event in any one month period following the Termination Date, the Company fails to achieve the Target Return. TCFIF Sub may give written notice to Toro Sub of its election to direct that the Business be discontinued as of a date no earlier than thirty (30) days from the date of such notice, and, unless prior to such date Toro Sub or its Affiliates shall have paid to TCFIF Sub an amount, when added to amounts allocable to TCFIF Sub under the terms hereof to permit TCFIF Sub to achieve such a return with respect to its interest in the Company for such period, then the Business shall be discontinued as of the date specified in such notice and the Company shall be liquidated in accordance with the provisions of the following sentence. Following the cessation of the Business as contemplated by either of the two preceding sentences, a reasonable time period shall be allowed for the orderly liquidation of the assets of the Company and the discharge of liabilities to creditors so as to enable the Members to reasonably minimize the losses attendant upon such liquidation.

10.05 Members Not Personally Liable for Return of Capital Contributions. Neither of the Members nor any of their respective Affiliates shall be personally liable for the return of the Capital Contributions of any Member and such return shall be made solely from available Company assets, if any, and each Member hereby waives any and all claims it may have against the other Member in this regard.

10.06 Final Accounting. In the event of the dissolution of the Company, prior to any liquidation, a proper accounting shall be made to the Members from the date of the last previous accounting to the date of dissolution.

10.07 Cancellation of Certificate. Upon the completion of the distribution of the Company's assets upon dissolution of the Company, the Company and this Agreement (other than such provisions which, by their terms or nature, survive such transaction) shall be terminated, all Shares shall be cancelled and the Managers shall cause the Company to execute and file a Certificate of Cancellation in accordance with Section 18-203 of the Act.

SECTION XI
MISCELLANEOUS

11.01 Further Assurances. Each Member agrees to execute, acknowledge, deliver, file, record and publish such further certificates, amendments to certificates, instruments and

documents, and do all such other acts and things as may be required by law, or as may be required to carry out the intent and purposes of this Agreement.

11.02 Indemnities.

(a) The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member, Manager, Officer or any other officer of the Company, or is or was serving at the request of the Company as a director, officer or employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including reasonable attorneys' fees and expenses), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person seeking indemnification did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that he is or was a Member, Manager, Officer or any other officer of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including reasonable attorneys' fees and expenses) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Company and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) To the extent that a Member, Manager, Officer or any other officer of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in (a) and (b) of this Section 11.02, or in defense of any claim, issue or matter therein, he shall be indemnified by the Company against expenses (including reasonable attorneys' fees and expenses) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under (a) and (b) of this Section 11.02 (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the Member, Manager, Officer or any other officer, is

proper in the circumstances because he has met the applicable standard of conduct set forth in such paragraphs (a) and (b). Such determination shall be made (i) by a Majority of the Managers who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable such quorum declines to take any action with respect to such determination, a quorum of at least two disinterested Managers (which shall include at least one Manager appointed by each Member unless no such Managers are disinterested) so directs in reliance upon written advice of independent legal counsel.

(e) Expenses (including reasonable attorneys' fees and expenses) incurred by a Member, Manager, Officer or any other officer in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Company as such expenses are incurred in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such Member, Manager, Officer or other officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Company pursuant to this Section 11.02.

(f) The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 11.02 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any law, agreement, vote of Managers or disinterested Managers or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office.

(g) The Company may purchase and maintain insurance on behalf of any person who is or was a Member, Manager, Officer or any other officer or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such.

(h) The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 11.02 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Member, Manager, Officer or any other officer or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(i) No amendment to or repeal of this Section 11.02 shall apply to or have any effect on the rights of any person entitled to indemnification or other rights under the terms of this Section 11.02 prior to such amendment or repeal to the extent such indemnification or other rights

relate, in whole or on part, to acts or omissions occurring prior to such amendment and repeal.

(j) The obligations of the parties described in Sections 11.02(k) through 11.02(m) shall survive the filing of a Certification of Cancelation by the Company.

(k) Each Member shall indemnify, defend and hold harmless the Company against all losses, costs, damages and expenses (including reasonable attorneys' fees and expenses) incurred by the Company as a result of such Member's breach of any of its representations, warranties or obligations hereunder; provided, however, that to the extent such

breach is, or relates to, an Arbitrable Dispute, the Company and the Members shall have complied with the dispute resolution procedures set forth in Section 7.07.

(l) In the event a Member (including its past, present and future Affiliates, officers, directors, shareholders, employees, lawyers, representatives and agents) acting in good faith in a manner it reasonably believes to be (i) in or not opposed to the best interests to the Company and (ii) consistent with the terms of this Agreement shall pay or become obligated to pay any proper obligation of the Company, such Member (including such other persons specified above) shall be entitled to contribution from the other Member to the extent necessary so that, after giving effect to such contribution, such Member shall bear no more than that part of such obligation which corresponds to its respective Percentage Interest in the Company.

(m) Neither Member shall be responsible or liable to the other Member, any successor, assignee or third party beneficiary of such Member or any other Person asserting claims derivatively through such Member, for exemplary, punitive, or, except in the case of fraud, bad faith, willful misconduct or gross negligence, indirect or consequential damages that may be alleged as a result of any transaction contemplated hereunder.

11.03 Notices. Notices and all other communication provided for herein shall be in writing and shall be deemed to have been given to a Member at the earlier of (a) when personally delivered, (b) 72 hours after having been deposited into the custody of the U.S. Postal Service, sent by first class certified mail, postage prepaid, (c) one (1) business day after deposit with a national overnight courier service, (d) upon receipt of a confirmation of facsimile transmission, or (e) upon receipt of electronic mail (with a notice contemporaneously given by another method specified in this Section 11.03); in each case addressed as follows:

If to TCFIF Sub:

TCFIF Joint Venture I, LLC
2300 Barrington Road, Suite 600
Hoffman Estates, IL 60169
Attention: Vincent E. Hillery, General Counsel
Telephone: (847) 252-6616
Facsimile: (847) 285-6012
Email: vhillery@tcfif.com

With copies to:

TCF National Bank
200 E. Lake Street
Wayzata, MN 55391
Attention: General Counsel
Telephone: (952) 475-6498
Facsimile: (952) 475-7975
Email: jgreen@tcfbank.com

and

Kaplan, Strangis and Kaplan, P.A.
5500 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402
Attention: Harvey F. Kaplan, Esq.
Telephone: (612) 375-1138
Facsimile: (612) 375-1143
Email: hfk@kskpa.com

If to Toro Sub:

Red Iron Holding Corporation
c/o The Toro Company
8111 Lyndale Avenue South
Bloomington, MN 55420
Attention: Treasurer
Telephone: (952) 887-8449
Facsimile: (952) 887-8920
Email: Tom.Larson@toro.com

With copies to:

The Toro Company
8111 Lyndale Avenue South
Bloomington, MN 55420
Attention: General Counsel
Telephone: (952) 887-8178
Facsimile: (952) 887-8920
Email: Tim.Dordell@toro.com

and

Oppenheimer Wolff & Donnelly LLP
3300 Plaza VII Building
45 South Seventh Street
Attention: C. Robert Beattie, Esq.
Telephone: (612) 607-7395
Facsimile: (612) 607-7100
Email: RBeattie@Oppenheimer.com

or to such other address as either Member hereto may have furnished to the other Member hereto in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

11.04 Governing Law; Jurisdiction. This Agreement shall be subject to and governed by the laws of the State of Delaware, without regard to conflicts of laws principles. Each of Toro Sub and TCFIF Sub hereby irrevocably submits to the non-exclusive jurisdiction of the Federal courts sitting in Minneapolis or St. Paul, Minnesota and any state court located in Hennepin County, Minnesota, and by execution and delivery of this Agreement, each party hereto accepts

for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of such courts with respect to any litigation concerning this Agreement or the other Definitive Agreements or the transactions contemplated hereby or thereby or any matters related thereto not subject to the provisions of Sections 7.07 and 7.08. Each Member irrevocably waives any objection (including, without limitation, any objection to the laying of venue or any objection on the grounds of forum non conveniens) which it may now or hereafter have to the bringing of any proceeding with respect to this Agreement or the other Definitive Agreements to the courts set forth above. Each Member agrees to the personal jurisdiction of such courts and that service of process may be made on it at the address indicated in Section 11.03 above. Nothing herein shall affect the right to serve process in any other manner permitted by law.

11.05 Headings; Section and Article References. The headings in this Agreement are inserted for convenience only and are not to be considered in the interpretation or construction of the provisions hereof. Unless the context of this Agreement otherwise clearly requires, the following rules of construction shall apply to this Agreement: (a) the words “hereof,” “herein” and “hereunder” and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement; (b) the words “include” and “including” and words of similar import shall not be construed to be limiting or exclusive and (c) the word “or” shall have the meaning represented by the phrase “and/or.” Any pronoun used herein shall be deemed to cover all genders.

11.06 No Third-Party Beneficiaries; No Partnership. Except for rights in Section 11.02, and as set forth in Section 7.10 of the Joint Venture Agreement, (x) this Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their permitted assigns and (y) this Agreement shall not be deemed to be for the direct or indirect benefit of any other person. It is expressly understood and agreed that the Members shall not have the relationship of partners to each other and that neither Member shall owe the other the fiduciary duties of a partner; provided, however, that it is understood and agreed that the Company will be treated as a partnership for tax purposes and the preceding clause shall in no way affect, limit or restrict any such tax treatment.

11.07 Extension Not a Waiver. No consent or waiver, expressed or implied, by either Member or any of their respective Affiliates to or of any breach or default by the other Member or any of its Affiliates in the performance by the other Member or any of its Affiliates of its obligations under this Agreement or any of the other Definitive Agreements to which it is a party shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by that Member or any of its Affiliates of the same or any other obligations of that Member or its Affiliates. Failure on the part of either Member or its Affiliates to complain of any act or failure to act on the part of the other Member or its Affiliates or to declare the other Member or its Affiliates in default, irrespective of how long the failure continues, shall not constitute a waiver by that Member or its Affiliates of its rights under this Agreement or the other Definitive Agreements.

11.08 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially

adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

11.09 Assignment. This Agreement shall be binding upon the Members and their respective successors and assigns and shall inure to the benefit of the Members and their respective successors and permitted assigns. Notwithstanding the foregoing, neither Member hereto shall be permitted to assign its rights or obligations hereunder without the prior written consent of the other Member. Whenever a reference to any party or Member is made in this Agreement, such reference shall be deemed to include a reference to the successors and permitted assigns of that party or Member.

11.10 Consents. Any consent or approval to any act or matter required under this Agreement must be in writing and shall apply only with respect to the particular act or matter to which such consent or approval is given, and shall not relieve any Member from the obligation to obtain the consent or approval, as applicable, wherever required under this Agreement to any other act or matter.

11.11 Disclaimer of Agency. This Agreement shall not constitute either Member (or any of its Affiliates) as a legal representative or agent of the other Member (or any of its Affiliates), nor shall a Member (or any of its Affiliates) have the right or authority to assume, create or incur any liability or any obligation of any kind, expressed or implied, against or in the name or on behalf of the other Member (or any of its Affiliates) or the Company, unless otherwise expressly permitted by such other Member, and except as expressly provided in any of the Definitive Agreements.

11.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

11.13 Person Defined. As used in this Agreement, "person" shall mean any individual, entity, estate, firm, corporation, partnership, association, limited liability company, joint-stock company, trust, unincorporated organization or association, or any other incorporated or unincorporated entity.

11.14 No Assumption in Drafting. The parties hereto acknowledge and agree that (i) each party has reviewed and negotiated the terms and provisions of this Agreement and has had the opportunity to contribute to its revision, and (ii) each party has been represented by counsel in reviewing and negotiating such terms and provisions. Accordingly, the rule of construction to the effect that ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement. Rather, the terms of this Agreement shall be construed fairly as to both parties hereto and not in favor or against either party.

11.15 Waiver of Jury Trial. EACH OF TORO SUB AND TCFIF SUB, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY KNOWINGLY,

VOLUNTARILY AND IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY AS TO ANY ISSUE RELATING TO THIS AGREEMENT OR ANY OTHER DEFINITIVE AGREEMENT IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER DEFINITIVE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. THIS WAIVER IS A MATERIAL INDUCEMENT FOR EACH MEMBER ENTERING INTO THIS AGREEMENT.

11.16 Amendments. This Agreement may be amended at any time and from time to time, but any amendment must be in writing and signed by all of the Members.

11.17 Entire Agreement. This Agreement, together with the other Definitive Agreements, contains all of the understandings and agreements of whatsoever kind and nature existing among the Members and their respective Affiliates with respect to this Agreement and the other Definitive Agreements, the subject matter hereof and of the other Definitive Agreements, and the rights, interests, understandings, agreements and obligations of the Members and their respective Affiliates pertaining to the subject matter hereof and thereof and the Company, and supersedes any previous agreements among the Members and their respective Affiliates.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

RED IRON HOLDING CORPORATION

/s/ Thomas J. Larson

Name: Thomas J. Larson

Title: Vice President and CFO

TCFIF JOINT VENTURE I, LLC

/s/ Rosario A. Perrelli

Name: Rosario A. Perrelli

Title: President

Schedule of Definitions

Term	Section No.
AAA	7.07(d)

Total Tangible Assets of the Company	2.03
Trademark License Agreement	1.01(h)
Transfer	9.01

Exhibit 10.1

CREDIT AND SECURITY AGREEMENT

dated as of

AUGUST 12, 2009

between

RED IRON ACCEPTANCE, LLC

and

TCF INVENTORY FINANCE, INC.

[PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

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CREDIT AND SECURITY AGREEMENT

This CREDIT AND SECURITY AGREEMENT (this "Agreement"), dated as of August 12, 2009, is entered into by and among:

RED IRON ACCEPTANCE, LLC, a Delaware limited liability company ("Borrower"), and

TCF INVENTORY FINANCE, INC., a Minnesota corporation ("Lender" or "TCFIF").

RECITALS

A. Borrower has requested Lender to provide a revolving credit facility to Borrower for general business purposes.

B. Lender is willing to provide such revolving credit facility upon the terms and subject to the conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals and the mutual covenants herein contained, the parties hereto hereby agree as follows:

SECTION I
INTERPRETATION

1.01 Definitions. Unless otherwise indicated in this Agreement or any other Credit Document, each term set forth in Schedule 1.01, when used in this Agreement or any other Credit Document, shall have the respective meaning given to that term in Schedule 1.01 or in the provision of this Agreement or other Credit Document referenced in Schedule 1.01.

1.02 GAAP. Unless otherwise indicated in this Agreement or any other Credit Document, all accounting terms used in this Agreement or any other Credit Document shall be construed, and all accounting and financial computations hereunder or thereunder shall be computed, in accordance with GAAP. If GAAP changes during the term of this Agreement such that any covenants contained herein would then be calculated in a different manner or with different components, Borrower and Lender agree to negotiate in good faith to amend this Agreement in such respects as are necessary to conform those covenants as criteria for evaluating Borrower's financial condition to substantially the same criteria as were effective prior to such change in GAAP; provided, however, that, until Borrower and Lender so amend this Agreement, all such covenants shall be calculated in accordance with GAAP as in effect immediately prior to such change.

1.03 Headings. Headings in this Agreement and each of the other Credit Documents are for convenience of reference only and are not part of the substance hereof or thereof.

1.04 Plural Terms. All terms defined in this Agreement or any other Credit Document in the singular form shall have comparable meanings when used in the plural form and vice versa.

1.05 Time. All references in this Agreement and each of the other Credit Documents to a time of day shall mean Chicago, Illinois time, unless otherwise indicated.

1.06 Governing Law. This Agreement and each of the other Credit Documents shall be governed by and construed in accordance with the laws of the state of Minnesota without reference to conflicts of law rules.

1.07 Construction. Each of this Agreement and the other Credit Documents is the result of negotiations among, and has been reviewed by, Borrower, Lender and their respective counsel. Accordingly, this Agreement and the other Credit Documents shall be deemed to be the product of all parties hereto, and no ambiguity shall be construed in favor of or against Borrower or Lender.

1.08 Entire Agreement. This Agreement and each of the other Credit Documents, taken together, constitute and contain the entire agreement of Borrower and Lender and supersede any and all prior agreements, negotiations, correspondence, understandings and communications among the parties, whether written or oral, respecting the subject matter hereof.

1.09 Calculation of Interest and Fees. All calculations of interest and fees under this Agreement and the other Credit Documents for any period shall include the first day and the last day of such period.

1.10 Other Interpretive Provisions. References in this Agreement to "Recitals," "Sections," "Exhibits" and "Schedules" are to recitals, sections, exhibits and schedules herein and hereto unless otherwise indicated. References in this Agreement and each of the other Credit Documents to any document, instrument or agreement (a) shall include all exhibits, schedules and other attachments thereto, (b) shall include all documents, instruments or agreements issued or executed in replacement thereof, and (c) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified and supplemented in writing from time to time and in effect at any given time. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement or any other Credit Document shall refer to this Agreement or such other Credit Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Credit Document, as the case may be. The words "include" and "including" and words of similar import when used in this Agreement or any other Credit Document shall not be construed to be limiting or exclusive. The word "or" when used in this Agreement or any other Credit Document shall have the meaning represented by the phrase "and/or."

SECTION II
CREDIT FACILITY

2.01 Revolving Loan Facility.

(a) Revolving Loan Availability. Subject to the terms and conditions of this Agreement, Lender agrees to advance to Borrower from time to time during the period beginning on the Closing Date and ending on October 31, 2014, or such earlier date on which the LLC Term shall end (such date or such earlier date, if applicable, the "Revolving Loan Maturity Date"), such loans as Borrower may request under this

Section 2.01 (individually, a "Revolving Loan"); provided, however, that the aggregate principal amount of all Revolving Loans outstanding at any time shall not exceed the Commitment at such time. Except as otherwise provided herein, Borrower may borrow, repay and reborrow Revolving Loans until the Revolving Loan Maturity Date.

(b) Revolving Loan Borrowings. Borrower shall request each Revolving Loan by having a representative of Borrower request by telephone or other means acceptable to Lender a Revolving Loan, which request shall specify the principal amount of the requested Revolving Loan and the date of the requested Revolving Loan, which shall be a Business Day (any such request, a "Revolving Loan Borrowing Request"). Any Revolving Loan Borrowing Request received after 11:00 a.m., Chicago time, on a Business Day may not be honored until the next following Business Day (or such later time as may be specified in the Revolving Loan Borrowing Request).

(c) Revolving Loan Interest Rates. Borrower shall pay interest on the unpaid principal amount of each Revolving Loan from the date of such Revolving Loan until the Maturity thereof, at a rate per annum equal to the TCFIF Rate from time to time in effect. All computations of interest on Revolving Loans shall be based on a year of 365 days for actual days elapsed.

(d) Scheduled Revolving Loan Payments. Unless sooner repaid, Borrower shall repay to Lender on the Revolving Loan Maturity Date the unpaid principal amount of each Revolving Loan made by Lender. Borrower shall pay accrued interest in arrears on the unpaid principal amount of each Revolving Loan (A) no later than the fifteenth day in each calendar month for the preceding calendar month, and (B) at Maturity.

(e) Purpose. Borrower shall use the proceeds of the Revolving Loans solely for Borrower's general business needs (including (i) the purchase of certain receivables from Toro, TCC, Toro International, Exmark and their Affiliates, or from third parties that have purchased receivables from Toro or its Affiliates (the "Purchased Receivables"), (ii) the funding of Borrower's financing programs for its customers, (iii) payment of expenses and other items incurred in the ordinary course of business (including payments of principal and interest under Section 2.01(d)) and (iv) distributions of "Distributable Cash" (as defined in the LLC Agreement) to the Members).

(f) Extension of Facility. So that the Members of Borrower may make a fully informed decision as to whether to continue Borrower's existence beyond the then-current LLC Term, Lender agrees to provide to Borrower, no later than fourteen (14) months prior to the expiration of the then-current LLC Term, written notice indicating Lender's intent with respect to the extension of the Revolving Loan facility and, if Lender intends to extend the Revolving Loan facility, the proposed material terms of such extension; provided, however, that failure to provide such notice by Lender shall not be a default of the terms of this Agreement and shall be deemed to be a declination of its willingness to extend the term of this Agreement.

2.02 Commitment, Commitment Reductions, Etc.

(a) Commitment. The aggregate principal amount of all Revolving Loans outstanding at a time shall not exceed the lesser of (x) the Borrowing Base and (y) $450,000,000 (or, if reduced pursuant to Section 2.02(b) or otherwise; the lesser amount to which reduced) (such lesser amount, as so reduced from time to time, to be referred to herein as the "Commitment").

(b) Reduction or Cancellation of the Commitment. Borrower may, upon three (3) Business Days' written notice to Lender, permanently reduce the Commitment by the amount of $1,000,000 or an integral multiple of $1,000,000 in excess thereof or cancel the Commitment in its entirety; provided, however, that (i) Borrower may not reduce the Commitment prior to the Revolving Loan Maturity Date, if, after giving effect to such reduction, the aggregate principal amount of all Revolving Loans outstanding would exceed the Commitment, (ii) Borrower may not cancel the Commitment prior to the Revolving Loan Maturity Date, if, after giving effect to such cancellation, any Obligations would remain outstanding, and (iii) Borrower may reduce or cancel the Commitment in connection with a dissolution of Borrower under the terms of the LLC Agreement. Once reduced or cancelled, the Commitment may not be increased or reinstated without the prior written consent of Lender.

2.03 Prepayments.

(a) Optional Prepayments. At its option, Borrower may prepay, at any time and from time to time on a Business Day, any Revolving Loan in whole or in part.

(b) Mandatory Prepayments. If, at any time, the aggregate principal amount of all Revolving Loans then outstanding exceeds the Commitment at such time, Borrower shall prepay Revolving Loans in an aggregate principal amount equal to such excess (i) by the twentieth (20^{th}) day of the following month if such excess is greater than $500,000 or (ii) if less, by the end of the last day of such month. Lender acknowledges that under the terms of Section 2.4 of the LLC Agreement, required capital contributions to Borrower at the end of each month will be based upon estimates and that Borrower's Borrowing Base compliance as determined as of the end of any month will be dependent upon the accuracy of such estimates. Borrower shall not be deemed to be in breach of this covenant as a result of reliance on such estimates so long as it complies with the provisions set forth in this Section 2.03(b).

2.04 Other Payment Terms.

(a) Place and Manner. Borrower shall make all payments due to Lender hereunder without setoff, counterclaim or deduction by payments at Lender's office, located at the address specified in Section 8.01, or to such other place or account as Lender may designate from time to time in writing to Borrower, in lawful money of the United States and in same day or immediately available funds not later than 2:00 p.m. on the date due. Borrower shall establish various bank accounts, including a parent account, an electronic disbursements account, a manual collections account, an electronic

collections account, and one or more Lock Box accounts. Each day, funds will be transferred electronically between the parent account and the electronic disbursement, manual collections, electronic collections and the Lock Box accounts so as to result in a zero balance in all accounts other than the parent account. The balance in the parent account, if positive, will be transferred electronically to Lender and applied pursuant to Section 2.04(d).

(b) Date. Whenever any payment due hereunder shall fall due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall be included in the computation of interest.

(c) Late Payments. If any amounts required to be paid by Borrower under this Agreement or the other Credit Documents (including principal or interest payable on any Revolving Loan or other amounts) remain unpaid when due, Borrower shall pay interest on the aggregate outstanding balance of such amounts from the due date thereof until such amounts are paid in full at a per annum rate equal to the TCFIF Rate from time to time in effect plus two percent (2.00%) (or, if less, the maximum amount permitted by law), such rate to change from time to time as the TCFIF Rate shall change. All computations of such interest shall be based on a year of 365 days for actual days elapsed.

(d) Application of Payments. All payments hereunder shall be applied first to unpaid costs and expenses then due and payable under this Agreement or the other Credit Documents, second to accrued interest then due and payable under this Agreement or the other Credit Documents and finally to reduce the principal amount of outstanding Revolving Loans.

(e) Application of Seller Credits. At Lender's request, Borrower shall pay all Seller Credits to Lender as soon as the same are received for application to the Obligations. At any time Lender is entitled to terminate the Commitment after the occurrence and during the continuance of an Event of Default under Section 6.01(f) or 6.01(g), Borrower authorizes Lender to collect such amounts directly from Sellers and, upon request of Lender, shall instruct Sellers to pay Lender directly.

2.05 Revolving Loan Note and Interest Account.

(a) Revolving Loan Note. The obligation of Borrower to repay the Revolving Loans and to pay interest thereon at the rates provided herein shall be evidenced by a promissory note in the form of Exhibit A (the "Revolving Loan Note"), which note shall be (i) in the original principal amount of $450,000,000, (ii) dated the Closing Date and (iii) otherwise appropriately completed. Lender shall record on its general ledger the date and amount of each Revolving Loan and of each payment or prepayment of principal and each payment of interest or other amounts thereon made by Borrower.

(b) Interest Account. Borrower authorizes Lender to record in an account or accounts maintained by Lender on its books (the "Interest Account") (i) the interest rates applicable to all Revolving Loans and the effective dates of all changes thereto, (ii) the

date and amount of each principal and interest payment on each Revolving Loan and (iii) such other information as Lender may determine is necessary for the computation of interest payable by Borrower hereunder.

(c) Notations. Borrower agrees that all notations on the Schedule annexed to the Revolving Loan Note and the Interest Account shall constitute prima facie evidence of the matters noted absent manifest error; provided, however, that the failure of Lender to make any such notation shall not affect Borrower's Obligations.

2.06 Revolving Loan Funding. Unless otherwise directed by Borrower, Lender shall disburse the proceeds of each Revolving Loan to Borrower by disbursement to such account at such bank as Borrower may designate from time to time in writing to Lender from time to time.

2.07 [Reserved]

2.08 Additional Compensation in Certain Circumstances; Increased Costs or Reduced Return Resulting from Taxes, Reserves, Capital Adequacy Requirements, Expenses, Etc. If any change in any Requirement of Law, guideline or interpretation or application thereof by any Governmental Authority charged with the interpretation or administration thereof or compliance with any request or directive (whether or not having the force of a Requirement of Law) of any central bank or other Governmental Authority:

(a) subjects Lender to any Taxes or changes the basis of taxation with respect to this Agreement, the Revolving Loans or payments by Borrower of principal, interest, fees, or other amounts due from Borrower hereunder,

(b) imposes, modifies or deems applicable any reserve, special deposit or similar requirement against credits or commitments to extend credit extended by, or assets (funded or contingent) of, deposits with or for the account of, or other acquisitions of funds by, Lender, or

(c) imposes, modifies or deems applicable any capital adequacy or similar requirement (i) against assets (funded or contingent) of, or other credits or commitments to extend credit extended by, Lender, or (ii) otherwise applicable to the obligations of Lender under this Agreement,

and the result of any of the foregoing is to increase the cost to, reduce the income receivable by, or impose any expense (including loss of margin) upon Lender with respect to this Agreement or the making, maintenance or funding of any part of the Revolving Loans (or, in the case of any capital adequacy or similar requirement, to have the effect of reducing the rate of return on Lender's capital, taking into consideration Lender's customary policies with respect to capital adequacy) by an amount which Lender in its sole discretion deems to be material, Lender shall from time to time notify Borrower of the amount determined in good faith by Lender to be necessary to compensate Lender for such increase in cost, reduction of income, additional expense or reduced rate of return. Such notice shall set forth in reasonable detail the basis for such determination. Such amount shall be due and payable by Borrower to Lender ten (10) Business Days after such notice is given. If Lender fails to give such notice within three hundred sixty-five (365) days after it obtains knowledge of such event, Lender shall, with respect to

compensation payable pursuant to this Section 2.08, only be entitled to payment for increase in cost, reduction of income, additional expense or reduced rate of return incurred from and after the date three hundred sixty five (365) days prior to the date that Lender does give such notice.

SECTION III
CONDITIONS PRECEDENT

3.01 Conditions Precedent to Initial Revolving Loan. The obligation of Lender to make the initial Revolving Loan is subject to receipt by Lender, on or prior to the Closing Date, of the following documents, each in form and substance satisfactory to Lender:

(a) This Agreement, duly executed by Borrower;

(b) The Revolving Loan Note payable to Lender, duly executed by Borrower;

(c) The Security Documents duly executed and delivered to Lender;

(d) The organizational documents of each of the Members;

(e) Certificate of Formation of Borrower;

(f) The Joint Venture Agreement duly executed by the parties thereto;

(g) The LLC Agreement duly executed by the parties thereto;

(h) A certificate of the general manager of Borrower, dated the Closing Date, certifying that attached thereto are true and correct copies of resolutions duly adopted by the Board of Managers of Borrower and continuing in effect, which authorize the execution, delivery and performance by Borrower of this Agreement and the other Credit Documents executed or to be executed by Borrower and the consummation of the transactions contemplated hereby and thereby; and

(i) A certificate of the general manager of Borrower, dated the Closing Date, certifying the incumbency, signatures and authority of the members of the Board of Managers of Borrower or other officers of Borrower authorized to execute, deliver and perform this Agreement and the other applicable Credit Documents on behalf of Borrower.

3.02 Conditions Precedent to Each Revolving Loan. The obligation of Lender to make each Revolving Loan, including the making of the initial Revolving Loan, is subject to the further conditions that Lender shall have received the appropriate Revolving Loan Borrowing Request requesting such Revolving Loan, or request therefor shall otherwise have been made to Lender's satisfaction, in accordance with the terms of this Agreement and that on the date such Revolving Loan is to be made and after giving effect to such Revolving Loan, the following shall be true and correct:

(a) The representations and warranties set forth in Section 4.01 are true and correct in all material respects as if made on such date;

(b) No Event of Default has occurred and is continuing that would permit the Lender to terminate the Commitment;

(c) No Material Adverse Effect or Acceleration Event has occurred and is continuing; and

(d) Each of the Credit Documents remains in full force and effect.

3.03 Covenant to Deliver. Borrower agrees (not as a condition but as a covenant) to deliver to Lender each item required to be delivered to Lender as a condition to the making of each Revolving Loan. Borrower expressly agrees that the making of any Revolving Loan prior to the receipt by Lender of any such item shall not constitute a waiver by Lender of Borrower's obligation to deliver such item.

SECTION IV
REPRESENTATIONS AND WARRANTIES

4.01 Borrower's Representations and Warranties. To induce Lender to enter into this Agreement and to make Revolving Loans hereunder, Borrower represents and warrants to Lender that:

(a) Due Organization, Qualification, Etc. Borrower (i) is a limited liability company duly organized and validly existing under the laws of the state of Delaware; (ii) has the power and authority to own, lease and operate its properties and carry on its business as now conducted and as proposed to be conducted; and (iii) is duly qualified or licensed to do business in each jurisdiction where the nature of the business of Borrower requires such qualification or licensing and the failure to be so qualified or licensed could reasonably be expected to have a Material Adverse Effect.

(b) Authority. The execution, delivery and performance by Borrower of each Credit Document to be executed by Borrower and the consummation of the transactions contemplated thereby (i) are within the limited liability company power of Borrower and (ii) have been duly authorized by all necessary limited liability company actions on the part of Borrower (including Member action, if necessary).

(c) Enforceability. Each Credit Document executed, or to be executed, by Borrower has been, or will be, duly executed and delivered by Borrower and constitutes, or will constitute, a legal, valid and binding obligation of Borrower enforceable against Borrower in accordance with its terms.

(d) Non-Contravention. The execution and delivery by Borrower of the Credit Documents executed by Borrower and the performance and consummation of the transactions contemplated thereby do not (i) violate any Requirement of Law applicable to Borrower; (ii) violate any provision of, or result in the breach or the acceleration of, or entitle any other Person to accelerate (whether after the giving of notice or lapse of time or both), any Contractual Obligation of Borrower; or (iii) result in the creation or imposition of any Lien upon any property, asset or revenue of Borrower (except such

Liens as may be created in favor of Lender pursuant to this Agreement or the other Credit Documents).

(e) Approvals. No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Authority or other Person (including the partners, members or shareholders of any Person) that has not been obtained on or prior to the Closing Date is required in connection with the execution and delivery of the Credit Documents executed by Borrower and the consummation and performance of the transactions contemplated thereby.

(f) No Violation or Default. Borrower is not in violation of or in default with respect to (i) any Requirement of Law applicable to it or (ii) any Contractual Obligation of it (nor is there any waiver in effect which, if not in effect, would result in such a violation or default), where, individually or in the aggregate, such violations or defaults could reasonably be expected to have a Material Adverse Effect.

(g) Litigation. No actions, suits, proceedings or investigations are pending or, to the knowledge of Borrower, threatened against Borrower at law or in equity in any court or before any other Governmental Authority which (i) could reasonably be expected to (individually or in the aggregate) have a Material Adverse Effect or (ii) seek to enjoin, either directly or indirectly, the execution, delivery or performance by Borrower of the Credit Documents or the transactions contemplated thereby.

(h) Title. Borrower owns and has good and marketable title in fee simple absolute to, or a valid leasehold interest in, all of its real properties and good title to its other respective assets and properties as reflected in the most recent Financial Statements delivered to Lender (except those assets and properties disposed of in the ordinary course of business or otherwise in compliance with this Agreement since the date of such Financial Statements) and all respective assets and properties acquired by Borrower since such date (except those disposed of in the ordinary course of business or otherwise in compliance with this Agreement), including all of the Collateral. Such assets and properties are subject to no Liens, except for Permitted Liens.

(i) Financial Statements. The Financial Statements of Borrower that have been delivered to Lender, (i) are in accordance with the books and records of Borrower, which have been maintained in accordance with good business practice; (ii) have been prepared in conformity with GAAP and (iii) fairly present the financial position of Borrower at such date. Borrower does not have any contingent obligations, liability for Taxes or other outstanding obligations which are material in the aggregate, except as disclosed in the Financial Statements most recently delivered to Lender pursuant to Section 5.01(a)(i) or (ii).

(j) Membership Interests. Outstanding Membership Interests of Borrower are owned as follows:

Toro Sub:	45%
TCFIF Sub:	55%

All outstanding Membership Interests of Borrower are duly authorized, validly issued and fully paid, subject to the "Purchase Capital Contribution" and the "Additional Capital Contribution" requirements set forth in Sections 2.03 and 2.04 of the LLC Agreement, respectively. There are no outstanding subscriptions, options, conversion rights, warrants or other agreements or commitments of any nature whatsoever (firm or conditional) regarding the Membership Interests of Borrower other than as contemplated by the Joint Venture Agreement or the LLC Agreement. All Membership Interests of Borrower have been offered and sold in compliance with all federal and state securities laws and all other Requirements of Law.

(k) No Agreements to Sell Assets, Etc. Borrower has no legal obligation, absolute or contingent, to any Person to sell the assets of Borrower (other than sales in the ordinary course of business), or to effect any merger, consolidation or other reorganization of Borrower or to enter

into any agreement with respect thereto.

(l) Employee Benefit Plans. As of the date hereof, Borrower does not maintain or contribute to, nor has it any obligation under any Employee Benefit Plan of any type or nature whatsoever. Borrower does not contribute to and does not have any liability with respect to any Multiemployer Plan.

(m) Other Regulations. Borrower is not subject to regulation under the Investment Company Act of 1940, the Public Utility Holding Company Act of 1935, the Federal Power Act, any state public utilities code or to any federal or state statute or regulation limiting its ability to incur Indebtedness.

(n) Governmental Charges and Other Indebtedness. Borrower has filed or caused to be filed all tax returns which are required to be filed by it. Borrower has paid, or made provision for the payment of, all taxes and other Governmental Charges which have or may have become due pursuant to said returns or otherwise and all other Indebtedness which has become due, except for such Governmental Charges or Indebtedness, if any, which are being contested in good faith and as to which adequate reserves (determined in accordance with GAAP) have been provided or which could not reasonably be expected to have a Material Adverse Effect if unpaid.

(o) Subsidiaries, Etc. Borrower has no Subsidiaries, is not a partner in any partnership and is not a joint venturer in any joint venture.

(p) No Material Adverse Effect. No event has occurred and no condition exists which could reasonably be expected to have a Material Adverse Effect.

(q) Records Regarding Collateral. Borrower keeps and maintains its books and records regarding its accounts and chattel paper at its chief executive office in Hoffman Estates, Illinois or at its office in Bloomington, Minnesota. The only locations at which any Collateral is located are at its offices in Bloomington, Minnesota and Hoffman Estates, Illinois.

(r) Accounts. All of Borrower's accounts are bona fide existing receivables created by Toro, an Affiliate of Toro or a distributor of Toro in the regular course of

business of Toro or such Affiliate or distributor to their respective account debtors or acquired by Toro or an Affiliate of Toro in connection with the acquisition of the business of another party.

(s) Accuracy of Information Furnished. None of the Credit Documents and none of the other certificates, statements or information furnished to Lender by or on behalf of Borrower in connection with the Credit Documents or the transactions contemplated hereby or thereby contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.02 Reaffirmation. Borrower shall be deemed to have reaffirmed, in all material respects, for the benefit of Lender, each representation and warranty contained in Section 4.01 on and as of the date each Revolving Loan is made.

SECTION V
COVENANTS

5.01 Affirmative Covenants. Until the termination of this Agreement and the satisfaction in full by Borrower of all Obligations, Borrower shall comply, and shall cause compliance, with the following affirmative covenants unless Lender shall otherwise consent in writing:

(a) Financial Statements, Reports, Etc. Borrower shall furnish to Lender the following, each in such form and such detail as Lender shall reasonably request:

(i) Within thirty (30) Business Days after the last day of each calendar month, copies of the unaudited Financial Statements of Borrower for such month as of the last day of such month;

(ii) Within one hundred twenty (120) days after the close of each fiscal year of Borrower, copies of the unaudited Financial Statements of Borrower;

(iii) As soon as possible and in no event later than five (5) Business Days after any manager or officer of Borrower knows of the occurrence or existence of (A) any actual or threatened litigation, suits, claims or disputes against Borrower involving potential monetary damages payable by Borrower of $100,000 or more (individually or in the aggregate), (B) any other event or condition which could reasonably be expected to have a Material Adverse Effect, or (C) any Event of Default or Default; a written statement of the general manager of Borrower setting forth the details of such event, condition, Event of Default or Default and the action which Borrower proposes to take with respect thereto; and

(iv) Such other instruments, agreements, certificates, opinions, statements, documents and information relating to the operations or condition (financial or otherwise) of Borrower, and compliance by Borrower with the terms

of this Agreement and the other Credit Documents, as Lender may from time to time reasonably request.

(b) Books and Records. Borrower shall at all times keep proper books of record and account in which full, true and correct entries will be made of its transactions in accordance with GAAP.

(c) Inspections; Information. Borrower shall permit any Person designated by Lender, upon reasonable notice and during normal business hours, to visit and inspect any of the properties and offices of Borrower, to examine the books of account of Borrower and to discuss the affairs, finances and accounts of Borrower with, and to be advised as to the same by, their managers, officers, auditors and accountants, all at such times and intervals as Lender may reasonably request. Borrower shall permit Lender, upon reasonable notice and during normal business hours, to inspect the Collateral and Borrower shall furnish to Lender, upon request of Lender, such information regarding the Collateral and Borrower's business as Lender may from time to time reasonably request.

(d) Governmental Charges and Other Indebtedness. Borrower shall promptly pay and discharge when due (i) all taxes and other Governmental Charges imposed on Borrower prior to the date upon which penalties accrue thereon, (ii) all Indebtedness which, if unpaid, could become a Lien upon the property of Borrower and (iii) all other Indebtedness which, if unpaid, could reasonably be expected to have a Material Adverse Effect, except such taxes and Indebtedness as may in good faith be contested or disputed, or for which arrangements for deferred payment have been made, provided that in each such case appropriate reserves are maintained to the reasonable satisfaction of Lender.

(e) Use of Proceeds. Borrower shall use the proceeds of the Revolving Loans only for the purposes set forth in Section 2.01(e).

(f) General Business Operations. Borrower shall (i) preserve and maintain its limited liability company existence and all of its rights, privileges and franchises reasonably necessary to the conduct of its business, (ii) conduct its business activities in compliance with all Requirements of Law and Contractual Obligations applicable to it, the violation of which could reasonably be expected to have a Material Adverse Effect, (iii) keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted, and (iv) maintain its chief executive office and principal place of business in Hoffman Estates, Illinois.

(g) Collateral. Borrower shall keep all Collateral at the locations identified in Section 4.01(q) and shall keep all tangible Collateral in good order, repair and operating condition. Borrower shall not sell, rent, lease, transfer, consign, dispose or otherwise convey any of the Collateral except for sales or other dispositions in the ordinary course of Borrower's business. Borrower shall not change its name or change its chief executive office or the office where it keeps its books and records with respect to accounts and chattel paper without giving at least thirty (30) days' prior written notice to Lender.

(h) Borrowing Base. Upon request of Lender, Borrower promptly shall provide to Lender a written report, prepared in reasonable detail and with supporting documentation, setting forth the calculation of the Borrowing Base.

5.02 Negative Covenants. Until the termination of this Agreement and the satisfaction in full by Borrower of all Obligations, Borrower shall comply, and shall cause compliance, with the following negative covenants unless Lender shall otherwise consent in writing:

(a) Indebtedness. Borrower shall not create, incur, assume or permit to exist any Indebtedness except for Permitted Indebtedness.

(b) Liens. Borrower shall not create, incur, assume or permit to exist any Lien on or with respect to any of its assets or property of any character, whether now owned or hereafter acquired, except for Permitted Liens. Borrower shall keep all Collateral free and clear of all Liens except Liens in favor of Lender.

(c) Asset Dispositions. Borrower shall not sell, lease, transfer or otherwise dispose of any of its assets or property, whether now owned or hereafter acquired, except in the ordinary course of its business and except as otherwise contemplated by the Credit Documents. Notwithstanding the foregoing, in the event Borrower elects to transfer to any Seller any Purchased Receivables acquired from such parties pursuant to any reconveyance rights that it may have under the terms of any agreement with such Seller, it shall be permitted to do so free and clear of any Lien granted hereunder upon payment of any amount due from the original transferor thereof as set forth in the agreement governing the original purchase by Borrower of such Purchased Receivables.

(d) Mergers, Acquisitions, Etc. Borrower shall not consolidate with or merge into any other Person or permit any other Person to merge into it, or acquire all or substantially all of the assets of any other Person, except, with respect to TCC, pursuant to the initial Receivable Purchase Agreement described in Section 7.02.

(e) Distributions, Etc. Except for Permitted Distributions, Borrower shall not (i) make any distributions of any kind whatsoever to its Members; (ii) purchase, redeem, retire, defease or otherwise acquire for value any of its Membership Interests held by any Person; (iii) return any capital to any of its Members; or (iv) set apart any sum for any such purpose.

(f) Capital Expenditures. Borrower shall not pay or incur Capital Expenditures which exceed in the aggregate in any fiscal year $50,000.

(g) Investments. Borrower shall not make any Investments other than loans, advances or purchases of Indebtedness in the ordinary course of Borrower's business.

(h) Change in Business. Borrower shall not engage, either directly or indirectly through Subsidiaries, in any business substantially different from its business as conducted on the date hereof or as expected to be conducted after the date hereof; provided, however, that Borrower shall be permitted to engage in the business of providing floorplan financing and open account inventory financing of any and all

products manufactured or distributed from time to time after the date hereof by Toro, or any of its Affiliates, including parts, accessories, software and software updates to support equipment or services, advertising materials, advertising placements, training materials, point of sale or

merchandising materials, extended service contracts, licenses for scheduling software and online services, to the extent permitted by the LLC Agreement.

(i) Security Issuances. Borrower shall not issue, offer or sell any Equity Securities of it other than as contemplated by the Joint Venture Agreement or the LLC Agreement.

(j) [Reserved]

(k) Subsidiaries, Etc. Borrower shall not create or permit to exist any Subsidiaries, and Borrower shall not become a partner in any partnership or a joint venturer in any joint venture.

(l) Transactions With Affiliates. Borrower shall not enter into any Contractual Obligation with any Affiliate or engage in any other transaction with any Affiliate except upon terms at least as favorable to Borrower as an arms-length transaction with unaffiliated Persons and except for Contractual Obligations and transactions expressly contemplated by the Joint Venture Agreement or the LLC Agreement.

(m) Accounting Changes. Borrower shall not change (i) its fiscal year (currently January 1 through December 31) or (ii) its accounting practices except as required by GAAP.

(n) Tangible Net Worth Covenant. Borrower shall not permit its Tangible Net Worth as at the last day of any calendar month (after giving effect to any capital contributions made by the Members with respect to such calendar month in accordance with the terms of the LLC Agreement) to be less than its Required Equity Investment as of such date; provided that Borrower shall not be deemed to be in breach of this covenant so long as (i) the actual Tangible Net Worth is no more than $ XXXXXXXXXX less than its Required Equity Investment as of such date, or (ii) if the actual Tangible Net Worth is more than $ XXXXXXXXXX less than its Required Equity Investment as of such date, then each Member shall make a capital contribution on or before the twentieth (20th) day of the following month in the amount of such difference. Lender acknowledges that under the terms of Section 2.4 of the LLC Agreement, required capital contributions to Borrower at the end of each month will be based upon estimates. In the case of a deficit of less than $XXXXXXXXXX, Borrower shall take such deficiency into account when determining the required capital contributions to be made by the Members for the following month. **[PORTIONS OF THIS SECTION HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]**

SECTION VI
DEFAULT

6.01 Events of Default. The occurrence or existence of any one or more of the following shall constitute an "Event of Default" hereunder:

(a) Borrower shall fail to pay when due any principal, interest or other payment required under the terms of this Agreement or any of the other Credit Documents; or

(b) Borrower shall fail to observe or perform in any material respect any covenant, obligation, condition or agreement set forth in Sections 5.01(d)(iii), 5.02(c), 5.02(d), 5.02(f), 5.02(h), 5.02(i), 5.02(j) or 5.02(k); or

(c) Borrower shall fail to observe or perform any other covenant, obligation, condition or agreement contained in this Agreement or the other Credit Documents and such failure shall continue for thirty (30) days after notice thereof is given by Lender to Borrower or such longer period of time as is reasonably necessary to allow Borrower to so observe or perform such covenant, obligation, condition or agreement but, in any event, not more than seventy-five (75) days after notice thereof is given by Lender to Borrower; provided, that with respect to a failure by Borrower to observe or perform the Tangible Net Worth covenant pursuant to Section 5.02(n), such failure shall have only continued for five (5) days after notice thereof is given by Lender to Borrower; or

(d) Any representation, warranty, certificate, or other statement (financial or otherwise) made or furnished by or on behalf of Borrower to Lender in or in connection with this Agreement or any of the other Credit Documents, or as an inducement to Lender to enter into this Agreement, shall be false, incorrect, incomplete or misleading in any material respect when made or furnished; or

(e) Borrower shall (i) fail to make any payment when due under the terms of any bond, debenture, note or other evidence of Indebtedness to be paid by such Person (excluding this Agreement and the other Credit Documents but including any other evidence of Indebtedness of Borrower to Lender) and such failure shall continue beyond any period of grace provided with respect thereto, or (ii) default in the observance or performance of any other agreement, term or condition contained in any such bond, debenture, note or other evidence of Indebtedness, and the effect of such failure or default in either case is to cause, or permit the holder or holders thereof to cause Indebtedness in an aggregate amount of $100,000 or more to become due prior to its stated date of maturity; or

(f) Borrower shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) be unable, or admit in writing its inability, to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its or any of its creditors, (iv) become insolvent (as such term may be defined or interpreted under any applicable statute), (v) commence a voluntary case or other proceeding seeking liquidation, reorganization or

other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or (vi) take any action for the purpose of effecting any of the foregoing; or

(g) Proceedings for the appointment of a receiver, trustee, liquidator or custodian of Borrower or of all or a substantial part of the property of Borrower, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to Borrower or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and not dismissed within sixty (60) days of commencement; or

(h) A final, non-appealable judgment or order for the payment of money in excess of $100,000 (exclusive of amounts covered by insurance issued by an insurer not an Affiliate of Borrower) shall be rendered against Borrower and the same shall remain unsatisfied, unstayed or unvacated for a period of thirty (30) days after entry thereof, or any judgment, writ, assessment, warrant of attachment, or execution or similar process shall be issued or levied against a substantial part of the property of Borrower, and such judgment, writ, assessment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded within thirty (30) days after filing; or

(i) Any Credit Document or any material term thereof shall cease to be a legal, valid and binding obligation of Borrower enforceable in accordance with its terms; or

(j) Toro Sub and TCFIF Sub shall cease to be the sole members of Borrower or Toro Sub closes on its acquisition of the interest of TCFIF Sub in Borrower pursuant to the exercise of the Toro Sub Purchase Option under Section 9.03 of the LLC Agreement; or

(k) Borrower shall have been finally dissolved, wound up and liquidated, whether at scheduled maturity or otherwise or the business of Borrower shall have been discontinued pursuant to an election made as described in the third sentence of Section 10.04 of the LLC Agreement;

(l) Lender's security interest in any material portion of the Collateral shall at any time cease to be a valid and perfected, first priority, security interest.

6.02 Remedies.

(a) Upon (i) the occurrence or existence of any Event of Default (other than an Event of Default referred to in Section 6.01(f) or 6.01(g) or an Event of Default caused solely by TCFIF or an Affiliate of TCFIF, including any failure by TCFIF to make a capital contribution to Borrower required pursuant to the terms of the LLC Agreement or any willful violation on the part of the general manager of Borrower while such general manager is TCFIF's employee, which such failure or violation shall be deemed to have been caused solely by TCFIF) and at any time thereafter during the continuance of such

Event of Default, (ii) the occurrence or existence of a Material Adverse Effect or (iii) the occurrence of an Acceleration Event, Lender may, by written notice to Borrower, (a) terminate the Commitment and the obligation of Lender to make Revolving Loans and/or (b) declare all outstanding Obligations payable by Borrower hereunder to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Revolving Loan Note to the contrary notwithstanding. Notwithstanding the occurrence or existence of an Event of Default under Sections 6.01(b) – (e), 6.01(h), 6.01(i) or 6.01(l), Lender shall not be permitted to terminate the Commitment or declare the Obligations due and payable and shall continue to make Revolving Loans hereunder so long as there shall not occur or exist a Material Adverse Effect or Acceleration Event or an Event of Default under any of Sections 6.01(a), 6.01(f), 6.01(g), 6.01(j) or 6.01(k).

(b) Upon the occurrence or existence of any Event of Default described in Section 6.01(f) or 6.01(g), immediately and without notice, (i) the Commitment and the obligations of Lender to make Revolving Loans shall automatically terminate and (ii) all outstanding Obligations payable by Borrower hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Revolving Loan Note to the contrary notwithstanding.

(c) In addition to the foregoing remedies, upon the occurrence or existence of any Event of Default at any time Lender is permitted to terminate the Commitment, Lender may exercise any other right, power or remedy granted to it by the Credit Documents or otherwise permitted to it by law, either by suit in equity or by action at law, or both.

SECTION VII
GRANT OF SECURITY INTEREST AND PROVISIONS REGARDING COLLATERAL

7.01 Grant of Security Interest. As security for the payment of all Revolving Loans now or hereafter made by Lender to Borrower hereunder or under the Revolving Loan Note, and as security for the payment or other satisfaction of all other Obligations, Borrower hereby grants to the Lender a Lien and a security interest in and to the following property of Borrower, whether now or hereafter owned, existing, licensed, leased, consigned, acquired or arising, wherever now or hereafter located (all such property is herein referred to collectively as the "Collateral" (each capitalized term used in this Section 7.01 and not otherwise defined in this Agreement shall have in this Agreement the meaning given to it by the UCC)):

(a) The Purchased Receivables, and any and all other Accounts, Goods, Health Care Insurance Receivables, General Intangibles, Payment Intangibles, Deposit Accounts, Chattel Paper (including Electronic Chattel Paper), Documents, contracts, advices of credit, money, Commercial Tort Claims, Equipment, Inventory, Fixtures and Supporting Obligations, together with all products of and Accessions to any of the foregoing and all Proceeds of any of the foregoing (including all insurance policies and proceeds thereof);

(b) to the extent, if any, not listed in clause (a) above, each and every other item of personal property and fixtures, whether now existing or hereafter arising or acquired, including all licenses, contracts and agreements and all collateral for the payment or performance of any contract or agreement, together with all products and Proceeds (including all insurance policies and proceeds) or any Accessions to any of the foregoing;

(c) all present and future business records and information, including computer tapes and other storage media containing the same, together with all Proceeds of any of the foregoing;

(d) all replacements, substitutions, additions or Accessions to or for any of the foregoing; and

(e) all rights of Borrower in, to and under all policies of insurance, including claims of rights to payments thereunder and proceeds therefrom, including credit insurance and business interruption insurance.

In furtherance of the foregoing grant of security, upon the request of Lender, Borrower will make proper entries in its books and records, disclosing the above-described grant of a security interest in the Collateral, including the assignment of its accounts to Lender. To the extent any of the Collateral is evidenced by chattel paper, a promissory note, a trade acceptance or any other instrument for the payment of money, unless Lender shall otherwise agree, Borrower will deliver the original of same to Lender, appropriately endorsed to Lender's order and, regardless of the form of such endorsement, Borrower hereby expressly waives presentment, demand, notice of dishonor, protest and notice of protest and all other notices with respect thereto.

7.02 Lock Box. On or before the date Borrower makes the initial purchase of Purchased Receivables pursuant to the terms of the initial Receivable Purchase Agreement to be entered into by and among Toro, and certain of its Affiliates and Borrower, Borrower shall either (a) establish one or more post office lock box arrangements with Lender on terms acceptable to the Lender (each, a "Lock Box") for the collection of payments from its respective account debtors or other amounts owing to it or (b) enter into agreements acceptable to Lender with each financial institution where Borrower deposits such collections on the date of this Agreement or will hereafter deposit such collections. In connection with any Lock Box, if required by Lender, Borrower shall direct its account debtors to send their payments directly to such Lock Box, and all invoices issued thereafter by Borrower shall direct its account debtors to send their payments directly to such Lock Box.

7.03 Special Provisions Regarding Accounts. Lender is authorized and empowered (which authorization and power, being coupled with an interest, is irrevocable until the last to occur of (i) termination of this Agreement, the Commitment and any other obligations of Lender under this Agreement and (ii) indefeasible payment in full in cash, and performance in full, of all of the Obligations) at any time in its sole and absolute discretion:

(a) To request, in the name of Lender, Borrower, or in the name of a third party, confirmation from any account debtor or party obligated under or with respect to any Collateral of the amount shown by the accounts or other Collateral to be payable, or any other matter stated therein;

(b) To endorse in Borrower's name and to collect, any chattel paper, checks, notes, drafts, instruments or other items of payment tendered to or received by Lender in payment of any account or other obligation owing to Borrower;

(c) At any time Lender is entitled to terminate the Commitment after the occurrence and during the continuance of an Event of Default, to notify, either in Lender's name or Borrower's name, and/or to require Borrower to notify, any account debtor or other Person obligated under or in respect of any Collateral or of the fact of Lender's Lien thereon and of the collateral assignment thereof to Lender;

(d) At any time Lender is entitled to terminate the Commitment after the occurrence and during the continuance of an Event of Default, to direct, either in Lender's name or Borrower's name, and/or to require Borrower to direct, any account debtor or other Person obligated under or in respect of any Collateral to make payment directly to Lender of any amounts due or to become due thereunder or with respect thereto; and

(e) At any time Lender is entitled to terminate the Commitment after the occurrence and during the continuance of an Event of Default, to demand, collect, surrender, release or exchange all or any part of any Collateral or any amounts due thereunder or with respect thereto, or compromise or extend or renew for any period (whether or not longer than the initial period) any and all sums which are now or may hereafter become due or owing upon or with respect to any of the Collateral, or enforce, by suit or otherwise, payment or performance of any of the Collateral, in Lender's own name or Borrower's name.

Under no circumstances shall Lender be under any duty to act in regard to any of the foregoing matters. The costs relating to any of the foregoing matters, including attorneys' fees and out-of-pocket expenses, and the cost of any bank account or accounts which may be required hereunder, shall be borne solely by Borrower whether the same are incurred by Lender or Borrower.

7.04 Lender's Power of Attorney. Borrower appoints the Lender, or any Person whom the Lender may from time to time designate, as Borrower's attorney and agent-in-fact with power: (a) at any time Lender is entitled to terminate the Commitment after the occurrence and during the continuance of an Event of Default, to notify the post office authorities to change the address for delivery of Borrower's mail to an address designated by Lender; (b) at any time Lender is entitled to terminate the Commitment after the occurrence and during the continuance of an Event of Default, to receive, open and dispose of all mail addressed to Borrower; (c) to send requests for verification of Borrower's accounts or other Collateral to its account debtors; (d) to open an escrow account under Lender's sole control for the collection of Borrower's accounts or other Collateral, if not required contemporaneously with the execution hereof; and

(e) to do all other things which Lender is permitted to do under this Agreement or any other Credit Document or which are necessary to carry out this Agreement and the other Credit Documents. Neither Lender nor any of the directors, officers, employees or agents of Lender will be liable for any acts of commission or omission nor for any error in judgment or mistake of fact or law, unless the same shall have resulted from gross negligence or willful misconduct. The foregoing appointment and power, being coupled with an interest, is irrevocable until the last to occur of (x) termination of this Agreement, the Commitment and any other obligations of Lender under this Agreement and (y) indefeasible payment in full in cash, and performance in full, of all Obligations. Borrower expressly waives presentment, demand, notice of dishonor and protest of all instruments and any other notice to which it might otherwise be entitled.

7.05 No Liability for Safekeeping. Lender shall not be liable or responsible in any way for the safekeeping of any Collateral of Borrower delivered to it, to any bailee appointed by or for it, to any warehouseman, or under any other circumstances. Lender shall not be responsible for collection of any proceeds or for losses in collected proceeds held by Borrower in trust for Lender. Any and all risk of loss for any or all of the foregoing shall be upon Borrower, except for such loss as shall result from Lender's gross negligence or willful misconduct.

7.06 Supplemental Documentation Relating to Collateral; Further Assurances. At Lender's request, Borrower shall execute and/or deliver to Lender, at any time or times hereafter, such agreements, documents, financing statements, warehouse receipts, bills of lading, notices of assignment of accounts, schedules of accounts assigned, certificates of origin or title and other written matter necessary or reasonably requested by Lender to perfect and maintain perfected Lender's security interest in the Collateral owned by it in form and substance acceptable to Lender, and pay or cause to be paid all taxes, fees and other costs and expenses associated with any recording or filing of any such documentation. Borrower hereby irrevocably makes, constitutes and appoints Lender (and all Persons designated by Lender for that purpose) as Borrower's true and lawful attorney (and agent-in-fact) (which appointment and power, being coupled with an interest, is irrevocable until the last to occur of (a) termination of this Agreement, the Commitment and all other obligations of Lender under this Agreement and (b) indefeasible payment in full in cash, and performance in full, of all Obligations) to sign the name of Borrower on any of such documentation and to deliver any of such documentation to such Persons as Lender, in its sole and absolute discretion, may elect. Borrower agrees that a carbon, photographic, photostatic, or other reproduction of this Agreement or of a financing statement is sufficient as a financing statement. Borrower shall fully cooperate with Lender and perform all additional acts reasonably requested by Lender to effect the purposes of this Section VII.

7.07 Rights and Remedies. In addition to the rights and remedies of Lender set forth in Section 6.02, at any time Lender is entitled to terminate the Commitment upon the occurrence of and during the continuance of an Event of Default, Lender (i) shall have all rights and remedies of a secured party under the UCC and other applicable law and all the rights and remedies set forth in this Agreement, and Borrower waives notice of intent to accelerate, and of acceleration of, the Obligations; (ii) Lender may enter any premises of Borrower, with or without process of law, without force, to search for, take possession of, and remove the Collateral, or any part thereof; (iii) if Lender requests, Borrower shall cease disposition of and shall assemble the Collateral and make it available to Lender, at Borrower's expense, at a convenient place or places designated by Lender; (iv) Lender may take possession of the Collateral or any part

thereof on Borrower's premises and cause it to remain there at Borrower's expense, pending sale or other disposition. Any notice of a disposition shall be deemed reasonably and properly given if given to Borrower at least ten (10) days before such disposition. If Borrower fails to perform any of its Obligations under this Agreement, Lender may perform the same in any form or manner Lender in its discretion deems necessary or desirable, and all monies paid by Lender in connection therewith shall be additional Obligations and shall be immediately due and payable without notice together with interest payable on demand at the rate set forth in Section 2.04(c). All of Lender's rights and remedies shall be cumulative.

SECTION VIII
MISCELLANEOUS

8.01 Notices. Except as otherwise provided herein, all notices, requests, demands, consents, instructions or other communications to or upon Lender or Borrower under this Agreement or the other Credit Documents shall be in writing and faxed, mailed or delivered to each party at its facsimile number or address set forth below (or to such other facsimile number or address for any party as indicated in any notice given by that party to the other party). All such notices and communications shall be effective (a) when sent by an overnight service of recognized standing, on the Business Day following the deposit with such service; (b) 72 hours after being mailed, first class postage prepaid and addressed as aforesaid through the United States Postal Service; (c) when delivered by hand, upon delivery; (d) when faxed, upon confirmation of receipt; provided, however, that any notice delivered to Lender under Section II shall not be effective until received by Lender; and (e) upon receipt of electronic mail (with a notice contemporaneously given by another method specified in this Section 8.01).

Lender:
TCF Inventory Finance, Inc.
2300 Barrington Road
Suite 600
Hoffman Estates, Illinois 60169
Attention: Vincent E. Hillery, General Counsel
Telephone: (847) 252-6616
Facsimile: (847) 295-6012
Email: vhillery@tcfif.com

with copies to:
TCF National Bank
200 E. Lake Street
Wayzata, MN 55391
Attention: General Counsel
Telephone: (952) 475-6498
Facsimile: (952) 475-7975
Email: jgreen@tcfbank.com

and

Kaplan, Strangis and Kaplan, P.A.
5500 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402
Attention: Harvey F. Kaplan, Esq.

Telephone: (612) 375-1138
Facsimile: (612) 375-1143
Email: hfk@kskpa.com

Borrower: Red Iron Acceptance, LLC
8111 Lyndale Avenue South
Bloomington, MN 55420
Attention: General Manager
Telephone: 952-888-8801
Facsimile: 952-887-8258
Email:

with copies to: The Toro Company
8111 Lyndale Avenue South
Bloomington, MN 55420
Attention: Treasurer
Telephone: 952-887-8449
Facsimile: 952-887-8920
Email: Tom.Larson@toro.com

and

The Toro Company
8111 Lyndale Avenue South
Bloomington, MN 55420
Attention: General Counsel
Telephone: 952-887-8178
Facsimile: 952-887-8920
Email: Tim.Dordell@toro.com

and

Oppenheimer Wolff & Donnelly LLP
3300 Plaza VII Building
45 South Seventh Street
Attention: C. Robert Beattie, Esq.
Telephone: 612-607-7395
Facsimile: 612-607-7100
Email: RBeattie@Oppenheimer.com

Each Revolving Loan Borrowing Request shall be made to Lender's telephone number referred to above (or by such other means as Lender and Borrower shall agree) during Lender's normal business hours. In any case where this Agreement authorizes notices, requests, demands or other communications by Borrower to Lender to be made by telephone, facsimile or electronic mail, Lender may conclusively presume that anyone purporting to be a Person designated in any incumbency certificate or other similar document delivered by Borrower to Lender is such a Person.

8.02 Expenses. Borrower shall pay on demand all reasonable fees and expenses, including reasonable attorneys' fees and expenses, incurred by Lender in the enforcement or attempted enforcement of any of the Obligations or in preserving any of Lender's rights and remedies, including all such fees and expenses incurred in connection with any "workout" or restructuring affecting the Credit Documents or the Obligations or any bankruptcy or similar proceeding involving Borrower.

8.03 Indemnification. To the fullest extent permitted by law, Borrower agrees to protect, indemnify, defend and hold harmless Lender and its directors, officers, employees, agents and any Affiliates thereof ("Indemnitees") from and against any and all liabilities, losses, damages or expenses of any kind or nature and from any and all suits, claims or demands (including in respect of or for reasonable attorney's fees and other expenses) arising on account of or in connection with any matter or thing or action or failure to act by Indemnitees, or any of them, arising out of or relating to the Credit Documents, including any use by Borrower of any proceeds of the Revolving Loans, except to the extent such liability arises from the willful misconduct or gross negligence of the Indemnitees. Upon receiving knowledge of any suit, claim or demand asserted by a third party that Lender believes is covered by this indemnity, Lender shall give Borrower notice of the matter and an opportunity to defend it, at Borrower's sole cost and expense, with legal counsel reasonably satisfactory to Lender. Any failure or delay of Lender to notify Borrower of any such suit, claim or demand shall not relieve Borrower of its obligations under this Section 8.03 but shall reduce such obligations to the extent of any increase in those obligations caused solely by an unreasonable failure or delay. The obligations of Borrower under this Section 8.03 shall survive the payment and performance of the Obligations, the termination of the Commitment and the termination of this Agreement.

8.04 Waivers; Amendments. Any term, covenant, agreement or condition of this Agreement or any other Credit Document may be amended or waived if such amendment or waiver is in writing and is signed by Borrower and Lender. No failure or delay by Lender in exercising any right hereunder shall operate as a waiver thereof or of any other right nor shall any single or partial exercise of any such right preclude any other further exercise thereof or of any other right. Unless otherwise specified in such waiver or consent, a waiver or consent given

hereunder shall be effective only in the specific instance and for the specific purpose for which given.

8.05 Successors and Assigns.

(a) Binding Effect. This Agreement and the other Credit Documents shall be binding upon and inure to the benefit of Borrower, Lender, all future holders of the Revolving Loan Note and their respective successors and, solely in the case of Lender, its assigns permitted pursuant to Section 8.05(b). All references in this Agreement to any Person shall be deemed to include all successors and permitted assigns of such Person.

(b) Assignments. Borrower may not assign or transfer any of its rights or obligations under any Credit Document without the prior written consent of Lender. Lender may at any time, without the consent of Borrower, assign to one or more Affiliates (each an "Assignee") all, or a proportionate part of all, of its rights and obligations under this Agreement and the other Credit Documents, and such Assignee shall assume such rights and obligations, pursuant to an assignment and assumption agreement executed by such Assignee and Lender; provided, however, that any Assignee of Lender shall be required to have at the time of assignment (i) a creditworthiness not less than the creditworthiness of Lender at such time and (ii) a credit facility, with TCF Bank as lender and Assignee as borrower, no less favorable than Lender's credit facility with TCF Bank and supported by the same Performance Assurance Agreement from TCF Bank furnished in connection with Lender's credit facility with TCF Bank, and such Assignee shall be able to perform the obligations of Lender hereunder. Upon execution and delivery of such instrument, such Assignee shall be a Lender party to this Agreement and shall have all the rights and obligations of a Lender with a commitment as set forth in such instrument of assumption, and Lender shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this Section 8.05(b), Lender and Borrower shall make appropriate arrangements so that, if required, a new Revolving Loan Note is issued to the Assignee and the existing Revolving Loan Note is returned to Borrower.

(c) Information. Lender may disclose the Credit Documents and any financial or other information relating to Borrower to any Assignee or potential Assignee, subject to the terms of Section 8.12, and subject to Lender obtaining the agreement of such Assignee or potential Assignee to be bound by the terms of Section 8.12.

8.06 Setoff. In addition to any rights and remedies of Lender provided by law, Lender shall have the right, without prior notice to Borrower, any such notice being expressly waived by Borrower to the extent permitted by applicable law, at any time Lender is entitled to terminate the Commitment following the occurrence and during the continuance of a Default or an Event of Default, to set-off and apply against any Indebtedness, whether matured or unmatured, of Borrower to Lender (including the Obligations), any amount owing from Lender to Borrower. The aforesaid right of set-off may be exercised by Lender against Borrower or against any trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, receiver or execution, judgment or attachment creditor of Borrower or against anyone else claiming through

or against Borrower or such trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor, notwithstanding the fact that such right of set-off shall not have been exercised by Lender prior to the occurrence of a Default or an Event of Default. Lender agrees promptly to notify Borrower after any such set-off and application made by Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

8.07 No Third Party Rights. Subject to the terms of the Joint Venture Agreement, nothing expressed in or to be implied from this Agreement or any other Credit Document is intended to give, or shall be construed to give, any Person, other than the parties hereto and thereto and their permitted successors and assigns, any benefit or legal or equitable right, remedy or claim under or by virtue of this Agreement or any other Credit Document.

8.08 Partial Invalidity. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

8.09 Jury Trial. EACH OF BORROWER AND LENDER, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY AS TO ANY ISSUE RELATING TO ANY CREDIT DOCUMENT IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO ANY CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY. THIS WAIVER IS A MATERIAL INDUCEMENT FOR OUR ENTERING INTO THIS AGREEMENT.

8.10 Submission to Jurisdiction. Each of Borrower and Lender hereby irrevocably submits to the non-exclusive jurisdiction of the Federal courts sitting in Minneapolis or St. Paul, Minnesota and any state court located in Hennepin County, Minnesota, and by execution and delivery of this Agreement, each of Borrower and Lender accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of such courts with respect to any litigation concerning the Credit Documents or the transactions contemplated thereby or any matters related thereto. Each of Borrower and Lender irrevocably waives any objection (including any objection to the laying of venue or any objection on the grounds of forum non conveniens) which it may now or hereafter have to the bringing of any proceeding with respect to this Agreement to the courts set forth above. Borrower agrees to the personal jurisdiction of such courts and that service of process may be made on it at the address indicated in Section 8.01 above. Nothing herein shall affect the right to serve process in any other manner permitted by law.

8.11 Counterparts. This Agreement may be executed in any number of identical counterparts, any set of which signed by all the parties hereto shall be deemed to constitute a complete, executed original for all purposes.

8.12 Disclosure of Information about Borrower. Lender agrees that it will not provide any information to any Person regarding the business and operations of Borrower without the

prior written consent of Borrower, except for (i) disclosures to any Person to the extent necessary to permit an assignment permitted under the terms of Section 8.05, (ii) disclosures to Lender's accountants to the extent necessary in connection with such accountants' auditing responsibilities, (iii) disclosures to any Person of information which is or becomes generally available to the public other than as a result of a disclosure in violation of the terms of this Section 8.12, (iv) disclosures to any Person of information which Lender is legally compelled to disclose, provided that Lender agrees to use all reasonable

efforts to notify Borrower of any such legal requirement to disclose sufficiently in advance of the disclosure to permit Borrower to challenge the legal requirement, and (v) disclosure to any Person to the extent otherwise permitted by the Joint Venture Agreement or the LLC Agreement.

8.13 No Recourse to Members of Borrower. Notwithstanding any provision of this Agreement to the contrary, recourse for the payment of the Obligations and any other liabilities and obligations of Borrower arising under any Credit Document shall be had only against the assets, property and rights of Borrower.

8.14 No Indirect or Consequential Damages. NO PARTY TO THIS AGREEMENT SHALL BE RESPONSIBLE OR LIABLE TO ANY OTHER PARTY TO THIS AGREEMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OF SUCH PERSON OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR PUNITIVE, EXEMPLARY OR, EXCEPT IN THE CASE OF FRAUD, BAD FAITH, WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, INDIRECT OR CONSEQUENTIAL DAMAGES THAT MAY BE ALLEGED AS A RESULT OF ANY TRANSACTION CONTEMPLATED HEREUNDER.

[Signature page follows]

IN WITNESS WHEREOF, Borrower and Lender have caused this Agreement to be executed as of the day and year first above written.

RED IRON ACCEPTANCE, LLC

By: /s/ Mark Wrend
Name: Mark Wrend
Title: Manager

TCF INVENTORY FINANCE, INC.

By: /s/ Rosario A. Perrelli
Name: Rosario A. Perrelli
Title: President and CEO

SCHEDULE 1.01

DEFINITIONS

"Acceleration Event" shall mean Toro, on a consolidated basis, permits its consolidated ratio of (x) Indebtedness to (y) Indebtedness plus stockholders' equity to exceed (i) 0.60 to 1.0 as at the end of the first fiscal quarter of Toro's fiscal year, (ii) 0.65 to 1.00 as at the end of the second fiscal quarter of Toro's fiscal year, (iii) 0.60 to 1.0 as at the end of the third fiscal quarter of Toro's fiscal year or (iv) 0.55 to 1.00 as at the end of Toro's fiscal year.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. For purposes of this definition, "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Agreement" shall mean this Credit and Security Agreement.

"Assignee" shall have the meaning given to that term in Section 8.05(b).

"Borrower" shall have the meaning given to that term in clause (1) of the preamble to this Agreement.

"Borrowing Base" shall mean, with respect to Borrower at any time, the remainder of Tangible Assets less the sum of (i) all liabilities of Borrower at such time (other than the aggregate principal amount of Revolving Loans borrowed by Borrower at such time) and (ii) the Required Equity Investment. The Borrowing Base for Borrower shall be determined by Lender as at the last day of each calendar month (after giving effect to any capital contributions made by the Members of Borrower with respect to such calendar month in accordance with the terms of the LLC Agreement).

"Business Day" shall mean any day on which commercial banks are not authorized or required to close in Minneapolis, Minnesota or Chicago, Illinois.

"Capital Asset" shall mean, with respect to any Person, tangible property owned or leased (in the case of a Capital Lease) by such Person, or any expense incurred by any Person that is required by GAAP to be reported as an asset on such Person's balance sheet.

"Capital Expenditures" shall mean, with respect to any Person and any period, all amounts expended and Indebtedness incurred or assumed by such Person during such period for the acquisition of real property and other Capital Assets (including amounts expended and Indebtedness incurred or assumed in connection with Capital Leases).

"Capital Leases" shall mean any and all lease obligations that, in accordance with GAAP, are required to be capitalized on the books of a lessee.

"Closing Date" shall mean August 12, 2009.

"Collateral" shall have the meaning given to that term in Section 7.01.

"Commitment" shall have the meaning given to that term in Section 2.02(a).

"Contractual Obligation" of any Person shall mean, any indenture, note, security, deed of trust, mortgage, security agreement, lease, guaranty, instrument, contract, agreement or other form of obligation or undertaking to which such Person is a party or by which such Person or any of its property is bound.

"Credit Documents" shall mean and include this Agreement, the Revolving Loan Note and each Security Document delivered to Lender in connection with this Agreement, as each of the foregoing may be amended from time to time.

"Default" shall mean any event or circumstance not yet constituting an Event of Default but which, with the giving of any notice or the lapse of any period of time or both, would become an Event of Default.

"Dollars" and "$" shall mean the lawful currency of the United States of America and, in relation to any payment under this Agreement, same day or immediately available funds.

"Employee Benefit Plan" shall mean any employee benefit plan within the meaning of section 3(3) of ERISA maintained or contributed to by Borrower, other than a Multiemployer Plan.

"Equity Securities" of any Person shall mean (a) all common stock, preferred stock, limited liability company interests, participations, shares, partnership interests or other equity interests in and of such Person (regardless of how designated and whether or not voting or non-voting) and (b) all warrants, options and other rights to acquire any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may from time to time be amended or supplemented, including any rules or regulations issued in connection therewith.

"Event of Default" shall have the meaning given to that term in Section 6.01.

"Exmark" shall mean Exmark Manufacturing Company Incorporated, a Nebraska corporation, a wholly owned subsidiary of Toro.

"Financial Statements" shall mean, with respect to any accounting period for any Person, statements of income of such Person for such period and balance sheets of such Person as of the end of such period and, with respect to any annual accounting period for any Person, statements of cash flows of such Person for such annual period, setting forth in each case in comparative form figures for the corresponding period in the preceding fiscal year if such period is less than a full fiscal year or, if such period is a full fiscal year, corresponding figures from the preceding fiscal year, all prepared in reasonable detail and in accordance with GAAP.

"GAAP" shall mean generally accepted accounting principles and practices as in effect in the United States of America from time to time, consistently applied.

"Governmental Authority" shall mean any domestic or foreign national, state or local government, any political subdivision thereof, any department, agency, authority or bureau of any of the foregoing, or any other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Governmental Charges" shall mean all levies, assessments, fees, claims or other charges imposed by any Governmental Authority upon or relating to (i) Borrower, (ii) the Revolving Loans, (iii) income or gross receipts of Borrower, (iv) the ownership or use of any of its assets by Borrower or (v) any other aspect of the business of Borrower.

"Governmental Rule" shall mean any law, rule, regulation, ordinance, order, code interpretation, judgment, decree, directive, guidelines, policy or similar form of decision of any Governmental Authority.

"Indebtedness" of any Person shall mean and include (a) all items of indebtedness and liabilities which, in accordance with GAAP, would be included in determining liabilities that are shown on the liability side of the balance sheet of such Person, (b) all indebtedness and liabilities of other Persons assumed or guaranteed by such Person or in respect to which such Person is secondarily or contingently liable whether by any agreement to acquire indebtedness and liabilities or to supply or advance funds or otherwise, and (c) all indebtedness and liabilities of other Persons secured by any Lien in any property of such Person (including Capital Leases).

"Indemnitees" shall have the meaning given to that term in Section 8.03.

"Interest Account" shall have the meaning given to that term in Section 2.05(b).

"Investment" of any Person shall mean any loan or advance of funds by such Person to any other Person (other than advances to employees of such Person for moving and travel expense, drawing accounts and similar expenditures in the ordinary course of business), any purchase or other acquisition of any Equity Securities or Indebtedness of any other Person, and any capital contribution by such Person to or any other investment by such Person in any other

Person (including any Indebtedness incurred by such Person of the type described in clauses (b) and (c) of the definition of "Indebtedness" on behalf of any other Person).

"Joint Venture Agreement" shall mean that certain Agreement to Form Joint Venture, dated as of the date hereof, between TCFIF and Toro, as it may be amended from time to time.

"Lender" shall have the meaning given to that term in clause (2) of the preamble of this Agreement.

"LIBOR" shall mean the most recent 15 Business Day moving average of one-month interbank offered rates for dollar deposits in the London market, as reported to Lender by "The Bloomberg Financial Markets, Commodities and News," a publicly available financial reporting service ("Bloomberg"). If Bloomberg no longer publishes such rates, the Lender may, in its discretion, choose a similar successor publicly available financial reporting service. LIBOR for any month will be based on the reported one-month LIBOR rate for the most recent 15 Business Days preceding the 25th day of the immediately preceding month.

"Lien" shall mean, with respect to any property, any security interest, mortgage, pledge, lien, claim, charge or other encumbrance in, of, or on such property or the income therefrom, including the interest of a vendor or lessor under a conditional sale agreement, Capital Lease or other title retention agreement, or any agreement to provide any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or comparable law of any jurisdiction.

"LLC Agreement" shall mean that certain Limited Liability Company Agreement of Borrower, dated as of the date hereof, by and between Toro Sub and TCFIF Sub, as it may be amended from time to time.

"LLC Term" shall mean, at any time, the term of Borrower in effect at such time pursuant to the LLC Agreement.

"Lock Box" shall have the meaning given to that term in Section 7.02.

"Material Adverse Effect" shall mean a material adverse effect on (a) the business, assets, operations or financial or other condition of Borrower if the same could reasonably be expected to affect the ability of Borrower to pay or perform the Obligations in accordance with the terms of this Agreement and the other Credit Documents; (b) the ability of Borrower to pay or perform the Obligations in accordance with the terms of this Agreement and the other Credit Documents; (c) the rights and remedies of Lender under this Agreement or the other Credit Documents; or (d) the value of a material portion of the Collateral, the Lender's security interest in a material portion of the Collateral or the general perfection or priority of a material portion such security interests.

"Maturity" shall mean, with respect to any Revolving Loan, interest or other amount payable by Borrower under this Agreement or the other Credit Documents, the date such Revolving Loan, interest or other amount becomes due, whether upon the stated maturity or due date, upon acceleration or otherwise.

"Member" shall mean either Toro Sub or TCFIF Sub, in their respective capacities as members of Borrower.

"Membership Interests" shall mean all membership interests, units, securities and interests assigned to members of a limited liability company, together with all voting rights associated therewith.

"Multiemployer Plan" shall mean any multiemployer plan within the meaning of section 3(37) of ERISA maintained or contributed to by Borrower.

"Obligations" shall mean and include all loans, advances, debts, liabilities, and obligations, howsoever arising, owed by Borrower to Lender of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising pursuant to the terms of this Agreement or any of the other Credit Documents, including all interest, fees (if any), charges, expenses, attorneys' fees and accountants' fees chargeable to Borrower or payable by Borrower hereunder or thereunder.

"Permitted Distributions" shall mean any distributions expressly contemplated or permitted by the Joint Venture Agreement or the LLC Agreement, provided, however, that any distribution otherwise permitted by the foregoing which would result in a Default or Event of Default shall not be deemed to be a Permitted Distribution.

"Permitted Indebtedness" shall mean and include:

(a) Indebtedness incurred in the ordinary course of business other than indebtedness for borrowed money or Capital Leases;

(b) Indebtedness of Borrower to Lender or an Affiliate of Lender; and

(c) Indebtedness arising from the endorsement of instruments in the ordinary course of business.

"Permitted Liens" shall mean and include:

(d) Liens for taxes or other governmental charges not at the time delinquent or thereafter payable without penalty or being contested in good faith, provided provision is made to the reasonable satisfaction of Lender for the eventual payment thereof if subsequently found payable;

(e) Liens of carriers, warehousemen, mechanics, materialmen, vendors, and landlords incurred in the ordinary course of business for sums not overdue or being contested in good faith, provided provision is made to the reasonable satisfaction of Lender for the eventual payment thereof if subsequently found payable;

(f) Deposits to secure the performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, or to secure statutory obligations of surety or appeal bonds or to secure indemnity, performance or other similar bonds in the ordinary course of business;

(g) Liens arising out of a judgment or award not exceeding $100,000 (exclusive of any amounts covered by insurance issued by a Person not an Affiliate of Borrower) with respect to which an appeal is being prosecuted, a stay of execution pending appeal having been secured; and

(h) Liens in favor of Lender.

"Person" shall mean and include an individual, a partnership, a corporation (including a business trust), a limited liability company, a joint stock company, an unincorporated association, a joint venture, a trust or other entity or a Governmental Authority.

"Purchased Receivables" shall have the meaning given to that term in Section 2.01(e).

"Required Equity Investment" shall mean the minimum amount of Investment in Borrower by the Members pursuant to the LLC Agreement.

"Requirement of Law" applicable to any Person shall mean (a) the articles or certificate of incorporation or organization, bylaws, operating agreement, limited liability company agreement, partnership agreement or other organizational or governing documents of such Person, (b) any Governmental Rule applicable to such Person, (c) any license, permit, approval or other authorization granted by any Governmental Authority to or for the benefit of such Person and (d) any judgment, decision or determination of any Governmental Authority or arbitrator, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Revolving Loan" shall have the meaning given to that term in Section 2.01(a).

"Revolving Loan Borrowing Request" shall have the meaning given to that term in Section 2.01(b).

"Revolving Loan Maturity Date" shall have the meaning given to that term in Section 2.01(a).

"Revolving Loan Note" shall have the meaning given to that term in Section 2.05(a).

"Security Documents" shall mean and include all instruments, agreements, certificates, opinions and documents (including Uniform Commercial Code financing statements) delivered to Lender in connection with any Collateral or to secure the Obligations.

"Seller" shall mean each of Toro, TCC, Toro International, Exmark and their respective Affiliates from whom Borrower purchases receivables.

"Seller Credits" shall mean all of the rights of Borrower to any price protection payments, rebates, discounts, credits, factory holdbacks, incentive payments, warranty payments, commissions and other amounts that at any time are due to Borrower from a Seller that may arise with respect to, or in connection with, Purchased Receivables.

"Subsidiary" of any Person shall mean (a) any corporation of which more than 50% of the issued and outstanding Equity Securities having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries, (b) any partnership, joint venture, or other association of which more than 50% of the equity interest having the power to vote, direct or control the management of such partnership, joint venture or other association is at the time owned and controlled by such Person, by such Person and one or more of the other Subsidiaries or by one or more of such Person's other subsidiaries and (c) any other Person included in the Financial Statements of such Person on a consolidated basis.

"Tangible Assets" shall mean, with respect to any Person at any time, the remainder at such time, determined in accordance with GAAP, of (a) the total assets of such Person minus (b) all intangible assets of such Person (to the extent included in calculating total assets in clause (a) above, including goodwill (including any amounts, however designated on the balance sheet,

representing the cost of acquisition of businesses and Investments in excess of underlying tangible assets), trademarks, trademark rights, trade name rights, copyrights, patents, patent rights, licenses, unamortized debt discount, marketing expenses, organizational expenses, non-compete agreements and deferred research and development expenses).

"Tangible Net Worth" shall mean, with respect to any Person at any time, the remainder at such time, determined in accordance with GAAP, of (a) the Tangible Assets of such Person minus (b) the total liabilities of such Person.

"Taxes" shall mean present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (except net income taxes and franchise taxes imposed on Lender).

"TCC" means Toro Credit Company, a Minnesota corporation.

"TCFIF" shall have the meaning given to that term in clause (2) of the preamble of this Agreement.

"TCFIF Rate" shall mean XXXXXXXXXX **[PORTIONS OF THIS SECTION HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIALITY UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. A COPY OF THIS EXHIBIT**

WITH ALL SECTIONS INTACT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

"TCFIF Sub" shall mean TCFIF Joint Venture I, LLC, a Minnesota limited liability company.

"Toro" shall mean The Toro Company, a Delaware corporation.

"Toro International" shall mean Toro International Company, a Minnesota corporation.

"Toro Sub" shall mean Red Iron Holding Corporation, a Delaware corporation.

"UCC" shall mean the Uniform Commercial Code as in effect in the state of Minnesota.

EXHIBIT A

REVOLVING LOAN NOTE

$450,000,000 **[, 20]**
Hoffman Estates, Illinois

FOR VALUE RECEIVED, Red Iron Acceptance, LLC, a limited liability company organized under the laws of the state of Delaware ("Borrower"), hereby promises to pay to the order of TCF INVENTORY FINANCE, INC., a Minnesota corporation ("Lender"), the principal sum of FOUR HUNDRED FIFTY MILLION DOLLARS ($450,000,000) or such lesser amount as shall equal the aggregate outstanding principal balance of the Revolving Loans made by Lender to Borrower pursuant to the Credit and Security Agreement referred to below (the "Credit Agreement"), on or before the Revolving Loan Maturity Date specified in the Credit Agreement; and to pay interest on said sum, or such lesser amount, at the rates and on the dates provided in the Credit Agreement.

Borrower shall make all payments hereunder to Lender as indicated in the Credit Agreement, in lawful money of the United States and in same day or immediately available funds.

Lender shall record on its general ledger the date and amount of each Revolving Loan and of each payment or prepayment of principal and each payment of interest or other amounts made by Borrower and Borrower agrees that all such notations shall constitute prima facie evidence absent manifest error of the matters noted; provided, however, that the failure of Lender to make any such notation shall not affect Borrower's Obligations.

This Note is the Revolving Loan Note referred to in the Credit and Security Agreement, dated as of August 12, 2009, between Borrower and Lender.

This Note is subject to the terms of the Credit Agreement, including the rights of prepayment and the rights of acceleration of Maturity. Without limiting the foregoing, the obligations of Borrower under this Note are secured as described in Section VII of the Credit Agreement.

Borrower shall pay fees and expenses of Lender as provided in the Credit Agreement. Borrower hereby waives notice of presentment, demand, protest or notice of any other kind. This Note shall be governed by and construed in accordance with the laws of the state of Minnesota without regard to conflict of law principles.

Red Iron Acceptance, LLC

By: _____
Name: _____
Title: _____

Exhibit 10.2

FORM OF RECEIVABLE PURCHASE AGREEMENT

by and among

[TORO CREDIT COMPANY],

[TORO INTERNATIONAL COMPANY],

[EXMARK MANUFACTURING COMPANY INCORPORATED]

and

THE TORO COMPANY,

as Sellers,

and

RED IRON ACCEPTANCE, LLC

as Buyer

Dated as of [, 2009]

Table of Contents

This **RECEIVABLE PURCHASE AGREEMENT**, dated as of **[, 2009]** (this "Agreement"), is entered into by and between **[TORO CREDIT COMPANY, a Minnesota corporation ("Toro Credit")]**, **[TORO INTERNATIONAL COMPANY, a Minnesota corporation ("Toro International")]**, **[EXMARK MANUFACTURING COMPANY INCORPORATED, a Nebraska corporation ("Exmark")]**. **THE TORO COMPANY**, a Delaware corporation ("Toro" and together with **[Toro Credit]**, **[Toro International]** and **[Exmark]**, each a "Seller" and collectively the "Sellers") and **RED IRON ACCEPTANCE, LLC**, a Delaware limited liability company ("Buyer").

In consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions.

"Account Debtor" means an obligor on a Receivable.

"Additional Receivables" means those Receivables described on Schedule 2 that Buyer has agreed to purchase notwithstanding that such Receivables are not Eligible Receivables.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. For purposes of this definition, "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Aggregate Repurchase Amount" means, for any repurchase of an Ineligible Receivable pursuant to Section 4.1(d), the Purchase Price paid for such Ineligible Receivable, less any Principal Collections received by Buyer in respect of such Ineligible Receivable from the Closing Date.

"Agreement" is defined in the preamble.

"Authorized Officer" means (a) with respect to Toro, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, the General Counsel, the Secretary, the Treasurer, the Corporate Controller and each other officer or employee of Toro specifically authorized in resolutions of the Board of Directors of such corporation to sign agreements, instruments or other documents on behalf of such corporation in connection with the transactions contemplated by this Agreement and the Related Documents; (b) with respect to Toro Credit, the President, the Secretary, the Treasurer and each other officer or employee of Toro Credit specifically authorized in resolutions of the Board of Directors of such corporation to sign agreements, instruments or other documents on behalf of such corporation in connection

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with the transactions contemplated by this Agreement and the Related Documents; (c) with respect to Toro International, the President, the Secretary, the Treasurer and each other officer or employee of Toro International specifically authorized in resolutions of the Board of Directors of such corporation to sign agreements, instruments or other documents on behalf of such corporation in connection with the transactions contemplated by this Agreement and the Related Documents; and (d) with respect to Buyer, its General Manager.

"Business Day" shall mean any day on which commercial banks are not authorized or required to close in either Minneapolis, Minnesota or Chicago, Illinois.

"Buyer" is defined in the preamble.

"Closing Date" means **[, 2009]**.

"Collateral Security" means, with respect to any Receivable, (i) any security interest, granted by or on behalf of the related Account Debtor with respect thereto, including a security interest in the related Products or assets, (ii) all other security interests or liens and property subject thereto from time to time purporting to secure payment of such Receivable, whether pursuant to the agreement giving rise to such Receivable or otherwise, together with all financing statements filed against an Account Debtor describing any collateral securing such Receivable, (iii) all guarantees, insurance and other agreements (including Financing Agreements and subordination agreements with other lenders) or arrangements of whatever character from time to time supporting or securing payment of such Receivable whether pursuant to the agreement giving rise to such Receivable or otherwise, and (iv) all Records in respect of such Receivable.

"Collections" means, without duplication, all payments by or on behalf of Account Debtors received in respect of the Receivables (including insurance proceeds and proceeds from the realization upon any Collateral Security) in the form of cash, checks, wire transfers or any other form of payment.

"Cure Period" is defined in Section 4.1(c).

"Debtor Relief Laws" means Title 11 of the United States Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, readjustment of debt, marshalling of assets or similar debtor relief laws of the United States, any state or any foreign country from time to time in effect, affecting the rights of creditors generally.

"Eligible Receivable" means a Receivable:

(a) that was created pursuant to genuine and bona fide transactions in the ordinary course of a Seller's business and in compliance with all applicable Requirements of Law, other than those Requirements of Law the failure with which to comply could not reasonably be expected to have a material adverse effect on Buyer or any assigns, and pursuant to a Financing Agreement that complies with all applicable Requirements of Law, other than those Requirements of Law the failure with which to comply could not reasonably be expected to have a material adverse effect on Buyer or any of its creditors or assigns;

(b) with respect to which all consents, licenses, approvals or authorizations of, or registrations with, any Governmental Authority required to be obtained or made by such Seller in connection with the creation of such Receivable or the execution, delivery and performance by such Seller of the related Financing Agreement, have been duly obtained or made and are in full force and effect as of the date of creation of such Receivable, but failure to comply with this clause (b) shall not cause a Receivable not to be an Eligible Receivable if, and to the extent that, the failure to so obtain or make any such consent, license, approval, authorization or registration could not reasonably be expected to have a material adverse effect on Buyer or its assigns;

(c) that is not the subject of any Litigation that is pending or has been threatened in writing;

(d) as to which, at the time of its transfer to Buyer, such Seller will have good and marketable title free and clear of all Liens (other than Permitted Encumbrances);

(e) that is freely assignable and is the subject of a valid transfer and assignment from such Seller to Buyer of all of such Seller's right, title and interest therein;

(f) that at and after the time of transfer to Buyer is, and the Financing Agreement with respect thereto is, the legal, valid and binding payment obligation of the Account Debtor thereof, legally enforceable against such Account Debtor in accordance with its terms, except as enforceability may be limited by applicable Debtor Relief Laws, and by general principles of equity (whether considered in a suit at law or in equity);

(g) that constitutes an "account", "chattel paper" or "general intangible" within the meaning of UCC Section 9-102;

(h) as to which, at the time of its transfer to Buyer, such Seller has not taken any action which, or failed to take any action the omission of which, would, at the time of transfer to Buyer, impair Buyer's rights therein;

(i) the obligations with respect to which, at the time of its transfer to Buyer, have not been waived or modified except as permitted by this Agreement;

(j) that, at the time of its transfer to Buyer, except as contemplated by Section 4.2(c), is not subject to any right of rescission, setoff, counterclaim or any other defense of an Account Debtor (including the defense of usury), other than defenses arising out of Debtor Relief Laws and except as the enforceability of such Receivable may be limited by general principles of equity (whether considered in a suit at law or equity);

(k) which, at the time of transfer to Buyer is secured by, inter alia, a first priority perfected security interest (whether by prior filing, purchase money security interest, subordination agreement from prior filers or otherwise) in any related Product other than with respect to Receivables due on an unsecured open account basis from Account Debtors in an aggregate amount not to exceed $4,000,000 whether acquired by Buyer under the terms of this Agreement or any other agreement with Seller or Seller's

Affiliates; provided, that with respect to Receivables relating to extended service contracts, such Receivables shall only be "Eligible Receivables" within the scope of this clause (k) to the extent Seller or Seller's Affiliate has provided recourse or other credit support upon such terms as Seller and Buyer shall agree prior to transfer;

provided, however, that a Receivable shall not be an "Eligible Receivable":

(l) if it is an open account receivable that is due or unpaid more than ninety (90) days after the original due date unless such past due or unpaid amount is the subject of a bona fide dispute or represents less than five percent (5%) of the original invoice amount for such Receivable;

(m) if it is a floor plan receivable (x) that is related to a Product that has been sold out of trust for more than ninety (90) days, (y) as to which charges or fees are more than ninety (90) days past due (in which case, neither such charges or fees nor the related receivable(s) shall be an Eligible Receivable) or (z) as to which a scheduled payment is more than ninety (90) days past due;

(n) if the Account Debtor that is obligated on such Receivable shall have (i) applied for, suffered, or consented to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property; (ii) admitted in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business, (iii) made a general assignment for the benefit of creditors, (iv) suffered a Bankruptcy Event; or (v) taken any action for the purpose of effecting any of the foregoing;

(o) if the sale to the Account Debtor that is obligated on such Receivable is outside the United States or Canada;

(p) if it is subject to any claim of offset (unless such Seller has received a letter from the applicable Account Debtor in form and substance satisfactory to Buyer indicating that such Account Debtor shall not exercise its right of offset), deduction, defense, dispute, or counterclaim, or is owed by an Account Debtor that is also a supplier of such Seller (but only to the extent of such Seller's obligations to such Account Debtor from time to time) or the Receivable is contingent in any respect for any reason;

(q) if any return, rejection or repossession of the Product to which the Receivable relates has occurred and not reflected in the determination of the Outstanding Balance of such Receivable; or

(r) if such Receivable is not payable to such Seller or one of its Affiliates.

"Exmark" is defined in the preamble.

"Financing Agreement" means any agreement entered into between a Seller and an Account Debtor in order to finance Products purchased by such Account Debtor from such Seller.

"GAAP" means generally accepted accounting principles as in effect in the United States of America from time to time, consistently applied.

"Governmental Authority" means any domestic or foreign national, state or local government, any political subdivision thereof, any department, agency, authority or bureau of any of the foregoing, or any other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Ineligible Receivable" is defined in Section 4.1(c).

"Insurance Proceeds" with respect to Collateral Security means any amounts received pursuant to any policy of insurance related thereto which are required to be paid to a Seller with respect thereto.

"Joint Venture Agreement" means that certain Agreement to Form Joint Venture dated as of August 12, 2009 by and between Toro and TCFIF.

"Knowledge" with respect to a Seller means the actual knowledge of an Authorized Officer of such Seller.

"Lien" means, with respect to any property, any security interest, mortgage, pledge, lien, claim, charge or other encumbrance in, of, or on such property or the income therefrom, including the interest of a vendor or lessor under a conditional sale agreement, capital lease or other title retention agreement, or any agreement to provide any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or comparable law of any jurisdiction.

"Litigation" means, with respect to any Person, any action, claim, lawsuit, demand, investigation or proceeding pending or threatened in writing against such Person before any court, board, commission, agency or instrumentality of any Governmental Authority or before any arbitrator or panel of arbitrators.

"LLC Agreement" means that certain Limited Liability Company Agreement dated as of August 12, 2009 by and between TCFIF Joint Venture I, LLC, a Minnesota limited liability company, and Red Iron Holding Corporation, a Delaware corporation.

"Material Adverse Effect" means a material adverse effect on (a) the ability of any Seller to perform any of its obligations under this Agreement in accordance with the terms hereof, or (b) the Transferred Receivables (including the collectability of the Transferred Receivables and any Collateral Security).

"Officer's Certificate" means, with respect to any Person, a certificate signed by an Authorized Officer of such Person.

"Outstanding Balance" means, with respect to any Receivable, the amount of such Receivable at the time of determination reduced by any credit issued by a Seller as contemplated by Section 4.2(c).

"Permitted Encumbrances" means the following: (a) Liens for taxes or assessments or other governmental charges not yet due and payable; (b) inchoate and unperfected workers', mechanics', suppliers' or similar Liens arising in the ordinary course of business; (c) presently existing or hereinafter created Liens in favor of, or created by, Buyer; (d) any Lien created or permitted by any agreement between Buyer and a Seller; (e) any security interests in assets that are subordinate to the security interests securing the related Receivables; and (f) Liens in favor of a Seller that are assigned to Buyer in accordance with the terms of this Agreement.

"Person" means and includes an individual, a partnership, a corporation (including a business trust), a limited liability company, a joint stock company, an unincorporated association, a joint venture, a trust, a Governmental Authority or other entity.

"Principal Collections" means Collections other than Collections of interest and all other non-principal charges (including insurance service fees and handling fees) on the Receivables.

"Products" means the commercial, consumer goods, parts and accessories manufactured or distributed by Toro or one of its Affiliates.

"Purchase Price" is defined in Section 2.3.

"Receivable" means all amounts payable (including interest, finance charges and other charges), and the obligation to pay such amounts, by the related Account Debtor from time to time in connection with extensions of credit made by a Seller to Account Debtors in order to finance Products and services purchased by Account Debtors from such Seller, together with the group of writings evidencing such amounts and any related Collateral Security and all of the rights, remedies, powers and privileges thereunder (including under any related Financing Agreement).

"Records" means, with respect to any Receivable, all Financing Agreements and other documents, books, records and other information (including tapes, disks and related property and rights) relating to such Receivable and the related Account Debtor.

"Related Documents" means any documents or instruments evidencing Collateral Security.

"Repurchase Agreement" is defined in Section 4.2(f).

"Requirements of Law" means, as to any Person, (a) the articles or certificate of incorporation or organization, bylaws, operating agreement, limited liability company agreement, partnership agreement or other organizational or governing documents of such Person, (b) any law, treaty, rule or regulation applicable to such Person, (c) any license, permit, approval or other authorization granted by any Governmental Authority to or for the benefit of such Person and (d) any judgment, decision or determination of any Governmental Authority or arbitrator, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Seller" and "Sellers" are defined in the preamble.

"TCFIF" means TCF Inventory Finance, Inc., a Minnesota corporation.

"Toro" is defined in the preamble.

"Toro Credit" is defined in the preamble.

"Toro International" is defined in the preamble.

"Transferred Assets" is defined in Section 2.1(a).

"Transferred Receivables" means the Receivables described on Schedules 1 and 2 attached hereto. However, Receivables that are repurchased by a Seller pursuant to this Agreement shall cease to be considered "Transferred Receivables" from the date of such repurchase.

"UCC" means, with respect to any jurisdiction, the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in such jurisdiction.

"United States" means the United States of America, together with its territories and possessions.

1.2 Other Interpretive Matters. All terms defined directly or by incorporation in this Agreement shall have the defined meanings when used in any certificate or other document delivered pursuant thereto unless otherwise defined therein. For purposes of this Agreement and all related certificates and other documents, unless the context otherwise requires: (a) accounting terms not otherwise defined in this Agreement, and accounting terms partly defined in this Agreement to the extent not defined, shall have the respective meanings given to them under GAAP; (b) unless otherwise provided, references to any month, quarter or year refer to a calendar month, quarter or year; (c) terms defined in Article 9 of the UCC as in effect in the applicable jurisdiction and not otherwise defined in this Agreement are used as defined in that Article; (d) references to any amount as on deposit or outstanding on any particular date means such amount at the close of business on such day; (e) the words "hereof," "herein" and "hereunder" and words of similar import refer to this Agreement (or the certificate or other document in which they are used) as a whole and not to any particular provision of this Agreement (or such certificate or document); (f) references to any Section, Schedule or Exhibit are references to Sections, Schedules and Exhibits in or to this Agreement (or the certificate or other document in which the reference is made), and references to any paragraph, subsection, clause or other subdivision within any Section or definition refer to such paragraph, subsection, clause or other subdivision of such Section or definition; (g) the words "include" or "including" shall not be construed to be limiting or exclusive; (h) references to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation; (i) references to any agreement refer to that agreement as from time to time amended, restated or supplemented or as the terms of such agreement are waived or modified in accordance with its terms; (j) references to any Person include that Person's successors and permitted assigns and (k) the term "or" has the meaning represented by the phrase "and/or."

ARTICLE II
SALE

2.1 Sale.

(a) Each Seller does hereby transfer, assign, set over and otherwise convey to Buyer, without recourse except as provided herein, all its right, title and interest (and each Seller hereby agrees to cause each of its Affiliates, if applicable, to transfer, assign, set over and otherwise convey to Buyer, without recourse except as provided herein, all of their respective right, title and interest) in, to and under, the following (the "Transferred Assets"):

(i) the Transferred Receivables;

(ii) the Collateral Security with respect to all Transferred Receivables transferred pursuant to clause (i), together with all monies due or to become due and all amounts received or receivable with respect thereto and Insurance Proceeds relating thereto;

(iii) without limiting the generality of the foregoing or the following, all of Seller's rights to receive payments from any Account Debtor in respect of such Transferred Receivables;

(iv) all proceeds of all of the foregoing; and

(v) all reports, data, notes, Account Debtor lists and files and other books and records of Seller that relate exclusively to, or are used exclusively in connection with, any of the foregoing.

The foregoing does not constitute and is not intended to result in the creation or assumption by Buyer of any obligation of Seller or any other Person in connection with the Transferred Receivables or under any agreement or instrument relating thereto, including any obligation under the Financing Agreements or any other obligation to any Account Debtor. The foregoing conveyance shall be effective on the Closing Date, as to all

Transferred Assets then existing (it being understood and agreed that, in the case of clause (iv), the Collections transferred to Buyer shall include all Collections since **[, 2009]**).

(b) Each Seller shall irrevocably instruct all Account Debtors under the Transferred Receivables to make all payments on account thereof on and after the Closing Date to Buyer.

(c) Any Collections received by a Seller after the Closing Date with respect to the Transferred Receivables shall be deemed held by such Seller in trust and as fiduciary for Buyer. Such Seller shall pay the same over to Buyer forthwith upon receipt.

(d) Buyer is hereby authorized and empowered (which authorization and power, being coupled with an interest, is irrevocable unless and until a Transferred Receivable is repurchased by a Seller pursuant to the terms of this Agreement):

(i) to request confirmation from any Account Debtor or party obligated under or with respect to any Transferred Receivable of the amount shown by the Transferred Receivable to be payable, or any other matter stated therein;

(ii) to endorse in a Seller's name and to collect, any chattel paper, checks, notes, drafts, instruments or other items of payment tendered to or received by Buyer in payment of any Transferred Receivable;

(iii) to notify any Account Debtor or other Person obligated under or in respect of any Transferred Receivable of the sale thereof to Buyer;

(iv) to direct any Account Debtor or other Person obligated under or in respect of any Transferred Receivable to make payment directly to Buyer of any amounts due or to become due thereunder or with respect thereto.

2.2 Acceptance by Buyer. Buyer hereby acknowledges its acceptance of all right, title and interest to the property, now existing and hereafter created, conveyed to Buyer pursuant to Section 2.1.

2.3 Purchase Price. Buyer shall pay a purchase price to each Seller equal to the sum of (i) for the Transferred Receivables from such Seller that are Eligible Receivables and the other Transferred Assets related thereto, equal to the Outstanding Balance of such Transferred Receivables, and (ii) for the Transferred Receivables from such Seller that are Additional Receivables and the other Transferred Assets related thereto, the purchase price for such Additional Receivables set forth in Schedule 2 (in each case, the "Purchase Price").

2.4 Additional Receivables. Set forth on Schedule 2 is the reason each Additional Receivable fails to qualify as an Eligible Receivable. Warranties contained herein generally applicable to Receivables that are in direct conflict with such reasons shall not apply to an Additional Receivable to the extent of the reason expressly set forth in Schedule 2 for such Additional Receivable.

ARTICLE III
CONDITIONS PRECEDENT

3.1 Conditions to Transfer. The sale by Sellers hereunder shall be subject to satisfaction of each of the following conditions precedent (any one or more of which may be waived in writing by Buyer) as of the Closing Date:

(a) Documents. This Agreement or counterparts hereof shall have been duly executed by, and delivered to, each Seller and Buyer, and Buyer shall have received such documents, instruments and agreements as Buyer shall reasonably request in connection

with the transactions contemplated by this Agreement, each in form and substance reasonably satisfactory to Buyer.

(b) Governmental Approvals. Buyer shall have received satisfactory evidence that each Seller has obtained all consents and approvals of all Persons, including all requisite Governmental Authorities, if any, required for such Seller to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

(c) Compliance with Laws. Each Seller shall be in compliance with all applicable foreign, federal, state and local laws and regulations, except to the extent that the failure to so comply, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(d) Other Agreements. The Joint Venture Agreement and the LLC Agreement shall have been executed and delivered and the same shall be in full force and effect.

(e) Representations and Warranties. The representations and warranties of each Seller contained herein shall be true and correct in all material respects as of the Closing Date, both before and after giving effect to such sale.

(f) Covenants. Each Seller shall be in compliance in all material respects with each of its covenants and other agreements set forth herein.

ARTICLE IV
REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1 Representations and Warranties of Sellers.

(a) To induce Buyer to accept the Transferred Assets, each Seller, jointly and severally, makes the following representations and warranties to Buyer, as of the Closing Date.

(i) Valid Existence; Power and Authority. Each Seller (1) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization; (2) is duly qualified to conduct business and is in good standing in each other jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification and where the failure to be so qualified or in good standing could not reasonably be expected to have a Material Adverse Effect; (3) has all requisite power and authority to execute, deliver and perform its obligations under this Agreement; and (4) is able to perform its obligations under this Agreement.

(ii) Authorization of Transaction; No Violation. The execution, delivery and performance by each Seller of this Agreement and the Related Documents to which such Seller is a party and, without limiting the foregoing, the creation of all ownership interests provided for herein: (1) have been duly

authorized by all necessary action on the part of such Seller, and (2) do not violate any provision of any law or regulation of any Governmental Authority, or contractual or other restrictions binding on such Seller, except where such violations, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(iii) Enforceability. Each Seller is in compliance with all material provisions of this Agreement and any Related Documents to which such Seller is a party. This Agreement and any Related Documents to which such Seller is a party have been duly executed and delivered by such Seller and constitutes a legal, valid and binding obligation of such Seller enforceable against it in accordance with its terms.

(iv) No Proceedings. There are no proceedings or, to the best Knowledge of each Seller, investigations, pending or threatened in writing against such Seller, before any Governmental Authority (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, (iii) seeking any determination or ruling that, in the reasonable judgment of such Seller, could reasonably be expected to materially and adversely affect the performance by such Seller of its obligations under this Agreement or (iv) seeking any determination or ruling that could reasonably be expected to materially and adversely affect the validity or enforceability of this Agreement.

(v) Accuracy of Certain Information. All written factual information heretofore furnished by each Seller to Buyer with respect to the Transferred Receivables for the purposes of, or in connection with, this Agreement was true and correct in all material respects on the date as of which such information was stated or certified.

(vi) Transferred Receivables. With respect to each Transferred Receivable, the Seller of such Transferred Receivable represents and warrants that as of the Closing Date:

(1) each Transferred Receivable satisfies the criteria for an Eligible Receivable as of the Closing Date, except, with respect to an Additional Receivable, to the extent expressly set forth in Schedule 2 for such Additional Receivable; and

(2) all authorizations, consents, orders or approvals of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by such Seller in connection with the conveyance by such Seller of such Transferred Receivable to Buyer have been duly obtained, effected or given and are in full force and effect.

(vii) Products. All Products relating to Transferred Receivables are of merchantable quality and are in conformance with the terms and conditions of any

applicable Financing Agreement. The original price paid by the Account Debtor for the Products does not include any amount in respect of other goods or services provided by the applicable Seller to the Account Debtor, other than for any delivery charges.

(viii) Perfection. Each Seller has caused the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect any security interest granted by any Account Debtor in property securing the related Receivables.

(ix) Priority. Other than the ownership interests transferred to Buyer pursuant to this Agreement, no Seller has pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Transferred Assets except as permitted by this Agreement. No Seller has authorized the filing of and no Seller is aware of any financing statements against such Seller that include a description of collateral covering the Transferred Assets other than any financing statement that has been terminated. None of the chattel paper that constitutes or evidences the Receivables has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than Buyer. No Seller is aware of any judgment lien in excess of $100,000 that is final, binding and not subject to appeal or ERISA lien or tax lien filings against it.

(x) Performance. Each Seller has performed or, to the extent applicable, will timely perform, all of its material obligations relating to the Transferred Receivables and, in particular and without limitation, it has delivered all Products to the Account Debtor as are due and required with respect to the Outstanding Balance of the Transferred Receivable.

(xi) Account Debtor Performance. No amounts due with respect to the Transferred Receivables have been paid in advance. No Account Debtor is in breach or default under any Financing Agreement.

(xii) Financing Agreements. The Financing Agreement and any other documents provided to Buyer in connection with a Transferred Receivable (A) constitute the entire agreement between the applicable Seller and the Account Debtor in relation to the financing of Products underlying such Transferred Receivable; (B) represent the legal, valid, binding and enforceable obligation of such Seller and the Account Debtor; (C) comply with all applicable Requirements of Law and other requirements for their validity and enforceability; and (D) represent a final sale.

(b) Upon discovery by any Seller or Buyer of a breach of any of the representations and warranties by a Seller set forth in this Section 4.1, the party discovering such breach shall give prompt written notice to the others. Each Seller**,** jointly and severally, agrees to undertake forthwith to cure any such breach and diligently prosecute such cure to completion.

(c) If (i) any representation or warranty of a Seller contained in Section 4.1(a) is not true and correct in any material respect as of the date specified therein with respect to any Transferred Receivable and as a result of such breach Buyer's interest in such Transferred Receivable is materially and adversely affected, including if Buyer's rights in, to or under such Transferred Receivables or the proceeds of such Transferred Receivables are impaired or such proceeds are not available for any reason to Buyer free and clear of any Lien other than Permitted Encumbrances, unless cured within thirty (30) days after the earlier to occur of the discovery thereof by a Seller or receipt by such Seller of notice thereof given by Buyer (in either case, the "Cure Period") or (ii) any Transferred Receivable other than an Additional Receivable was not an Eligible Receivable on the Closing Date or any Transferred Receivable identified as an Additional Receivable does not meet any requirement for an Eligible Receivable other than those expressly identified on Schedule 2 with respect to such Additional Receivable, then such Transferred Receivable shall be designated an "Ineligible Receivable;" provided, that any such Transferred Receivable that becomes an Ineligible Receivable under clause (i) will not be deemed to be an Ineligible Receivable but will be deemed an Eligible Receivable or a qualifying Additional Receivable if on any day prior to the end of the Cure Period, (i) the relevant representation and warranty shall be true and correct in all material respects as if made on such day and (ii) such Seller shall have delivered an Officer's Certificate describing the nature of such breach and the manner in which the relevant representation and warranty became true and correct.

(d) Sellers shall repurchase such Ineligible Receivable (as to which the Cure Period has expired, as applicable) from Buyer as provided below, which repurchase, subject to Sellers' performance thereof, shall be Buyer's sole and exclusive remedy for a breach of Sections 4.1(a), 4.2(a), 4.2(b), 4.3(a) or 4.3(c) as to individual Transferred Receivables. In connection with such repurchase, Sellers shall pay to Buyer in immediately available funds not later than five (5) Business Days after Sellers' receipt from Buyer of notice of such Ineligible Receivable's ineligibility, in payment for such repurchase, an amount equal to the Aggregate Repurchase Amount. The payment of such deposit amount in immediately available funds shall otherwise be considered payment in full of all of such Transferred Receivables. Each Seller's obligation to repurchase an Ineligible Receivable hereunder is joint and several with each other Seller.

(e) Upon the payment, if any, required to be made to Buyer as provided in Section 4.1(d), Buyer shall automatically and without further action be deemed to transfer, assign, set over and otherwise convey to the applicable Seller or its designee, without recourse, representation or warranty, except as set forth in the following sentence, all the right, title and interest of Buyer in and to the applicable Ineligible Receivables, all moneys due or to become due and all Collateral Security with respect thereto and all amounts received with respect thereto and all proceeds thereof. Such transfer shall be free and clear of any Liens created by or through Buyer. Any collections received by Buyer with respect to any Ineligible Receivables transferred to a Seller, as well as any amounts received by Buyer from an Account Debtor at any time which do not constitute Collections, shall be deemed held by Buyer in trust and as fiduciary for such Seller and Buyer shall pay the same over to such Seller forthwith upon receipt. Buyer will irrevocably instruct all Account Debtors with respect to such Ineligible Receivables

to make all payments on account thereof after such assignment to such Seller. Buyer shall execute such documents and instruments of transfer or assignment and take such other actions as shall reasonably be requested by a Seller to effect the conveyance of such Ineligible Receivables pursuant to this Section.

(f) Notwithstanding any other provision of this Agreement or any Related Document, the representations contained in Section 4.1(a) shall be continuing and remain in full force and effect.

4.2 Covenants of Sellers.

(a) Product Warranties. All Products underlying the Transferred Receivables shall be subject to applicable product warranties of Toro and Toro agrees to perform, or cause to be performed, all repairs, modifications and/or other acts required by Toro pursuant to the product warranties. All expenses of performance by Toro under this Section 4.2(a) shall be paid by Toro. If Toro does not perform, or cause to be performed, any act required by Toro pursuant to such product warranties on any Product underlying a Transferred Receivable or pay the expenses therefor within a reasonable time after demand therefor, such Transferred Receivable shall become an "Ineligible Receivable," immediately subject to the repurchase obligations set forth under Section 4.1(d), without giving effect to the Cure Period.

(b) Returns. If a Seller accepts the return from any Account Debtor of any Product covered by any Transferred Receivable, voluntarily or otherwise, whether or not any substitution is made for such returned Product, such Seller will pay to Buyer the Outstanding Balance of such Transferred Receivable or the portion thereof attributable to the returned Product within ten (10) Business Days of the approval by Toro of the return of the Product by an Account Debtor. If such Seller does not pay to Buyer the Outstanding Balance (or portion thereof) of such Transferred Receivable as required by this Section 4.2(b), such Transferred Receivable shall become an "Ineligible Receivable," immediately subject to the repurchase obligations set forth under Section 4.1(d), without giving effect to the Cure Period.

(c) Credits. If a Seller in the ordinary course of business issues any credit to any Account Debtor that reduces any amount due with respect to a Transferred Receivable, such Seller shall pay to Buyer an amount equal to such credit within two (2) Business Days of the issuance thereof.

(d) Notification and Resolution of Disputes. Each Seller shall promptly notify Buyer of all facts or circumstances of which such Seller has Knowledge and are material to Buyer's interests under this Agreement in relation to the terms and conditions of any Financing Agreement, a Transferred Receivable and/or the relevant Products including any dispute or threatened dispute with an Account Debtor in relation thereto of which such Seller has Knowledge. Each Seller will, if requested to do so by Buyer, use commercially reasonable efforts to assist Buyer, at no cost to such Seller, in resolving any disputes between Buyer and any Account Debtor and in collecting the Transferred Receivables of such Seller.

(e) Repossession of Products. If an Account Debtor defaults on any of its obligations to Buyer, Buyer may appoint a Seller as its agent (without compensation) to recover possession of the relevant Products from the Account Debtor and such Seller shall, if it accepts such appointment in its sole discretion, on such appointment, at its own risk, cost and expense, repossess, transport, store and insure such Products. Such Seller shall keep any Products repossessed by it in a safe and suitable environment. In case a Seller declines to act as Buyer's agent, such Seller shall cooperate with Buyer to appoint a third party, at such Seller's cost and expense, in connection with the repossession, transportation, storage and insurance of such Products.

(f) Limited Repurchase Obligation. With respect to the Transferred Receivables, Buyer shall be entitled to the benefits to which Red Iron is entitled described in Sections 3 and 4(b) of the form of Repurchase Agreement attached as Exhibit A hereto (the "Repurchase Agreement"), subject to the limits set forth in Section 4(a) of the Repurchase Agreement, and the Sellers jointly and severally agree to perform any obligations of Seller (as defined in the Repurchase Agreement) set forth in Sections 3 and 4(b) of the Repurchase Agreement, subject to the limits set forth in Section 4(a) of the Repurchase Agreement.

4.3 Negative Covenants of Sellers. Each Seller covenants and agrees that, without the prior written consent of Buyer:

(a) Liens. Sellers shall not create, incur, assume or permit to exist any Lien, other than Permitted Encumbrances, on or with respect to the Transferred Assets. If a Transferred Receivable is subject to such a Lien and such Lien is not released within the Cure Period, such Transferred Receivable shall become an "Ineligible Receivable," immediately subject to the repurchase obligations set forth under Section 4.1(d), without giving effect to the Cure Period.

(b) Amendments to Financing Agreements. Sellers shall not amend the Financing Agreements.

(c) Non Disturbance of Buyer's Rights. Sellers shall not take any action over the Transferred Receivables and, in particular, except as contemplated by Section 4.2(c), will not grant discounts or grace periods to the Account Debtors nor will they agree to any compromise with respect to the Transferred Receivables. If a Seller takes any of the foregoing actions with respect to a Transferred Receivable, such Transferred Receivable shall become an "Ineligible Receivable," immediately subject to the repurchase obligations set forth under Section 4.1(d) without giving effect to the Cure Period.

(d) Sale Characterization. For accounting purposes, no Seller shall account for the transactions contemplated by this Agreement in any manner other than, with respect to the sale of each Transferred Receivable, as a true sale and absolute assignment of its full right, title and ownership interest in the related Transferred Assets to Buyer. Sellers shall also maintain their respective records and books of account in a manner which clearly reflects each such sale of the Transferred Receivables to Buyer.

ARTICLE V
MISCELLANEOUS

5.1 Notices. Notices and all other communication provided for herein shall be in writing and shall be deemed to have been given to a party at the earlier of (a) when personally delivered, (b) 72 hours after having been deposited into the custody of the U.S. Postal Service, sent by first class certified mail, postage prepaid, (c) one business day after deposit with a national overnight courier service, (d) upon receipt of a confirmation of facsimile transmission, or (e) upon receipt of electronic mail (with a notice contemporaneously given by another method specified in this Section 5.1); in each case addressed as follows:

If to Buyer:

Red Iron Acceptance, LLC
8111 Lyndale Avenue South
Bloomington, MN 55420
Attention: General Manager
Telephone: (952) 888-8801
Facsimile: (952) 887-8258
Email:

with copies to:

TCF Inventory Finance, Inc.
2300 Barrington Road, Suite 600
Hoffman Estates, IL 60169
Attention: Vincent E. Hillery, General Counsel
Telephone: (847) 252-6616
Facsimile: (847) 285-6012
Email: vhillery@tcfif.com

and:

TCF National Bank
200 E. Lake Street
Wayzata, MN 55391
Attention: General Counsel
Telephone: (952) 475-6498
Facsimile: (952) 475-7975
Email: jgreen@tcfbank.com

and:

Kaplan, Strangis and Kaplan, P.A.
5500 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402
Attention: Harvey F. Kaplan, Esq.
Telephone: (612) 375-1138
Facsimile: (612) 375-1143
Email: hfk@kskpa.com

If to Sellers:

The Toro Company
Toro Credit Company
Toro International Company
8111 Lyndale Avenue South
Bloomington, MN 55420
Attention: Treasurer
Telephone: (952) 887-8449
Facsimile: (952) 887-8920
Email: Tom.Larson@toro.com

With copies to:

The Toro Company
8111 Lyndale Avenue South
Bloomington, MN 55420
Attention: General Counsel
Telephone: (952) 887-8178
Facsimile: (952) 887-8920
Email: Tim.Dordell@toro.com

and

Oppenheimer Wolff & Donnelly LLP
3300 Plaza VII Building
45 South Seventh Street
Attention: C. Robert Beattie, Esq.

Telephone: (612) 607-7395
Facsimile: (612) 607-7100
Email: RBeattie@Oppenheimer.com

or to such other address as any party hereto may have furnished to the other party hereto in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

5.2 No Waiver; Remedies.

(a) The failure of any party hereto, at any time or times, to require strict performance by any other party hereto of any provision of this Agreement shall not waive, affect or diminish any right of such party thereafter to demand strict compliance and performance with this Agreement. Any suspension or waiver of any breach or default hereunder shall not suspend, waive or affect any other breach or default whether the same is prior or subsequent thereto and whether of the same or a different type. None of the undertakings, agreements, warranties, covenants and representations of any party contained in this Agreement, and no breach or default by any party under this Agreement, shall be deemed to have been suspended or waived or amended by any other party hereto unless such waiver or suspension or amendment is by an instrument in writing signed by an officer of or other duly authorized signatory of such party and, in the case of a suspension or waiver, directed to the defaulting party specifying such suspension or waiver.

(b) Each party's rights and remedies under this Agreement shall be cumulative and nonexclusive of any other rights and remedies that such party may have under any other agreement, including the Related Documents, by operation of law or otherwise.

5.3 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of Sellers and Buyer and their respective successors and permitted assigns, except as otherwise provided herein. No party may assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder without having obtained the prior express written consent of the other party. Any such purported assignment, transfer, hypothecation or other conveyance by any Seller without the prior express written consent of Buyer shall be void. The terms and provisions of this Agreement are for the purpose of defining the relative rights and obligations of Sellers and Buyer with respect to the transactions contemplated hereby and, except as set forth in Section 7.10 of the Joint Venture Agreement, no Person shall be a third-party beneficiary of any of the terms and provisions of this Agreement.

5.4 No Buyer Liability for Contracts. Sellers hereby acknowledge and agree that Buyer shall not be in any way responsible for the performance of any contract for the sale of Products by any Seller to an Account Debtor giving rise to any Transferred Receivable and Buyer shall not have any obligation to intervene in any dispute arising out of the performance of any such contract. Sellers shall, jointly and severally, indemnify Buyer and hold Buyer harmless from and against any and all losses, damages, penalties, costs, expenses (including reasonable attorneys' fees) and liabilities (including product liabilities) incurred by Buyer in connection with any claim or demand by an Account Debtor or any third party arising directly or indirectly

from the design, manufacture or sale of the Products, any warranty with respect to the Products or any failure of the Products to comply with the terms and conditions of this Agreement.

5.5 Survival. Except as otherwise expressly provided herein or in any Related Document, all undertakings, agreements, covenants, warranties and representations of or binding upon Sellers and Buyer, and all rights of Sellers and Buyer hereunder shall not terminate or expire upon the closing of the transactions contemplated hereby, but rather shall survive.

5.6 Complete Agreement; Modification of Agreement. This Agreement and the Related Documents constitute the complete agreement between the parties with respect to the subject matter hereof, supersede all prior agreements and understandings relating to the subject matter hereof and thereof, and may not be modified, altered or amended except by written agreement of the parties hereto.

5.7 Dispute Resolution. In the event the parties hereto cannot mutually reach a decision on an issue arising under this Agreement, then such dispute shall be deemed to be an "Arbitrable Dispute" subject to the dispute resolution procedures set forth in Article VI of the Joint Venture Agreement.

5.8 Jury Trial. EACH OF SELLERS AND BUYER, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY AS TO ANY ISSUE RELATING TO THIS AGREEMENT OR ANY RELATED DOCUMENT IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY. THIS WAIVER IS A MATERIAL INDUCEMENT FOR OUR ENTERING INTO THIS AGREEMENT.

5.9 Governing Law; Submission to Jurisdiction. This Agreement shall be subject to and governed by the laws of the state of Minnesota, without regard to conflicts of laws principles. Each of Sellers and Buyer hereby irrevocably submits to the non-exclusive jurisdiction of the Federal courts sitting in Minneapolis or St. Paul, Minnesota or any state court located in Hennepin County, Minnesota, and by execution and delivery of this Agreement, each party hereto accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of such courts with respect to any Litigation concerning this Agreement or the Related Documents or the transactions contemplated hereby and thereby or any matters related thereto not subject to the provisions of Section 5.7. Each party hereto irrevocably waives any objection (including any objection to the laying of venue or any objection on the grounds of forum non conveniens) which it may now or hereafter have to the bringing of any proceeding with respect to this Agreement or the Related Documents to the courts set forth above. Each party hereto agrees to the personal jurisdiction of such courts and that service of process may be made on it at the address indicated in Section 5.1 above. Nothing herein shall affect the right to serve process in any other manner permitted by law.

5.10 Counterparts. This Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement.

5.11 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

5.12 Section Titles. The section titles and table of contents contained in this Agreement are provided for ease of reference only and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

5.13 No Setoff. Each Seller's obligations under this Agreement shall not be affected by any right of setoff, counterclaim, recoupment, defense or other right such Seller might have against Buyer, all of which rights are hereby expressly waived by such Seller.

5.14 Further Assurances.

(a) Each Seller shall, at its sole cost and expense, upon request of Buyer, promptly and duly authorize, execute and/or deliver, as applicable, any and all further instruments and documents and take such further actions that Buyer may reasonably request to carry out more effectively the provisions and purposes of this Agreement or to obtain the full benefits of this Agreement and of the rights and powers herein granted, including authorizing and filing amendments to financing statements under the UCC with respect to the ownership interest of Buyer created by this Agreement. Each Seller hereby authorizes Buyer to file any such financing statements without the signature of such Seller to the extent permitted by applicable law. A carbon, photographic or other reproduction of this Agreement or of any notice or financing statement covering the Transferred Assets or any part thereof shall be sufficient as a notice or financing statement where permitted by law. If any amount payable under or in connection with any of the Transferred Assets is or shall become evidenced by any instrument, such instrument, other than checks and notes received in the ordinary course of business, shall be duly endorsed in a manner satisfactory to Buyer immediately upon such Seller's receipt thereof and promptly delivered to or at the direction of Buyer.

(b) If a Seller fails to perform any agreement or obligation under this Section 5.14, Buyer may (but shall not be required to) itself perform, or cause performance of, such agreement or obligation, and the reasonable expenses of Buyer incurred in connection therewith shall be payable by such Seller upon demand of Buyer.

5.15 No Indirect or Consequential Damages. NO PARTY TO THIS AGREEMENT SHALL BE RESPONSIBLE OR LIABLE TO ANY OTHER PARTY TO THIS AGREEMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OF SUCH PERSON OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR PUNITIVE, EXEMPLARY OR, EXCEPT IN THE CASE OF FRAUD, BAD FAITH, WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, INDIRECT OR CONSEQUENTIAL DAMAGES THAT MAY BE ALLEGED AS A RESULT OF ANY TRANSACTION CONTEMPLATED HEREUNDER.

5.16 No Assumption in Drafting. The parties hereto acknowledge and agree that (a) each party has reviewed and negotiated the terms and provisions of this Agreement and has had the opportunity to contribute to its revision, and (b) each party has been represented by counsel in reviewing and negotiating such terms and provisions. Accordingly, the rule of construction to the effect that ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement. Rather, the terms of this Agreement shall be construed fairly as to both parties hereto and not in favor or against either party.

5.17 Headings; Section and Article References. The headings in this Agreement are inserted for convenience only and are not to be considered in the interpretation or construction of the provisions hereof. Unless the context of this Agreement otherwise clearly requires, the following rules of construction shall apply to this Agreement: (a) the words “hereof,” “herein” and “hereunder” and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement; (b) the words “include” and “including” and words of similar import shall not be construed to be limiting or exclusive and (c) the word “or” shall have the meaning represented by the phrase “and/or.” Any pronoun used herein shall be deemed to cover all genders.

[Signature page follows]

IN WITNESS WHEREOF, Sellers and Buyer have caused this Agreement to be duly executed as of the day and year first above written.

[TORO CREDIT COMPANY, as Seller]

By: _____
Name: _____
Its: _____

THE TORO COMPANY, as Seller

By: _____
Name: _____
Its: _____

[TORO INTERNATIONAL COMPANY, as Seller]

By: _____
Name: _____
Its: _____

[EXMARK MANUFACTURING COMPANY INCORPORATED, as Seller]

By: _____
Name: _____
Its: _____

RED IRON ACCEPTANCE, LLC, as Buyer

By: _____
Name: _____
Its: _____

FORM OF REPURCHASE AGREEMENT
(Two Step)

This Repurchase Agreement **("Agreement")** is entered into as of [, 2009] **("Effective Date")** by and between **THE TORO COMPANY**, a Delaware corporation, a manufacturer **(hereinafter "Seller")**, and **RED IRON ACCEPTANCE, LLC**, a Delaware limited liability company **("Red Iron")**, to set forth the terms and conditions under which Red Iron will provide financing for certain dealers and distributors as set forth below. In consideration of the matters and mutual agreements herein contained, Red Iron and Seller agree as follows:

1. Definitions.

(a) **"Approval"** herein shall mean Red Iron's agreement, whether in writing, by electronic transmission or orally (provided, however, that such oral agreement be promptly confirmed in writing), to provide floorplan inventory financing for the sale of Inventory by Seller or an affiliate of Seller to a Dealer and/or Distributor, which agreement shall be in effect for a period of sixty (60) days from the date issued.

(b) **"Dealer"** herein shall mean any person, firm or corporation which buys Inventory at wholesale from Seller or an affiliate of Seller and sells Inventory at retail.

(c) **"Dealer Invoice"** herein shall mean an invoice, bill of sale or other evidence, whether in writing or electronically transmitted, of the sale or delivery of Inventory by Seller or an affiliate of Seller to a Dealer.

(d) **"Distributor"** herein shall mean any person, firm, corporation or buying group which buys Inventory from Seller or an affiliate of Seller and sells Inventory at wholesale.

(e) **"Distributor Invoice"** herein shall mean an invoice, bill of sale or other evidence, whether in writing or electronically transmitted, of the sale or delivery of Inventory by Seller or an affiliate of Seller to a Distributor.

(f) **"Distributor to Dealer Invoice"** herein shall mean an invoice, bill of sale or other evidence, whether in writing or electronically transmitted, of the sale or delivery of Inventory by a Distributor to a Dealer.

(g) **"Inventory"** herein shall mean any and all products, including parts and accessories, software and related services manufactured, distributed or sold at wholesale by Seller or an affiliate of Seller.

(h) **"Invoice"** herein shall mean a Dealer Invoice, a Distributor Invoice and/or a Distributor to Dealer Invoice, either collectively or individually, as the case may be.

(i) **"Wholesale Instrument"** herein shall mean an Invoice, billing statement, inventory schedule or other evidence of indebtedness, including the books and records of Red Iron, arising out of the financing by Red Iron of an Invoice.

2. Financing Program.

(a) If Seller or an affiliate of Seller requests an Approval or sends to Red Iron an Invoice, and the Dealer and/or Distributor related to such Approval or Invoice is eligible for floorplan inventory financing in accordance with the credit and operational policies of Red Iron, then Red Iron shall, from time to time in its commercially reasonable discretion consistent with such credit and operational policies, issue such Approvals and advance against such Invoices, all under the terms of this Agreement. Upon issuance of an Approval by Red Iron, Seller shall (or, as applicable, shall cause its affiliate to) deliver an original Invoice to Red Iron. Provided Red Iron receives the Invoice within sixty (60) days of the date Red Iron issued the Approval and within thirty (30) days of the ship date referred to in the Invoice, Red Iron shall pay Seller or its affiliate, as applicable, the amount of the Invoice, subject to the terms of the financing program then in effect between Seller and Red Iron. If the Invoice is not received within said 60- and 30-day periods, or is not acceptable in form or content once received, Red Iron has the right, without notice to Seller or its affiliate, as applicable, to cancel the Approval related to said Invoice. Prior to funding any Approval, Red Iron has the right to cancel said Approval upon oral or written notice (provided, however, that oral notice be promptly confirmed in writing) to Seller or its affiliate, as applicable, should Dealer or Distributor be in default of any of its obligations to Red Iron and provided that Seller or its affiliate, as applicable, has not shipped Inventory in reliance on Red Iron's Approval. Advances on Invoices and Approvals for such advances issued by Red Iron as provided hereunder shall constitute an acceptance of the terms and conditions hereof by Seller (for itself or on behalf of its affiliate, as applicable) and Red Iron as to each such advance, and no other act or notice shall be required on the part of Red Iron or Seller (or its affiliate, as applicable) to entitle such advances and Approvals to the benefits of this Agreement. Red Iron may deduct, set-off, withhold and/or apply any sums from payments due to Seller (either on behalf of

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itself or its affiliate, as applicable) from Red Iron under this Agreement any sums or payments due to Red Iron from Seller and/or its affiliates in respect of any advance to be made by Red Iron against any Invoice. Seller and Red Iron may from time to time enter into written agreements for any Seller sponsored special financing program for Dealers and/or Distributors.

(b) If Seller or an affiliate of Seller delivers to Red Iron an original Invoice that is the subject of open account financing of inventory and related items and the amount of such Invoice is within (i) pre-established credit limits applicable to the Dealer and/or Distributor related to such Invoice and (ii) unsecured credit limits established by Red Iron from time to time (which shall not be less than $4,000,000 in the aggregate at any time unless otherwise agreed by the parties hereto), then Red Iron shall, from time to time in its commercially reasonable discretion consistent with the credit and operational policies of Red Iron, make an advance against such Invoice under the terms of this Agreement. Subject to the foregoing, if Red Iron receives the Invoice within thirty (30) days of the ship date referred to in the Invoice, Red Iron shall pay Seller or its affiliate, as applicable, the amount of the Invoice, subject to the terms of the financing program then in effect between Seller and Red Iron. Advances on Invoices issued by Red Iron as provided hereunder shall constitute an acceptance of the terms and conditions hereof by Seller (for itself or on behalf of its affiliate, as applicable) and Red Iron as to each such advance, and no other act or notice shall be required on the part of Red Iron or Seller (or its affiliate, as applicable) to entitle such advances to the benefits of this Agreement. Red Iron may deduct, set-off, withhold and/or apply any sums from payments due to Seller (either on behalf of itself or its affiliate, as applicable) from Red Iron under this Agreement any sums or payments due to Red Iron from Seller and/or its affiliates in respect of any advance to be made by Red Iron against any Invoice.

(c) Upon payment to Seller or an affiliate of Seller of the amount of an Invoice pursuant to the terms of the preceding paragraphs (a) or (b), Seller or its affiliate, as applicable, shall be deemed, without the necessity of any further action, to have transferred, assigned, set over and otherwise conveyed to Red Iron, without recourse except as provided herein, all its right, title and interest in, to and under, such Invoice and any related Wholesale Instrument, any collateral security securing payment thereof and any other credit support together with all monies due or to become due and all amounts received or receivable with respect thereto, including all rights to receive payments thereon from any Dealer and/or Distributor. For accounting purposes, no Seller or affiliate of Seller, as applicable, shall account for the transactions contemplated by this Agreement in any manner other than, with respect to the sale of each Invoice, as a true sale and absolute assignment of its full right, title and ownership interest therein to Red Iron. Seller and its affiliates shall also maintain their respective records and books of account in a manner which clearly reflects each such sale of Invoices to Red Iron.

(d) Seller (on behalf of itself and its affiliates) hereby grants to Red Iron a limited power of attorney for the sole purpose of endorsing checks, drafts and other instruments received by Red Iron payable to the order of Seller and its affiliates and relating, in whole or in part, to receivables held by Red Iron.

3. Repurchase of Inventory; Extended Service Contract Recourse.

(a) **Seller's repurchase of Inventory sold by Seller or its affiliates directly to a Dealer or Distributor**. Subject to Section 4, if Red Iron shall repossess or come into possession of any Inventory, or any part thereof, covered by any Dealer Invoice or Distributor Invoice, Seller agrees to repurchase such Inventory from Red Iron in a condition that is new and unused, subject to normal wear and tear resulting from display or demonstration, and wherever located. Seller shall pay Red Iron, within thirty (30) days of request therefor and in good funds, the outstanding balance remaining unpaid under such Invoice. In addition, Seller shall pay Red Iron for all costs and expenses actually incurred by Red Iron in taking possession or in the repossession of such Inventory, including shipping and storage costs (not to exceed 10% of the original Invoice) plus reasonable attomeys' fees and courts costs actually incurred. Seller shall not assert any interest in or title to such Inventory until it has paid Red Iron all amounts as specified herein in full.

(b) **Seller's repurchase of Inventory sold by a Distributor to a Dealer**. Subject to Section 4, if Red Iron shall repossess or come into possession of any Inventory, or any part thereof, covered by any Distributor to Dealer Invoice, and Distributor fails to repurchase such Inventory from Red Iron within thirty (30) days of Red Iron's demand therefor, Seller agrees to repurchase such Inventory from Red Iron in a condition that is new and unused, subject to normal wear and tear resulting from display or demonstration, and wherever located. Subject to Section 3(h), Seller shall pay Red Iron, within thirty (30) days of request therefor and in good funds, the outstanding balance amount remaining unpaid under such Distributor to Dealer Invoice. In addition, Seller shall pay Red Iron for all costs and expenses actually incurred by Red Iron in taking possession or in the repossession of such Inventory, including shipping and storage costs

(not to exceed 10% of the original Invoice) plus reasonable attorneys' fees and court costs actually incurred. Seller shall not assert any interest in or title to such Inventory until it has paid Red Iron all amounts as specified herein in full.

(c) Seller and Red Iron agree that the repurchase of Inventory hereunder shall not be deemed to be a transfer subject to Sections 9-615(f) or 9-618 of the Illinois Uniform Commercial Code or any similar provision of any other applicable law.

(d) If an Invoice delivered to Red Iron by Seller does not identify the covered Inventory by serial number, but only by model number, and Seller cannot prove to Red Iron's reasonable satisfaction that an item of Inventory is covered by a particular Invoice, then for purposes of determining the age or price of an item of Inventory under this Agreement, the item of Inventory shall be deemed to be covered by the most recent Invoice which has an item with the same model number as the item of Inventory tendered for repurchase.

(e) Seller further agrees that in the event Red Iron refinances Inventory pursuant to a buyout of debt from another financing source or otherwise, such Inventory will be subject to repurchase by Seller under this Section 3, notwithstanding the fact that Red Iron did not finance the initial purchase of such Inventory from Seller.

(f) Seller agrees (and Seller will cause its affiliates, as applicable) to execute any additional agreements, instruments, and documents which Red Iron may reasonably require to maintain Red Iron's rights and interests in any Inventory.

(g) To the extent reasonably feasible, and without prejudicing Red Iron's rights, Red Iron shall provide Seller prior written notice of Red Iron's intent to commence litigation against a Dealer or Distributor.

(h) Red Iron shall provide Seller contemporaneous written notice of any action by Red Iron against a Dealer or Distributor with respect to any amounts unpaid under a Distributor to Dealer Invoice. Red Iron shall not make a demand on Toro to perform its obligations under Section 3(b) above until at least ten (10) days after providing such notice to Seller or, in the case where the Dealer or Distributor disputes such amounts in good faith, until at least thirty (30) days after providing such notice to Seller.

(i) If an Invoice for an extended service contract is not paid when due, then Red Iron shall have the benefit of recourse to Seller with respect to such Invoice on such terms as Red Iron and Seller shall mutually agree from time to time.

4. Net Repurchase Limit; Remarketing.

(a) Neither Seller nor any affiliate of Seller shall have any obligation under Section 3 or under the terms of any other repurchase agreement entered into by and between Seller or an affiliate of Seller, on the one hand, and Red Iron on the other, to repurchase any additional Inventory in a Calendar Year once the aggregate amount of repurchase obligations fully and finally paid hereunder to Red Iron during such Calendar Year equals or exceeds the Net Repurchase Limit for such Calendar Year. **"Net Repurchase Limit"** shall mean Seven and One-Half Million Dollars ($7,500,000) for each Calendar Year during the term of this Agreement. The foregoing Net Repurchase Limit shall not relieve Seller or its affiliates from (i) any obligation to repurchase or otherwise acquire any Inventory pursuant to any separate agreement between Seller or an affiliate of Seller and any Distributor or (ii) any other recourse obligation Seller or an affiliate of Seller may have to Red Iron (including the recourse described in Section 3(i) hereof).

(b) Once the Net Repurchase Limit has been reached in a Calendar Year, Seller agrees to use its best efforts to remarket any additional repossessed Inventory on behalf of Red Iron on a non-discriminatory, non-priority basis for an amount not less than the outstanding balance remaining due Red Iron on such

Inventory. As used herein, such best efforts shall include advertising and using the same methods to market such Inventory as Seller uses to market similar products in the course of conducting its own business, subject to Red Iron's rights to approve all aspects of any resale of such Inventory. Red Iron acknowledges that Seller in the ordinary course of its business will be engaged in the marketing of other similar Inventory and that such activity shall not constitute a breach of any duty of Seller under the terms of this Section 4(b) so long as Seller complies with the two immediately preceding sentences. Red Iron will reimburse Seller for reasonable out-of-pocket, third party expenses, including reasonable commissions (if any), incurred by Seller in providing remarketing services pursuant to this Section 4(b).

5. Seller Representations and Warranties.

(a) Seller represents and warrants, at the time of any Red Iron Approval and/or advance against any Invoice as provided hereunder, that: (i) each and every Invoice issued by Seller or its affiliate, as applicable, represents valid obligations of a Dealer and/or Distributor, is legally enforceable according to

its terms and relates to bona fide, original acquisition sales of Inventory by Seller or its affiliate, as applicable, to a Dealer and/or Distributor without any claim, offset or defense to payment by Dealer and/or Distributor and that Dealer and/or Distributor requested that the acquisition of Inventory be financed by Red Iron; (ii) Seller's (or, as applicable, its affiliate's) title to all Inventory is free and clear of all security interests, liens and encumbrances when transferred to Dealer and/or Distributor and Seller or its affiliate, as applicable, transfers to Dealer and/or Distributor all its right, title and interest in and to the Inventory; (iii) the Inventory is in new and unused condition; it is of the kind, quality and condition represented or warranted to Dealer and/or Distributor; it meets or exceeds all applicable federal, state and local safety, manufacturing and other standards; and if it is a type of Inventory customarily crated or boxed, such crate or box is factory sealed.

(b) In the event of breach of any of the foregoing representations or warranties, Seller will, immediately upon demand, purchase from Red Iron the Wholesale Instrument relating to the Invoice or Inventory with respect to which the representation/warranty was breached and pay, in good immediately available funds, the unpaid balance amount of the Wholesale Instrument, plus all charges owing by Dealer and/or Distributor with respect thereto, and all of Red Iron's costs and expenses, including reasonable attorneys' fees, actually incurred in connection with such breach.

6. Seller Covenants and Indemnity.

Seller covenants as follows:

(a) All Inventory financed by Red Iron shall be subject to applicable product warranties of Seller (or its affiliate, as applicable), and Seller agrees to perform, or cause to be performed, all repairs, modifications and/or other acts required of Seller or its affiliate, as applicable, pursuant to said product warranties. All expenses of performance under this covenant shall be paid by Seller.

(b) If Seller or its affiliate, as applicable, accepts the return from any Dealer and/or Distributor of any Inventory covered by any Wholesale Instrument, voluntarily or otherwise, whether or not any substitution is made for such returned Inventory, Seller will reimburse Red Iron for the unpaid balance amount of the Wholesale Instrument within thirty (30) days of the return.

(c) At any time at which Seller is not required to file reports with the U.S. Securities Exchange Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, Seller will, upon request, promptly provide Red Iron with Seller's year-end balance sheet and annual profit and loss statement for each fiscal year prepared in accordance with generally accepted accounting principles, consistently applied.

(d) All transactions of Seller and its affiliates related to the sale of Inventory financed by Red Iron shall comply with all applicable laws, rules, regulations and orders of all governmental entities having jurisdiction over such transactions. Seller agrees to indemnify and hold Red Iron harmless from and against any and all claims, damages, costs, expenses, penalties and judgments asserted or imposed upon, or incurred by, Red Iron as a result of breach by Seller or its affiliates of any provision of this Section 6.

(e) Seller will notify Red Iron promptly (i) if Seller or its affiliate, as applicable, terminates, or gives notice of its intent to terminate, its agreement with any Distributor or (ii) if any Distributor terminates, or gives notice of its intent to terminate, its agreement with Seller or one of its affiliates.

7. Waivers.

(a) Seller (on behalf of itself and its affiliates) waives: notice of non-payment; protest and dishonor and notice of protest and dishonor of any Wholesale Instrument; notice of Red Iron's acceptance of this Agreement; and all other notices to which Seller or its affiliates might otherwise be entitled to by law. Red Iron may, at any time or times, without notice to or further consent of Seller or its affiliates, renew and extend the time of payment of Wholesale Instruments and compromise or adjust claims on Wholesale Instruments or Inventory covered thereby and waive or modify performance of such terms and conditions of its financing arrangement with Dealers and/or Distributors, as Red Iron may determine to be reasonable, and no such renewal, extension, compromise, adjustment, waiver or modification shall affect the obligations or liabilities of Seller hereunder.

(b) No waiver of any provision of this Agreement shall be implied, and no waiver shall be valid, unless it is in writing and signed by the person or party to be charged. No waiver of any breach of any of the terms, provisions or conditions of this Agreement shall be construed as or held to be a waiver of any other breach, or a waiver of, acquiescence in, or consent to, any further or succeeding breach hereof.

8. Term and Termination.

(a) **Initial Term.** The initial term of this Agreement shall commence on the Effective Date and, provided this Agreement is not terminated earlier as otherwise provided herein, shall continue until October 31, 2014 (the "Initial Term") and thereafter shall be extended automatically for additional two-year terms (each, an "Additional Term") unless at least one year prior to the expiration of the Initial Term or Additional Term (as applicable) either party gives notice to the other party of its intention not to extend the term, in which event the Agreement shall terminate at the end of the then current Initial Term or

Additional Term. Notwithstanding the foregoing, this Agreement shall automatically terminate upon the final dissolution, winding up and liquidation of Red Iron.

(b) **Default Termination.** If Seller (or, as applicable, one of its affiliates) is in default of any of the provisions of this Agreement and Seller shall fail to cure (or cause the cure of) such default within thirty (30) days after notice by Red Iron of such default (or such longer period of time as is reasonably necessary to allow Seller to cure (or cause the cure of) such default but, in any event, not more than seventy-five (75) days after notice by Red Iron of such default), Red Iron shall then have the right to terminate this Agreement without further notice and without penalty and the right to exercise all remedies available to Red Iron under applicable law.

(c) **Effect of Termination.** The termination of all or any part of this Agreement shall not affect the obligations of Seller or its affiliates with respect to Invoices approved or advanced against by Red Iron, or other obligations incurred by either party, prior to the effective date of such termination.

9. General.

(a) This Agreement has been duly authorized and executed by Seller and Red Iron and shall be binding upon and inure to the benefit of the successors and/or assigns of the parties hereto. Neither party may assign this Agreement without the prior written consent of the other (which consent shall not be unreasonably withheld), unless such assignment is to a successor-in-interest to the assigning party. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject to the limitations of this Section 9(a).

(b) This Agreement constitutes the entire agreement between the parties and contains all of the agreements between the parties with respect to the subject matter hereof. This Agreement supersedes any and all other agreements, either oral or written, between the parties hereto with respect to the subject matter hereof. No amendment or modification of this Agreement shall be valid unless the same shall be in writing and signed by the parties hereto. Notwithstanding the foregoing, the parties acknowledge that there may be other agreements between them from time to time covering related matters such as financing program terms, Seller sponsored rate programs or electronic invoice transmission which shall continue in full force and effect. This Agreement shall not be deemed to create, or intend, a joint venture, partnership, agency or other similar relationship between Seller and Red Iron.

(c) Notices and all other communication provided for herein shall be in writing and shall be deemed to have been given to a party at the earlier of (i) when personally delivered, (ii) 72 hours after having been deposited into the custody of the U.S. Postal Service, sent by first class certified mail, postage prepaid, (iii) one business day after deposit with a national overnight courier service, (iv) upon receipt of a confirmation of facsimile transmission or (v) upon receipt of electronic mail (with a notice contemporaneously given by another method specified in this Section 9(c)); in each case addressed as follows:

If to Red Iron:
Red Iron Acceptance, LLC
8111 Lyndale Avenue South
Bloomington, MN 55420
Attention: General Manager
Telephone: (952) 888-8801
Facsimile: (952) 887-8258
Email:

If to Seller:
The Toro Company
8111 Lyndale Avenue South
Bloomington, MN 55420
Attention: Treasurer

Telephone: 952-887-8449
Facsimile: 952-887-8920
Email: Tom.Larson@toro.com

or to such other address as either party hereto may have furnished to the other party hereto in writing in accordance herewith, expect that notices of change of address shall be effective only upon receipt.

(d) This Agreement shall be subject to and governed by the laws of the state of Illinois, without regard to conflicts of law principles.

(e) The respective acts and obligations of the parties under this Agreement shall be performed solely by said parties; provided, however, if any act or obligation hereunder is performed by any party's subsidiary, affiliate or agent, then such performance shall be deemed to be the act or obligation of Seller or Red Iron, as applicable.

(f) Seller agrees to pay all reasonable out of pocket costs and expenses, including attorneys' fees, actually incurred by Red Iron in enforcing any of the provisions of this Agreement.

(g) EACH OF SELLER AND RED IRON, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY AS TO ANY ISSUE RELATING TO THIS AGREEMENT IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY. THIS WAIVER IS A MATERIAL INDUCEMENT FOR OUR ENTERING INTO THIS AGREEMENT.

(h) Each of Seller and Red Iron hereby irrevocably submits to the non-exclusive jurisdiction of the Federal courts and the courts of the state of Minnesota sitting in Minneapolis or St. Paul, Minnesota or any state court located in Hennepin County, Minnesota, and by execution and delivery of this Agreement, each party hereto accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of such courts with respect to any litigation concerning this Agreement or the transactions contemplated hereby or any matters related thereto. Each party hereto irrevocably waives any objection (including any objection to the laying of venue or any objection on the grounds of forum non conveniens) which it may now or hereafter have to the bringing of any proceeding with respect to this Agreement to the courts set forth above. Each party hereto agrees to the personal jurisdiction of

such courts and that service of process may be made on it at the address indicated in Section 9(c) above. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(i) NO PARTY TO THIS AGREEMENT SHALL BE RESPONSIBLE OR LIABLE TO ANY OTHER PARTY TO THIS AGREEMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OF SUCH PERSON OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR PUNITIVE, EXEMPLARY OR, EXCEPT IN THE CASE OF FRAUD, BAD FAITH, WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, INDIRECT OR CONSEQUENTIAL DAMAGES THAT MAY BE ALLEGED AS A RESULT OF ANY TRANSACTION CONTEMPLATED HEREUNDER.

(j) If any portion or portions of this Agreement shall be, for any reason, invalid or unenforceable, the remaining portion or portions shall nevertheless be valid, enforceable and carried into effect, unless to do so would clearly violate the present legal and valid intention of the parties hereto.

(k) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. This Agreement may be executed by facsimile signature or electronic transmission, as directed by Red Iron.

(l) The headings in this Agreement are inserted for convenience only and are not to be considered in the interpretation or construction of the provisions hereof. Unless the context of this Agreement otherwise clearly requires, the following rules of construction shall apply to this Agreement: (i) the words “hereof,” “herein” and “hereunder” and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement; (b) the words “include” and “including” and words of similar import shall not be construed to be limiting or exclusive and (c) the word “or” shall have the meaning represented by the phrase “and/or.”

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the Effective Date.

The Toro Company		**Red Iron Acceptance, LLC**	
Seller			
By:	_____	By:	_____
Print Name:	_____	Print Name:	_____
Title:	_____	Title:	_____
Tax ID No.:	_____		
Address for Notices:		Address for Notices:	
Facsimile No.	_____	Facsimile No.	_____

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Director, Investor Relations
952) 887-8865, invest@toro.com

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Branden Happel
Manager, Public Relations
(952) 887-8930, pr@toro.com

For Immediate Release

THE TORO COMPANY AND TCF INVENTORY FINANCE FORM JOINT VENTURE TO PROVIDE CHANNEL FINANCING
Red Iron Acceptance, LLC, provides expanded financing capabilities and improves Toro's working capital position

BLOOMINGTON, Minn. (August 13, 2009) — The Toro Company (NYSE: TTC) today announced the creation of a new joint venture with TCF Inventory Finance, Inc. (TCFIF), an indirect subsidiary of TCF Financial Corporation (NYSE: TCB). Under the name Red Iron Acceptance, LLC, the new commercial finance entity will provide U.S. distributors and dealers and select Canadian distributors of the Toro and Exmark brands with a reliable, cost-effective source of floor plan and open account financing. In conjunction with the joint venture TCFIF's affiliate, TCF Commercial Finance Canada, Inc., will provide floor plan and open account financing to dealers located in Canada.

"Ready access to cost-effective financing remains at the forefront of our customers' concerns," said Mike Hoffman, chairman and CEO of The Toro Company. "This venture leverages the complementary strengths of two great companies to offer our channel partners the inventory financing they need to support their businesses. For Toro, it further enables us to free up working capital to drive future growth and innovation, and deliver increased shareholder value."

"The lawn and garden industry is a key area that we have targeted in our growth plan," said William A. Cooper, chairman and CEO of TCF Financial Corporation. "This alliance, with an industry leader like Toro, further demonstrates our commitment to the industry."

Customer support services for Red Iron Acceptance will be located at Toro's Bloomington, Minnesota, headquarters with "back office" operations housed at TCFIF's offices in Hoffman Estates, Illinois. Leadership for the new entity will be provided by Tom Evans, who will serve as general manager. Evans has extensive experience in the inventory finance business, most recently as senior relationship manager for GE Commercial Distribution Finance. Executive oversight for Red Iron Acceptance will be provided by a management committee comprised of four executives from each of The Toro Company and TCFIF.

Currently, commercial inventory financing is offered to Toro and Exmark distributors and dealers through the Toro Credit Company and a third party financing company. Later this year, Red Iron Acceptance is expected to replace the current floor plan financing provided by both parties. The new entity will service nearly 3,500 channel partners serving the golf, sports field, municipal, landscape contractor and residential markets.

About The Toro Company
The Toro Company (NYSE: TTC) is a leading worldwide provider of turf and landscape maintenance equipment, and precision irrigation systems. With sales of nearly $1.9 billion in fiscal 2008, Toro's global

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presence extends to more than 140 countries through its reputation of world-class service, innovation and turf expertise. Since 1914, the company has built a tradition of excellence around a number of strong brands to help customers care for golf courses, sports fields, public green spaces, commercial and residential properties, and agricultural fields. More information is available at www.thetorocompany.com.

About TCF Inventory Finance
TCFIF (www.tcfif.com) offers a full range of inventory financing solutions to retailers in the consumer electronics and household appliances industries and the lawn and garden industry throughout the United States and Canada. TCFIF is an indirect subsidiary of TCF Financial Corporation (NYSE: TCB) (www.tcfbank.com), a Wayzata, Minnesota-based national financial holding company with $17.5 billion in total assets. TCF has 444 banking offices in Minnesota, Illinois, Michigan, Colorado, Wisconsin, Indiana, Arizona and South Dakota, providing retail and commercial banking services. TCF also conducts commercial leasing and equipment finance business in all 50 states.

Safe Harbor
Statements made in this news release, which are forward-looking, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or implied. These uncertainties include factors that affect all businesses operating in a global market as well as matters specific to Toro. Particular risks and uncertainties that may affect the company's operating results or overall financial position at the present include: slow or negative growth rates in global and domestic economies, resulting in rising unemployment and weakened consumer confidence; the threat of further terrorist acts and war, which may result in contraction of the U.S. and worldwide economies; drug cartel-related violence, which may disrupt our production activities and maquiladora operations based in Juarez, Mexico; fluctuations in the cost and availability of raw materials, including steel, resins and other commodities; fluctuating fuel and other costs of transportation; the impact of abnormal weather patterns, natural disasters and global pandemics; the level of growth or contraction in our markets, including the golf market; government and municipal revenue, budget and spending levels, which may negatively impact our grounds maintenance equipment business in the event of reduced tax revenues and tighter government budgets; dependence on The Home Depot as a customer for the residential segment; elimination of shelf space for our products at retailers; inventory adjustments or changes in purchasing patterns by our customers; market acceptance of existing and new

products; increased competition; our ability to achieve the goals for our current three-year growth, profit and asset management initiative called “GrowLean” which is intended to improve our revenue growth, after-tax return on sales and working capital efficiency; our increased dependence on international sales and the risks attendant to international operations; credit availability and terms, interest rates and currency movements including, in particular, our exposure to foreign currency risk; our relationships with our distribution channel partners, including the financial viability of distributors and dealers; our ability to successfully achieve our plans for and integrate acquisitions and manage alliances or joint ventures; the costs and effects of changes in tax, fiscal, government and other regulatory policies, including rules relating to environmental, health and safety matters; unforeseen product quality or other problems in the development, production and usage of new and existing products; loss of or changes in executive management or key employees; ability of management to manage around unplanned events; our reliance on our intellectual property rights and the absence of infringement of the intellectual property rights of others; the occurrence of litigation or claims, including the previously disclosed pending litigation against the company and other defendants that challenges the horsepower ratings of lawnmowers, of which the company is currently unable to assess whether the litigation would have a material adverse effect on the company’s consolidated operating results or financial condition, although an adverse result might be material to operating results in a particular reporting period. In addition to the factors set forth in this paragraph, market, economic, financial, competitive, legislative, governmental, weather, production and other factors identified in Toro’s quarterly and annual reports filed with the Securities and Exchange Commission, could affect the forward-looking statements in this press release. Toro undertakes no obligation to update forward-looking statements made in this release to reflect events or circumstances after the date of this release.

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