

File No. 41901BOOK 10 PAGE 294

No. _____ Maker _____

Note Date _____

Security Agreement and Promissory Note

(All Motor Vehicles, Trailers, Boats, Consumer Goods)

April 119 66For Value Received, the undersigned Orville Elmquist and Naomi Elmquist

of the City of Hillmar, County of Maricopa, California, jointly and severally promise to pay to the order of THE FIRST NATIONAL BANK OF SAN JOSE, a National Banking Association, Bank, at its First San Jose Office in the City of San Jose, California, the sum of ONE THOUSAND NINE HUNDRED FORTY FIVE AND 95/100 - Annual Dollars (\$1,945.95), in lawful money of the United States, payable in three (03) successive monthly instalments of \$618.65 each, except the final instalment which shall be the balance then due on this note, commencing on the 1st day of November, 1966, and continuing on the same date of each month thereafter until paid, together with such other sums as are hereinafter provided for, with interest from maturity thereof at the rate of eight per cent per annum

AS SECURITY FOR the payment by Debtor to Bank of: (1) the promissory note contained herein, and renewals or extensions thereof; (2) all amounts advanced or expended by Bank under the terms hereof, or otherwise for the maintenance or preservation of the property affected hereby; (3) any and all obligations of any Debtor hereunder to Bank, whether direct, indirect or contingent, joint or several, whether or not otherwise secured, and whether now existing or hereafter incurred; DEBTOR HEREBY GRANTS BANK A SECURITY INTEREST IN THE FOLLOWING DESCRIBED PROPERTY (hereinafter called "Collateral")

YEAR	MAKE (TRADE NAME)	NO. CYLS.	EQUIPMENT: STANDARD, CUSTOM, DE LUXE, ETC.	TYPE OF BODY	MODEL	SERIAL NO.	MOTOR NO.	LICENSE NO.

(Description if other than motor vehicle:)

Installation & labor of**1 #1 1/2 Western Turbine Pump #16092****90' 10" column pipe with 2 1/2" x 1 3/8" shafting****Incl: Single stage 1 1/2" WPM Bowl Assembly, 12" W/O Strainer, U.S.G.P. 70 Gear Drive****Located on Northeast 1/4, North 1/4, Southeast 1/4, Lots 9 & 10 of Section 18****Township 20, North Range 53 East approximately 316.32 acres in meridian, Esmeralda County, Nevada**

now and hereafter to be regularly garaged or permanently located at the Debtor's address below, or if moved, Bank is to be notified in writing; together with any and all accessories, equipment, parts, appliances and appurtenances now or hereafter a part thereof, substitutions therefor, additions and repairs thereto, and the increase and increment thereof, and in case this agreement specifically describes furniture, furnishings, machinery, equipment or appliances, then, in addition, Debtor grants Bank a security interest in all of the furniture, furnishings, equipment, appliances and personal property of every kind and nature not specifically described herein, but now or hereafter owned by Debtor, or in which Debtor may have or may hereafter acquire any interest, and now or hereafter located at, upon or about, or located in or attached to the buildings on, the premises at the address set forth above, provided, however, that Bank's security interest shall not attach to consumer goods, other than accessions or replacements, in which Debtor acquires an interest 10 days subsequent to the time Bank gives value under the terms hereof.

THE DEBTOR UNDERSTANDS AND AGREES THAT THE PROVISIONS APPEARING ON THE REVERSE SIDE HEREOF CONSTITUTE A PART OF THIS INSTRUMENT AS FULLY AS IF THEY WERE PRINTED ON THE FACE HEREOF ABOVE THE DEBTOR'S SIGNATURE

**SEAL
Affixed****WESTERN PUMP COMPANY**

Herman E. Radloff Asst. Secy. - Pres.
(Address)

Orville Elmquist
(Debtor's Signature)
Naomi Elmquist
(Debtor's Signature)

TERMS and PROVISIONS

1. Debtor promises to pay Bank upon demand a delinquency charge on any instalment of principal or interest in default for a period of not less than 10 days in an amount equal to 5% of the delinquent installment and all reasonable collection costs and fees, including attorneys' fees, incurred in the enforcement hereof.
2. Debtor hereby warrants that he is the sole owner and in possession of all of the Collateral, and that the Collateral is free and clear of all liens, encumbrances and adverse claims, with the exception of the security agreement herein created. Debtor agrees at his own expense, to appear in and defend any and all actions and proceedings affecting title to the Collateral or any part thereof, or affecting the security interest of Bank therein.
3. Debtor hereby agrees: To do all acts which may be necessary to maintain, preserve and protect the Collateral and to keep the Collateral in good condition and repair; not to cause or permit any waste or unusual or unreasonable depreciation thereof or any act for which the Collateral might be confiscated; to pay before delinquency all taxes, assessments and liens now or hereafter imposed upon the Collateral; not to sell, lease, encumber or dispose of all or any part of the Collateral; at any time upon demand of Bank, to exhibit to and allow inspection by Bank of the Collateral; not to remove or permit the removal of the Collateral, other than motor vehicles, from the premises where it is now located, nor of any motor vehicle from the State of California, nor to change the address where any motor vehicle is regularly garaged, without the prior written consent of Bank; to provide, maintain and deliver to Bank policies insuring the Collateral against loss or damage by such risks and in such amounts, forms and companies as Bank requires and with loss payable solely to Bank. If Bank takes possession of the Collateral, the insurance policy or policies and any unearned or returned premium thereon shall at the option of Bank become the sole property of Bank, upon Bank crediting the amount of any unearned premium upon the obligations secured hereby, such policies being hereby assigned to Bank.
4. If Debtor fails to make any payment or do any act as herein required, then Bank, but without obligation so to do, and without notice to or demand upon Debtor, may make such payments and do such acts as Bank may deem necessary to protect its security interest in the Collateral, Bank being hereby authorized (without limiting the general nature of the authority herein conferred) to take possession of the Collateral, to pay, purchase, contest, and compromise any encumbrance, charge or lien which in the judgment of Bank appears to be prior or superior to its security interest, and in exercising any such powers and authority to pay necessary expenses, employ counsel and pay reasonable fees therefor. Debtor hereby agrees to repay immediately, and without demand, all sums so expended by Bank, with interest from date of expenditure at the rate of eight percent (8%) per annum.
5. Any officer of Bank is hereby irrevocably appointed the attorney in fact of Debtor, with full power of substitution, to sign any certificate of ownership, registration card, application therefor, affidavits or documents necessary to transfer title, to any of the Collateral, to receive and receipt for all licenses, registration cards and certificates of ownership and to do all acts necessary or incident to the powers granted to Bank herein, as fully as Debtor might. Debtor agrees to deliver to Bank all such certificates of ownership not in Bank's possession.
6. It is specifically understood and agreed by each and every person who is a Debtor hereunder or Guarantor hereof that Bank may from time to time and without notice release or otherwise deal with any person now or hereafter liable for the payment or performance of any obligation hereunder or secured hereby, and renew, extend or alter the time or terms of payment of any such obligation, and release, surrender, or substitute any property or other security for any such obligation, or accept any type of further security therefor, without in any way affecting the obligation hereunder of any Debtor or Guarantor; and consent is hereby given to delay or indulgence in enforcing payment or performance of any such obligation, and diligence, presentment, protest and demand and notice of every kind, as well as the right to require Bank to proceed against any person liable for the payment of any such obligation or to foreclose upon, dispose of, or otherwise realize upon or collect or apply any other property, real or personal, securing any such obligation, as a condition or prior to proceeding hereunder, are hereby waived.
7. Should: (1) Default be made in the payment of any obligation, or breach be made of any warranty, statement, promise, term or condition, contained herein or hereby secured; (2) Any statement or representation made for the purpose of obtaining credit hereunder prove false; or (3) Bank deem the Collateral inadequate or unsafe or in danger of misuse; then in any such event, Bank may, at its option and without demand first made and without notice to Debtor (if given, notice by ordinary mail to Debtors address shown herein being sufficient), do any one or more of the following: (a) Declare all sums secured hereby immediately due and payable; (b) Immediately take possession of the Collateral wherever it may be found, using all necessary force so to do, or require Debtor to assemble the Collateral and make it available to Bank at a place designated by Bank which is reasonably convenient to Debtor and Bank, and Debtor waives all claims for damages due to or arising from or connected with any such taking; (c) Proceed in the foreclosure of Bank's security interest and sale of the Collateral in any manner permitted by law, or provided for herein; (d) Sell, lease or otherwise dispose of the Collateral at public or private sale, with or without having the Collateral at the place of sale, and upon terms and in such manner as Bank may determine, and Bank may purchase same at any such sale; (e) Retain the Collateral in full satisfaction of the obligations secured hereby; (f) Exercise any remedies of a secured party under the Uniform Commercial Code. Prior to any such disposition, Bank may, at its option, cause any of the Collateral to be repaired or reconditioned in such manner and to such extent as to Bank may seem advisable, and any sums expended therefor by Bank shall be repaid by Debtor and secured hereby. Bank shall have the right to enforce one or more remedies hereunder successively or concurrently, and any such action shall not estop or prevent Bank from pursuing any further remedy which he may have hereunder or by law. If a sufficient sum is not realized from the disposition of Collateral to pay all obligations secured hereby, Debtor hereby promises and agrees to pay Bank any deficiency.
8. If Bank takes possession of the Collateral and it contains any property other than Collateral, Bank is authorized, at Debtor's sole option, to either (a) send such other property by ordinary mail, parcel post, freight or other means to Debtor at the address shown on the reverse, unless Debtor has notified Bank of a different address in writing, or (b) store such other property with a public warehouse for the account of Debtor and send to Debtor at such address by ordinary mail the warehouse receipt issued therefor. Such sending or storing shall be at Debtor's expense and risk and shall relieve Bank from all liability in connection with such property.
9. The right to plead the statute of limitations as a defense to any and all obligations contained herein or secured hereby is hereby waived, to the full extent permissible by law. Any Debtor who is a married woman hereby expressly agrees that recourse may be had against her separate property for any deficiency after sale of the Collateral. Time and exactitude of each of the terms, obligations, covenants and conditions are hereby declared to be the essence hereof. No waiver by Bank of any breach or default shall be deemed a waiver of any breach or default thereafter occurring and the taking of any action by Bank shall not be deemed to be an election of that action, but rather the rights and privileges and options granted to Bank under the terms of this mortgage shall be deemed cumulative, the one with the other and not alternative.

I do hereby certify that this is a full,
true and correct copy of the original.
Witness my hand and official seal this
14th day of April, 1966.

Lorene Mollet
Lorene Mollet, Notary Public

My Commission Expires Oct. 4, 1969



LORENE MOLLET
NOTARY PUBLIC
Santa Clara County, Calif.

File No. **41901**
RECORDED AT THE REQUEST OF
The First National Bank of San
April 6 A. D. 1966 Jose
at 50 minutes past 3 P. M.
in Book 10 of OFFICIAL RECORDS
Page 294-295 Records of
SUEKA COUNTY, NEVADA
Shirley A. Miller
Recorder
Fee \$4.00