STATE OF NEVADA UNIFORM COMMERCIAL CODE—FINANCING STATEMENT—FORM UCC-1 IMPORTANT—Read instructions on back before filling out form

CUSTOMLINE FINANCIAL FORMS
MFG. BYI DIAMOND NATIONAL CORPORATION
P. O. BOX 4000 - RENO, NEVADA

THE EINIANICING CTATEMENT	sourcement to the Married 11		Cada
This FINANCING STATEMENT is presented for filing point (LAST NAME FIRST)	ntangut to tue Meyada Ni		CODE
NEEDENRIEP EQUIPMENT AND SALES, INC.			
1B. MAILING ADDRESS	1C. CITY, STATE		1D. ZIP CODE
P.O. BOX 488 1E. RESIDENCE ADDRESS (IF AN INDIVIDUAL AND DIFFERENT THAN 1B)	Minden, Nevada		89433
		\ \	
2. ADDITIONAL DEBTOR (IF ANY) (LAST NAME FIRST)		ZA. SOCIAL SE	CURITY OR FEDERAL TAX NO.
28. MAILING ADDRESS	2C, CITY, STATE		2D. ZIP CODE
		\	\ === ===============================
ZE. RESIDENCE ADDRESS (IF AN INDIVIDUAL AND DIFFERENT THAN 2B)	2F. CITY, STATE		2G. ZIP CODE
3. DEBTOR (5) TRADE NAME OR STYLE (IF ANY)		3A. FEDERAL	
O. DEDICK (B) TRADE NAME OR BITLE (IF ART)		SA. FEDERAL	. TAX NO.
4. ADDRESS OF DEBTOR (S) CHIEF PLACE OF BUSINESS (IF ANY)	4A. CITY, STATE		4B. ZIP CODE
5. SECURED PARTY		TE:	
NAME CREDIT ALLIANCE CORPORATION		DA. SOCIAL SE	CURITY NO., FEDERAL TAX INK TRANSIT AND A.B.A. NO.
MAILING ADDRESS 1900 Powell Street, Suite 500]	
Emeryville STATE California	L zip cobe 946		
6. ASSIGNEE OF SECURED PARTY (IF ANY)	\ / /		GURITY NO., FEDERAL TAX
NAME MAILING ADDRESS			
CITY STATE	ZIP CODE		
attached entire Agreement and/or in any Sch connection therewith. This UCC form tegether Security Agreement and/or Schedule are be filling herewith as a financing statement. Douglas County, Nevada (Account #4-052N	with the attached sing submitted for.	A. Maximum amount of secured at any one	
8. Check X A Proceeds of B Products of collateral are C Pro	oceeds of above described ginal collateral in which security interest was perfected		s brought into this State urity interest in another
9. (Date) July 23, NEEDENRIEP EQUIPMENT AND SALES, INC.	3	This Space for Use of Date, Time, File Number	-
By: See attached for signature SIGNATURE(S) OF DEBTOR(S) Jerry Neddenriep TTPFesident CREDIT ALLIANCE CORPORATION Don Giemzik			04818
By: Norald Sterm it Assis	Stant Secretary		
11. Return Copy to			
HAME CREDIT ALLIANCE CORPORATION			58557
ADDRESS 1900 Powell Street, Suite 500			
CHY, STATE Emeryville, CA 94608		LIBER	781 PAGE 1596

CREDIT ALLIANCE CORPORATION 770 LEXINGTON AVENUE

NEW YORK, NEW YORK 10021

—SECURITY AGREEMENT— MORTGAGE ON GOODS AND CHATTELS

THIS MORTGAGE made	the 25th	day of · Ju	ne, 1981		· · · · · · · · · · · · · · · · · · ·		by and between
NEDDENRIEP Minden, Ne			INC., a	corporation,	having a p	olace of	business at;
"Mortgagor", and		CREDIT	ALLIANCE	CORPORATION			"Mortgagee".

WITNESSETH:

1,000

- 1. To secure the payment, with interest thereon, and the performance and fulfillment of any and all Mortgage Obligations (as hereinafter defined) of Mortgagor to Mortgage, which is hereby confessed and acknowledged, Mortgagor hereby grants, assigns, transfers, bargains, sells, conveys, confirms, pledges and mortgages to Mortgagee, all and singular, the goods, chattels and property described in the annexed Schedule A and all other goods, chattels, machinery, equipment, inventory, accounts, chattel paper, notes receivable, accounts receivable, accounts, chattel paper, of every kind and nature, wherever located, now or hereafter belonging to Mortgagor (all such goods, chattels, machinery, equipment, inventory, accounts, chattel paper, notes receivable, uninture, fixtures and other property being hereinafter referred to as the "Mortgaged Property"), to have and to nold the same unto Mortgage Grever. PROVIDED, however, that if Mortgagor shall fully timely and faithfully pay, perform and fulfill the Mortgage Obligations, time being of the essense hereof and of the Mortgage Obligations, then this Mortgage shall be void, but otherwise shall remain in full force and effect.
- 2. The term "Mortgage Obligations" as used herein shall mean and include any and all loans, advances, payments, extensions of credit, endorsement, guaranties, benefits and financial accommodations heretofore or hereafter made, granted or extended by Mortgagee or which Mortgagee has or will become obligated to make, grant or extend to or for the account of Mortgager, and any and all interest, commissions, obligations, liabilities, indebtedness, charges and expenses heretofore or hereafter chargeable against Mortgagor by Mortgagee or owing by Mortgage or owing by Mortgage or upon which Mortgagor may be or have become liable as endorser or guarantor, and any and all renewals or extensions of any of the foregoing, no matter how or when arising and whether under any present or future agreement or instrument between Mortgagee or otherwise, including, without limitation, any and all loans, and/or bailment agreements, and the amount due upon any notes or other obligations given to or received by Mortgagee for or on account of any of the foregoing, and the performance and fulfillment by Mortgagor of all the terms, conditions, promises, covenants, provisions and warranties contained in this Mortgage and in any note or notes secured hereby and in any present or future agreement or instrument between Mortgagor
- 3. Mortgagor covenants and agrees with and warrants to Mortgagee that the Mortgaged Property described in the annexed Schedule A is in the possession of Mortgagor at its principal place of business (which is Mortgagor's address shown above), unless a different location is specifically shown on said Schedule A for any one or more items, that all of the Mortgage Obligations are acknowledged and declared to be secured by this Mortgage and that Mortgagor will fully and faithfully pay, perform and fulfill all of the Mortgage Obligations, with late charges thereon from and after maturity, whether by acceleration or otherwise, at the rate of 1/15 of 15 of 2 per day except where such rate is in excess of the maximum permitted by applicable law, in which event the rate shall be such maximum lawful rate. Mortgagor further covenants and agrees with and warrants to Mortgagee that
- (a) Mortgagor is the lawful owner of the Mortgaged Property and has the sole right and lawful authority to make this Mortgage; the Mortgaged Property and every part thereof is free and clear of all liens and encumbrances of every kind, nature and description (except any held by Mortgagee); and Mortgagor will warrant and defend the Mortgaged Property against all claims and demands of all persons.
- (b) Mortgagor will keep the Mortgaged Property free and clear of all attachments, levies, taxes, liens and encumbrances of every kind, nature and description; Mortgagor, at its own cost and expense, will maintain and keep the Mortgaged Property in a good state of repair, will not waste nor abuse nor destroy the same or any part thereof and will not be negligent in the care and use thereof; and Mortgagor will not sell, assign, mortgage, lease, pledge or otherwise dispose of the Mortgaged Property without the prior written consent of Mortgagee. Mortgagee is hereby authorized to file one or more financing statements and/or a reproduction hereof as a financing statement.
- (c) Mortgagor will insure the Mortgaged Property in the name of Mortgagee against loss or damage by fire and extended coverage perils, theft, burglary, pilferage, and also, where requested by Mortgagee, against other hazards, with companies, in amounts and under policies acceptable to Mortgagee, the proceeds to be payable to Mortgagee, and all premiums thereon shall be paid by Mortgagor and the policies assigned and delivered to Mortgagee. Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's Attorney-in-Fact to make claim for, receive payment of and execute and endorse all documents, checks or drafts received in payment for any loss or damage under any of said insurance policies and to execute any documents or statements referred to herein.
- (d) Mortgager will not remove the Mortgaged Property from its present location without the prior written consent of Mortgagee nor change its present business locations without at least thirty days' prior written notice to Mortgagee and at all times will allow Mortgagee or its representatives free access to and right of inspection of the Mortgagee Property, which shall remain personally and not become part of any realty, and nothing shall prevent Mortgagee from removing same or so much thereof as Mortgagee, in its sole discretion may determine, from any premises to which it may be attached and/or upon which it may be located upon breach of this Mortgage; Mortgagor-agreeing to deliver to Mortgagee appropriate waivers, satisfactory to Mortgage. gagee, of owners and/or mortgagees of any such premises.
- (e) Mortgagor shall comply (so far as may be necessary to protect the Mortgaged Property and the lien of this Mortgage thereon) with all of the terms and conditions of leases covering the premises wherein the Mortgaged Property is located and with any orders, ordinances, laws or statutes of any city, state or other governmental department having jurisdiction with respect to the premises or the conduct of business thereon, and, where requested by Mortgagee, will correct any informalities or execute any written instruments and do any other acts necessary to more fully effectuate the purposes and provisions of this instrument.
- (f) Mortgagor will indemnify and save Mortgagee harmless from all loss, costs, damage, liability or expense including reasonable attorneys' fees that Mortgagee may sustain or incur to obtain or enforce payment, performance or fulfillment of any of the Mortgage Obligations or in the enforcement or foreclosure of this Mortgage or in the prosecution or defense of any action or proceeding either against Mortgagor or against Mortgage concerning any matter growing out of or connected with this Mortgage and/or any of the Mortgage Obligations and/or any of the Mortgage Property.
- (g) If Mortgagor is a corporation, the execution of this Mortgage has been duly consented to and authorized by all of the stockholders of Mortgagor and duly authorized by its Board of Directors. Mortgagor agrees to deliver to Mortgagee evidence thereof satisfactory to Mortgagee immediately upon request.
- 4. If Mortgagor shall default in the performance or fulfillment of any of the terms, conditions promises, covenants, provisions and warranties on Mortgagor's part to be performed or fulfilled under or pursuant to this Mortgage, Mortgage may, at its option, without waiving its right to enforce this Mortgage according to its terms, immediately or at any time thereafter, and without notice to or demand upon Mortgagor, perform or fulfill the same, or cause the performance or the fulfillment of the same, for the account and at the sole cost and expense of Mortgagor, and the cost and expense thereof (including reasonable attorneys fees) shall be a lien on the Mortgagor Property, added to the amount of the Mortgage Obligations, and shall be payable on demand with interest at the rate specified in Paragraph 3 hereof. This Mortgage may be assigned along with any and all Mortgage Obligations without notice to Mortgagor may have against Mortgage, whether arising hereunder or otherwise, and such assignee shall be entitled to at least the same rights as Mortgagor. Mortgagor hereby designates and appoints Stuart 8. Glover, Esq., 530. Fifth Avenue, New York, New York and C-A Credit Corp., New York, New York or either of them as Mortgagor's true and lawful Attorney-in-Fact and agent for Mortgagor and in Mortgagor is not process within the State of New York. New York or either of them as Mortgagor's attential Attorney-in-Fact and agent for Mortgagor and in Mortgagor in the same of such service having been effected and Mortgagor and Mortgage agreeing to notify Mortgagor's address, as shown herein. By certified mail within three (3) days of such service having been effected and Mortgagor and Mortgage's request Mortgagor will furnish current financial statement satisfactory to Mortgage in form, preparation and content. form, preparation and content.
- 5. If Mortgagor shall default in the promot payment, performance or fulfillment of any of the Mortgage Gbligations, or if Mortgagor shall cease doing business, or shall become insolvent, or make an assignment for the benefit of creditors, or if bankruptcy proceedings or proceedings for arrangement or reorganization under any Bankruptcy Act or proceedings for the appointment of a receiver, trustee, liquidator, or custodian for Mortgagor or any of Mortgagor's property shall be commenced by or against Mortgagor, or if Mortgagor shall fail punctually and faithfully to fulfill, posserve or perform any of the terms, conditions, promises, covenants, provisions and marranties contained in this Mortgagor in any present or future agreement or instrument between Mortgagor and Mortgagor, or if any of the warranties, covenants or representations made to Mortgage be or become untrue or incorrect in any adverse respect, or if there shall be a change in Mortgagor and Mortgages, or if any of the earranges, coverants or representations made to Mortgage be at become untrue or incorrect in any adverse respect or if there shall be a change in the management, poetations, ownership of its stock or control of Mortgages, become immediately due and payable without notice to Mortgage, inadequate or at any risk, then in any such event all Mortgage obligations shall at once, at the option of Mortgages, become immediately due and payable without notice to Mortgage, in an acceptant it shall be lawful for Mortgage to take possession of the Mortgaged Property at any time, wherever it may be, and to enter any of the premises of Mortgagor with or without process of law, and search for take possession of, remove, or keep and store the same in said premises, without liability for trespass nor charge for storage of the Mortgaged Property, until sold, and to self the Mortgaged Property or any part thereof and, all of Mortgagor's equity of redemotion therein at public or private sale, without notice or advertisement, such notice or advertisement being expressly waived by Mortgagor. For cash or on credit, and on such terms as Mortgaged may in its sole discretion elect in such country and at such piaces as Mortgage may elect and without having the Mortgage of sale; Mortgage may old or become the purchaser at any such sale and Mortgagor waives any and all rights of recembron from any such sale. The proceeds of any sale shall be applied first to pay all costs, expenses and charges for pursuing, searching, taking, removing, keeping, advertising, and selling the Mortgaged Property, including attorneys fees equal to 20% of the unpaid Mortgage Obligations, and second to the payment, partly or entirely, af any of the Mortgage and selling the Mortgaged Property, including attorneys fees equal to 20% of the unpaid Mortgagor, who shall remain liable to Mortgages for any deficiency, and Mortgagor prevents of working and selling the Mortgage Property and/or all other property of Mortgagor, and of
- 6. Mortgages may at any time, with or without exercising any of the rights or remedies aforesaid and without prior notice or demand to Mortgagor, abordoriste and apply toward, the payment of the Mortgagor Obligations any and all balances, sums, property, credits, deposits, accounts, reserves, collections, drafts, notes or checks coming into Mortgager's hands and belonging or owing to Mortgagor, and for such outcomes, encorse the name of Mortgagor or any such instrument made payable to Mortgagor for deposit, discount or collection. Such applications may be made or any monies point to Mortgage may be applicated, without notice to Mortgagor, cardly or entirely to any of the Mortgago Obligations is Mortgagee in its sole discretion may elect. In its decisions of Mortgagor to Mortgagee, presently existing or otherwise. The interest rates which may be provided for in any instrument evidencing one or more Mortgago Obligations are and/or may be related to the New York City.

banks' prime money rate in effect on the date of Mortgagor's request of Mortgage with respect to the particular Mortgage Obligation involved and if thereafter there be one or nitire increases or decreases in said prime rate, the aforesaid interest rates shall each be increased (or decreased respectively) on the effective date of any such change in prime rate to the extent of .30% for each .25% change in the prime rate; however, in no event shall any interest rate de less than any stated in the instrument evidencing any Mortgage Obligation nor shall such rate ever be more

- 7. If, after default by Mortgagor in the payment, performance or fulfillment of any of the Mortgage Obligations or of the entire unpaid amount of the Mortgage Obligations after the same become or are declared due and payable. Mortgagee fails to demand full payment, performance or fulfillment or otherwise to proceed, such failure shall not be deemed a waiver of the rights of Mortgagee to make subsequent demands for the immediate payment of the entire unpaid amount of the Mortgage Obligations, or to take immediate possession of the Mortgaged Property, or to foreclose at any time this Mortgage, or to demand full performance or fulfillment, or otherwise to proceed; and the acceptance by Mortgagee of any payments subsequent to such default shall not be deemed a waiver of any rights of Mortgagee. No delay or failure on the part of Mortgage, remedy or option and no waiver whatever shall be valid unless in writing, signed by an officer of Mortgagee and then only to the extent therein set forth. This Mortgage cannot be changed or terminated orally. The books and records of Mortgagee containing entries with respect to the Mortgage Obligations shall be admissible in evidence in any action or proceeding, shall be unding upon Mortgago for the purpose of stabilishing the items therein set forth and shall constitute prima facie growth formal constitute prima facie growth formal constitute prima facie growth formal primary faciency of the extent therein sectifically set forth, to change, modify or terminate any Mortgage Obligation, this Mortgage or any other agreement between Mortgagor and Mortgagee.
- 8. All of the rights, remedies, options, privileges and elections given to Mortgagee hereunder shall enure to the benefit of Mortgagee, any transferee or holder of this Mortgage, and their respective successors and assigns and all the terms, conditions, promises, covenants, provisions and warranties of this Mortgage shall enure to the benefit of and shall bind the representatives, successors and assigns of the respective parties. Any and all security interests granted to Mortgagee shall attach to any and all proceeds and products. Each person signing this Mortgage warrants full authority to sign for the party named and said person, individually, together with the party named, shall be jointly and severally liable for the unpaid balance of the Mortgage Obligations in the event of the breach of the above provision and/or in the event Mortgagor fails to pay its obligations in full to Mortgagee immediately upon the sale, transfer, assignment or conversion of any of the Mortgagee Property and agrees that upon the request of Mortgagee after any default to segregate and hold all or any part of the Mortgaged Property in a fliquiciary capacity and to adequately maintain service and insure said property and to protect same from use and/or abuse, all without charge to Mortgagee, such fliquiciary duty to terminate only upon the actual delivery of the Mortgaged Property to Mortgagee. Mortgager, recognizing that in the event of default no remedy at law would provide adequate relief to Mortgagee, agrees that Mortgagee shall be entitled to temporary and permanent injunctive relief without the necessity of proving actual damages.
- 9. Some of the Mortgaged Property may be in the hands of Mortgagor under one or more security agreements which are or may be held by Mortgagee and with respect to such Mortgaged Property, this Mortgage is only of any equity that Mortgagor may now or in the future have in such Mortgaged Property and Mortgage by accounting this Mortgage shall not in any manner be considered as having waived any security interest arising independently of this Mortgage nor shall this Mortgage be construed as adversely affecting any rights of Mortgage under any other security agreement nor as a waiver of any of the terms and provisions of any other security agreement, guaranty or endorsement, all of which shall remain and continue in full force and effect.
- 10. Intending that each and every provision of this Mortgage be fully effective and enforceable according to its terms, the parties agree that the validity, enforceability and effectiveness of each provision hereof shall be determined by the law of the state where the Mortgaged Property may be located or the residence or principal place of business of Mortgagor or Mortgagee, whichever renders each such provision effective; however, if any one or more provisions hereof are in conflict with any statute or law and therefore not valid or enforceable, then each such provision shall be deemed null and void but to the extent of such conflict only and windout invalidating or affecting the remaining provisions hereof.

IN WITNESS WHEREOF, Mortgagor has caused these presents to be duly executed, the day and year first above written. NEDDENRIEP EQUIPMENT AND SALES, INC. ATTEST (Title) Secretary Nevada STATE OF SS.: Douglas COUNTY OF being duly sworn, deposes and says: NEDDENRIEP EQUIPMENT AND SALES, INC. 1. He is the (hereinalter called "Mortgagor") described in and which executed the foregoing Mortgage. 2. Mortgagor is the sole owner and in possession of the goods, chattels and property mentioned and described in the foregoing Mortgage. Said goods, chattels and property are free of all liens and encumbrances of any kind, nature and description (except for any neld by the Mortgagee referred to below), and Mort 3. Mortgagor is solvent and justly indepted to CREDIT ALLIANCE CORPORATION Wortgagor has the sole right and lawful authority to mortgage the same. (hereinalter called "Mortgagee") in the nt of the aggregate sum of the Mortgage Obligations outstanding on the date hereof, and there are no claims, offsets o 4. There are no judgments against Mortgagor, and no attachment or execution is now outstanding against any of Mortgagor's property. No receiver of Mortgagor has ever been appointed optied for. There are no proceedings in bankruptcy pending affecting Mortgagor, and no assignment for the benefit of creditors has been made by Mortgagor. 5. Deponent makes this afficavit realizing that Mortgagee is being induced thereby to extend credit to and/or accept Mortgagor as a-credit risk in reliance upon the truth of the statements contained herein, and this afficavit is made to induce Mortgagee to do so. day of 19 NOTARY PUBLIC , a Notary Public duly qualified in and for said County and State, do hereby certify that on this . in (Place) day of ___ in said County, before me personally appeared (For Individual) as and to be the denical person named and described in and party to and who executed in his bwh process hame is subscribed to the within and foregoing and annexe many execution of whiting hard foregoing and annexe distribution of writing bearing date as therein indicated, and produced and delivered the same before me and who, upon being first duly sworn by me, stated that he knows the contents of said instrument and acknowledged that he signed, saided, secuted and delivered the same as and to be his free, lawful and voluntary act and deed for the uses, burboses and consideration therein mentioned and contained. (For Partnership) (For Individual) (For Carporation) e the identical derson who signed the within and foregoing instrument of writing in his own proper handwriting well known to me to be and who advinedged himself to be the who, being by meifirst duly sworn, did say that he is such officer of the storesaid corporation, named in the within, foregoing and sine red instrument of writing; and being authorized so to do, executed said foregoing instrument, that he was duly authorized to execute said instrument for and in the name of said corporation and make this acknowledgment; that he knows the contents of said instrument; that he resides at that he knows the seal of said conformation, that the seal affixed to said instrument is the conformate seal of said conformation; that said instrument was signed, taked and delivered on Denalf of said conformation by sufficiently or its Board of Directors, and said affant exhibitions that he executed said instrument as his first, the and liability and deed and the free, true, lawful and conformed and seed of said conformation, in cursuance of said authority by him in his said conducty and by said conformation viguritarily executed for the uses. Durdoses and consideration therein mentioned and contained. By signing the name of the conformation by nimited as such efficient.

:Xatanai Seal

Given under and witness my hand and official seal the day and year in this certificate first above written

tained.

NOTARY PUBLIC

SCHEDULE 'A'

This schedule is attached to and becomes part of Conditional Sales Contract, Chattel Mortgage or Lease dated **June 25**, ..., 19 81, between the undersigned.

QUANTITY	DESCRIPTION OF PROPERTY (Indicate Whether "New" or "Used")	YEAR & MODEL	SERIAL NO.	
ONE (1)	CASE Backhoe Loader	580C	8954929	
ONE (1)	CASE Loader	350	3065619	
ONE (1)	CASE Uniloader	1845	9831648	
ONE (1)	CASE Tractor Loader, w/3 point hitch and 80" Loader Bucket	480	8979521	
,			1	

This schedule is hereby verified correct and undersigned Purchaser(s), Mortgagor(s) or Lessee(s) acknowledges receipt of a copy.

Seller, Mortgagee or Lessor:	NEDDENRIEP EQUIPMENT AND SALES, INC.
Ву:	By: Any Hulan
t to a la company de la compa	JERRY MEddETRIEP
.1.28	5 855 7

LIBER 781 PAGE 1599

REQUESTED BY

Chadt alliance Corp.
IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

1981 JUL 27 RHII: 20

MARIE A. RABEL
RECORDER
RECORDER
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