

10/ **UNIFORM COMMERCIAL CODE - FINANCING STATEMENT - FORM UCC-1**

REORDER FROM
Registré, Inc.
 514 PIERCE ST.
 ANOKA, MN. 55303
 (612) 421-1713

INSTRUCTIONS:

1. PLEASE TYPE this form. Fold only along perforation for mailing.
2. Remove Secured Party and Debtor copies and send other 3 copies with interleaved carbon paper to the filing officer. Enclose filing fee.
3. If the space provided for any item(s) on the form is inadequate the item(s) should be continued on additional sheets, preferably 5" x 8" or 8" x 10". Only one copy of such additional sheets need be presented to the filing officer with a set of three copies of the financing statement. Long schedules of collateral, indentures, etc., may be on any size paper that is convenient for the secured party. Indicate the number of additional sheets attached.
4. If collateral is crops or goods which are or are to become fixtures, describe generally the real estate and give name of record owner.
5. When a copy of the security agreement is used as a financing statement, it is requested that it be accompanied by a completed but unsigned set of these forms, without extra fee.
6. At the time of original filing, filing officer should return third copy as an acknowledgment. At a later time, secured party may date and sign Termination Legend and use third copy as a Termination Statement.

This **FINANCING STATEMENT** is presented to a filing officer for filing pursuant to the Uniform Commercial Code: **3. Maturity Date (if any):**

1. Debtor(s) (Last Name First) and address(es) Douglas Auto Machine, Inc. P.O. Box 1787 1432 Industrial Way Gardnerville, Nevada 89410	2. Secured Party(ies) and address(es) ✓ Sunnen Products Company 7910 Manchester Avenue St. Louis, Missouri 63143	3. Maturity Date (if any): For Filing Officer (Date, Time, Number, and Filing Office) <div style="text-align: right; font-size: 2em; font-weight: bold;">06281</div>
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4. This financing statement covers the following types (or items) of property:

SEE ATTACHED CONDITIONAL SALE CONTRACT FOR FINANCING STATEMENT WITH ORIGINAL SIGNATURES OF DEBTOR AND SECURED PARTY.

5. Assignee(s) of Secured Party and Address(es)

This statement is filed without the debtor's signature to perfect a security interest in collateral. (check if so)

- already subject to a security interest in another jurisdiction when it was brought into this state.
- which is proceeds of the original collateral described above in which a security interest was perfected:

Check if covered: Proceeds of Collateral are also covered. Products of Collateral are also covered. No. of additional Sheets presented:

Filed with:

By: _____
 Signature(s) of Debtor(s)

By: _____
 Signature(s) of Secured Party(ies)

(1) Filing Officer Copy - Alphabetical

STANDARD FORM - FORM UCC-1.

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PRODUCTS COMPANY
7910 MANCHESTER ST. LOUIS, MO. 63143

NAME Douglas Auto Machine, Inc.
BILLING ADDRESS 70 Box 1787 Industrial Way Gardnerville Douglas NV 89410
NUMBER STREET CITY COUNTY STATE ZIP

Undersigned Buyer (if more than one, jointly and severally) having been quoted both a time and a cash price, hereby purchases and undersigned Seller hereby sells, on a time price basis and subject to the terms and conditions set forth on both sides hereof, the Equipment described below and/or in the Schedule "A" attached hereto and incorporated herein (hereinafter referred to as "Equipment").

(Describe Equipment fully, including model number, make, kind of unit, serial number)

- 1- VGS-20 Valve Guide & Seat Machine
- 1- HS60K Serial# 2486 Honing Stand
- 1- HS40K Valve Guide Reconditioning
- 1- VS 30 Valve Seat Reconditioning
- 1- VR-6500 Valve Refacer S
- 1 VR-6180 Butt Gridding Attachment
- 1 VGS-20956 Core Drill Reamer Set
- 1 VGS-20957 Valve Guide Installation Kit
- 1 VGS-20958 Non-Adjustable Seat Cutter Kit
- 1 VGS-20960 Valve Seat Installation Kit

see schedule "A"

1. Cash Price	\$ 27016.00
2. Down Payment	
Cash	\$ 2716.-
Trade-In	\$ 2716.-
3. Unpaid Cash Balance	
(1 minus 2)	\$ 24300.-
4.	\$
5.	\$
6. Principal Balance (3+4+5)	\$ 24300.-
7. Time Price Differential	
(No Insurance Charge)	\$ 12150.-
8. Time Balance (6±7)A.C.	\$ 36450.-
9. Time Sale Price (2+8)	\$

Buyer agrees to pay the Time Balance in 60 consecutive installments: the first installment due _____ (Date) and subsequent installments due the same date monthly (monthly, unless otherwise specified) thereafter. Each installment shall be in the amount of \$ 607.50 except the final installment which shall be \$ 607.50, payments to be made at the place designated by Seller or its assigns; provided however that if a different installment schedule is attached hereto, said Time Balance is to be paid in installments as per such attached schedule.

If any installment is not paid within ten (10) days after due date, Buyer agrees to pay a late charge of five cents (5¢) per dollar on and in addition to the amount of such installment, but not exceeding the lawful maximum, if any.

Title to Equipment shall remain in Seller and shall not pass to Buyer until the Time Balance and all other obligations hereunder are fully paid and performed by Buyer. All equipment shall be kept at:

1432 Industrial Way (City) Gardnerville (County) Nevada Douglas Nevada and shall remain personal property regardless of how and to what degree it may be affixed or attached to any building or structure or what may be the consequences of its being removed from such building or structure, or for what purpose the Equipment or the building or structure may be used. While title to Equipment remains in the Seller, Buyer agrees to use Equipment carefully and properly, not to remove any of it from the above premises without the Seller's written consent and not to do or permit to be done anything whereby any part of Equipment or Seller's title thereto shall be physically damaged or destroyed or legally prejudiced.

While title to Equipment remains in Seller, Buyer will maintain fire and extended coverage insurance on Equipment for its full insurable value, with loss payable to Seller or its assigns and Buyer as their interests may appear and Buyer shall, if Seller so requires, deliver to Seller policies or certificates of insurance evidencing such coverage. Each policy shall provide for ten (10) days written notice to Seller or its assigns of the cancellation or material modification thereof.

Buyer shall promptly pay all taxes, assessments, license fees and other charges when levied or assessed against Equipment or the ownership or use thereof, or this contract or any accompanying note.

This conditional sale contract constitutes the entire contract between Buyer and Seller in respect of the delivery and sale of Equipment. NO VARIATION OR MODIFICATION OF THIS CONTRACT AND NO WAIVER OF ANY OF ITS PROVISIONS OR CONDITIONS SHALL BE VALID UNLESS IN WRITING AND SIGNED BY DULY AUTHORIZED OWNERS, PRINCIPALS OR OFFICERS OF SELLER AND BUYER.

This contract is not binding on Seller until executed by an authorized representative of Seller.

- NOTICE TO THE BUYER: 1. Do not sign this contract before you read it or if it contains any blank spaces.
2. You are entitled to an exact copy of the contract you sign. 3. Under the law you have the right to pay off in advance the full amount due and to obtain a partial refund of the time charge.

ALL TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS AGREEMENT ARE A PART HEREOF AND ARE BINDING UPON THE PARTIES HERETO. Receipt of an executed copy of this CONDITIONAL SALE CONTRACT is hereby acknowledged.

(Signed) SUNNEN PRODUCTS COMPANY (I.S.)
(Signature of Seller if individual, typed name of Seller if other than individual)

By Jean Guse, Credit Manager (I.S.)
(Signature & Title if Seller is not individual)

Seller's Address 7910 MANCHESTER AVE. ST. LOUIS, MO., 63143

Douglas Auto Machine, Inc. (I.S.)
(Signature of Buyer if individual, typed name of Buyer if other than individual)

By Lawrence H. Ironstad (I.S.)
(Signature & Title if Buyer is not individual)

By Poger K. Kingsland (I.S.)
(Signature & Title if Buyer is not individual)

(Signature of Co-buyer)

PLEASE USE INK ORIGINAL SIGNATURES REQUIRED ON ALL COPIES

Date Executed by Seller January 20 19 86

(Witness)

Date Executed by Buyer _____ 19 _____

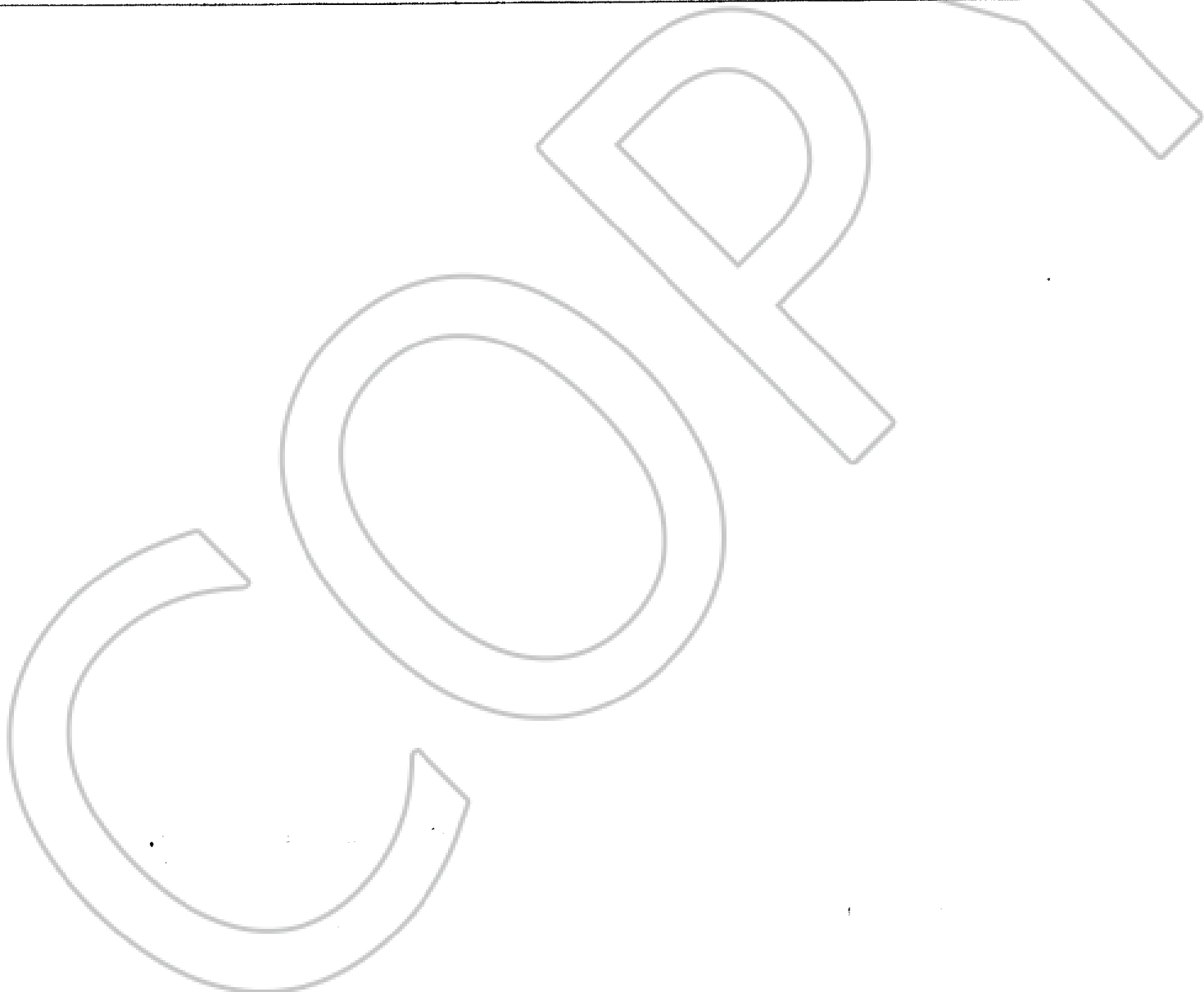
ADDITIONAL TERMS AND CONDITIONS

If Buyer shall default in payment of any of its installments due under this agreement, or if Buyer becomes insolvent, ceases to do business as a going concern, makes an assignment for the benefit of creditors, or if a petition for a receiver or in bankruptcy is filed by or against Buyer, or Buyer breach any of the terms or conditions of this agreement, the entire unpaid balance shall at once become due and payable, at the election of the Seller, with interest thereon at the rate of 1/30th of 1% per day from date of default until paid, but not exceeding the lawful maximum if any, and Seller may, without notice or demand, by process of law or otherwise take possession of all or any part of Equipment, and retain all monies theretofore paid, as compensation for the reasonable use of Equipment. Seller may thereupon sell Equipment at public or private sale at which Seller may be a purchaser and with or without having Equipment at the sale and Seller shall apply the proceeds after deducting expenses and liens to the payment of said indebtedness, and pay the surplus, if any, to Buyer. In case of a deficiency Buyer will pay the same at once. All rights and remedies herein contained are cumulative and not alternative. Buyer agrees that if after default this contract is placed in the hands of an attorney for collection of the balance due or enforcement of any other Seller's remedy, to pay as attorney's fees twenty per cent of the then unpaid balance, or if prohibited by law, such lesser sum as may not be so prohibited.

Time is of the essence hereof. This agreement may be assigned without notice to Buyer and when so assigned, shall be free from any defense, counterclaim or cross complaint. Waiver of any default shall not be a waiver of any other default.

Any note given in connection with this proposal or contract is understood to be as evidence of, and not in payment of, the obligation hereunder, and may be negotiated without waiving any condition hereof, even though at the time of execution it may be temporarily attached hereto.

For the sole purpose of resolving any problem of conflict of laws with respect to filing or recording hereof, it is declared and agreed that this contract shall be deemed to be completed and effective when the Equipment is delivered at the address above specified and that questions of filing or recording shall be determined by the law of such place.



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OPTIONAL FORM NO. 10

SCHEDULE 'A'

This schedule is to be attached to and become part of Conditional Sale Contract dated

_____, 19_____, between the undersigned.

QUANTITY	DESCRIPTION OF EQUIPMENT	QUANTITY	DESCRIPTION OF EQUIPMENT
2	MB-30-5 Honing Oil	1	VS-1875-30-D3 Diamond Wheel
		1	VS-1875-60-D3 Diamond Wheel
3	VG-315D5 Diamond Sizing Tool	1	VS-2000-30-D3 Diamond Wheel
		1	VS-2000-60-D3 Diamond Wheel
2	VG-344D5 Diamond Sizing Tool	1	VS-2125-30-D3 Diamond Wheel
		1	VS-2125-60-D3 Diamond Wheel
2	VG-374D5 Diamond Sizing Tool	1	VS-2250-30-D3 Diamond Wheel
		1	VS-2250-60-D3 Diamond Wheel
2	KT-312 Knurling Tool	1	VS-1250-45-D3 Diamond Wheel
		1	VS-1375-45-D3 Diamond Wheel
2	KT-315 Knurling Tool	1	VS-1375-45-D3 Diamond Wheel
		1	VS-1500-45-D3 Diamond Wheel
4	KT-344 Knurling Tool	1	VS-1500-45-D3 Diamond Wheel
		1	VS-1625-45-D8 Diamond Wheel
4	KT-375 Knurling Tool	1	VS-1625-45-D3 Diamond Wheel
		1	VS-1750-45-D8 Diamond Wheel
2	KT-438 Knurling Tool	1	VS-1750-45-D3 Diamond Wheel
		1	VS-1875-45-D8 Diamond Wheel
1	P-438 Probe	1	VS-1625-45-D3 Diamond Wheel
		1	VS-2000-45-D8 Diamond Wheel
4	VS-50 Wheel Holder	1	VS-1750-45-D3 Diamond Wheel
		1	VS-2125-45-D8 Diamond Wheel
1	BS-600 Storage Unit	1	VS-1875-45-D3 Diamond Wheel
1	VS-312 Pilot	1	CK-50-55 Honing Oil
		1	VS-2000-45-D3 Diamond Wheel
4	VS-314 Pilot	1	VS-2125-45-D3 Diamond Wheel
		1	VS-2250-45-D3 Diamond Wheel
1	VS-416 Pilot	1	VS-1250-60-D3 Diamond Wheel
		1	VS-1375-60-D3 Diamond Wheel
1	VS-1250-30-D3 Diamond Wheel	1	VS-1500-60-D3 Diamond Wheel
1	VS-1375-30-D3 Diamond Wheel	1	VS-1625-60-D3 Diamond Wheel
1	VS-1500-30-D3 Diamond Wheel	1	VS-1750-60-D3 Diamond Wheel
1	VS-1625-30-D3 Diamond Wheel		
1	VS-1750-30-D3 Diamond Wheel		

This schedule is hereby verified correct and undersigned Buyer acknowledges receipt of copy.

Seller _____

Buyer DOMINIAN AUTO MACHINES, INC.

UNION PROTECT COMPANY (L.S.)

(Signature if individual, typed name if other than individual) (L.S.)

By Jean Seva Credit Manager (L.S.)
(Signature & title if not individual)

By _____ (L.S.)
(Signature & title if not individual)

REQUESTED BY
Summer Products Co.
IN OFFICIAL RECORDS OF
DOUGLAS COUNTY, NEVADA

'86 JAN 30 A10:35

SUZANNE MAUDREAU
RECORDER
\$ 10.00 PAID 24 DEPUTY

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