

WHEN RECORDED MAIL TO:
CHARLES O. KLASON
MILDRED I. KLASON
3580 LA TINERRA TERRACE
RENO, NV 89502

P73491JC

SECURITY AGREEMENT

This Agreement, made and entered into this 10 day of October, 1996,
at Minden, Nevada by and between
JOHN VINCENT NIGRA, A MARRIED MAN, AS HIS SOLE AND SEPARATE PROPERTY, hereinafter
referred to as "Debtor," and
CHARLES O. KLASON AND MILDRED I. KLASON, HUSBAND AND WIFE AS JOINT TENANTS WITH *, hereinafter
referred to as "Secured Party." *RIGHTS OF SURVIVORSHIP

WITNESSETH

1. **CREATION OF SECURITY INTEREST.** Debtor hereby grants to Secured party a security interest in the collateral described herein pursuant to the Uniform Commercial Code-Secured Transactions.
2. **OBLIGATIONS SECURED.** The obligations secured by this security interest are briefly described as follows:
 - a. A Promissory Note of even date herewith in the face amount of \$ 17,144.44, wherein Debtor is the maker and Secured Party is Payee; and
 - b. The expenses and costs incurred or paid by Secured Party in the preservation, enforcement and realization of the rights of Secured Party and the duties of Debtor pursuant to said obligations and under this Security Agreement including, without limitation, attorneys' fees, court costs, litigation expenses, foreclosure expenses, witness fees and expert witness fees; and
 - c. The Expenses and costs incurred or paid by Secured Party to preserve, maintain and rehabilitate the collateral; and
 - d. The expenses and costs incurred or paid by Secured Party in performing the duties of Debtor pursuant to said obligations and under this Security Agreement for the account of Debtor.
3. **DESCRIPTION OF COLLATERAL.**
66' X 14' 1972 Champoin Mobile Home ID # 1434
4. **PURCHASE MONEY.** Debtor acknowledges that the proceeds of said obligations secured hereby will be used to enable Debtor to acquire rights in, or the use of, said collateral.
5. **CLASSIFICATION OF COLLATERAL.** Debtor acknowledges that, at the time said security interest attaches, the collateral is consumer goods.
6. **TAXES, ASSESSMENTS AND LIENS.** Debtor agrees to pay, prior to delinquency, all taxes, charges, encumbrances, liens and assessments against the collateral and, upon the failure of Debtor to do so, Secured Party may, at their option, pay any of the same and shall be the sole judge of the legality or validity thereof and the amount necessary to discharge the same. Debtor shall reimburse Secured Party on Demand for any amounts paid by Secured Party pursuant to this paragraph 6, together

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with interest thereon at the rate of THIRTEEN (13) % per annum from the date of payment until the date of reimbursement.

7. **DEFINITION OF DEFAULT.** The occurrence of any of the following shall be a default under this Agreement by Debtor:
- a. failure of Debtor to pay when due any obligation secured hereby.
 - b. breach by Debtor of any of the covenants or terms of the deed of trust of even date hereof which also serves the obligation secured hereby.
 - c. breach by Debtor of any warranty, covenant or representation contained herein.
 - d. filing of a petition by or against Debtor under any state or federal law relating to the relief of Debtor.
8. **ACCELERATION.** Upon the occurrence of default, Secured Party may, at their option, declare immediately due and payable all obligations of Debtor to Secured Party, and the same shall thereupon become immediately due and payable without notice to, or demand on Debtor.
9. **REMEDIES.** The rights, powers and remedies given to Secured Party by this Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any statute or rule of law. Any forbearance or failure or delay by Secured Party in exercising any right, power, or remedy hereunder shall not be deemed to be a waiver of any other right, power or remedy, nor as a continuing waiver.
10. **LIABILITY.** In all cases where this Agreement is executed by more than one person as Debtor or Secured Party, all references to Debtor or Secured Party, as the case may be, shall be construed to include the plural, and the obligations of Debtor and rights of Secured Party are joint and several.
11. **POWERS OF ATTORNEY.** Debtor appoints Secured Party the attorney in fact of Debtor to prepare, sign, file and record this Agreement, one or more financing statements, applications for registration or certificate of ownership of title, and like papers, and to take any other action deemed necessary, useful or desirable by Secured Party to perfect and preserve Secured Party's security interest hereunder.
12. **INSURANCE.** The collateral will be insured by Debtor against all risks commonly insured by owners of like collateral and those which Secured Party may designate, with policies acceptable to Secured Party and with both Debtor and Secured Party as named insureds thereunder as their interests may appear. Debtor agrees to pay, when due, all premiums on said policies of insurance. If Debtor should fail to procure and maintain said insurance policies, Security Party may, at their option, procure and maintain them. Debtor shall reimburse Secured Party for any sums and advanced by Secured Party hereunder, on demand, together with interest thereon at THIRTEEN (13) % per annum from the date paid until the date of reimbursement.
13. **LOCATION OF COLLATERAL.** Debtor warrants and acknowledges that the collateral will not be removed from its present location of
3930 Walker View Road, Wellington, Nevada 89444
without the prior written consent of Secured Party.
14. **TRANSFER OF COLLATERAL.** Debtor will not sell or transfer nor suffer any sale or transfer of the collateral, nor any part thereof, nor any interest of Debtor herein, without the prior written consent of Secured Party. Secured Party shall not unreasonably withhold such written consent.

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REQUESTED BY
WESTERN TITLE COMPANY, INC.

**IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA**

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LINDA SLATER
RECORDER

\$24.00
PAID *k2* DEPUTY