SECURITY AGREEMENT
(GOODS - CROPS - LIVESTOCK)

THIS AGREEMENT, made and entered into this 9th day of August, 19 74, between E.R. Roberts, M.D.,

hereinafter called Debtor, and BANK OF STOCKTON, A California Corporation, hereinafter called Secured Party,

WITNESSETH:

WHEREAS, Debtor has requested Secured Party to lend to Debtor such sums as may be from time to time mutually agreed upon, upon the security of certain collateral described below; and

WHEREAS, Secured Party is willing to lend such sums upon the terms and conditions described below;

NOW, THEREFORE, it is hereby agreed as follows:

1. Pursuant to the provisions of the California Uniform Commercial Code, Debtor hereby grants to Secured Party, and Secured Party hereby accepts a security interest in the following described collateral:

Used (1966), fully coiled, special purpose (Liquid Propane Gas Carriage) 33,500 gallon tankcar produced by Union Tank Car Company. It is equipped with 100-ton roller bearing trucks and has both top and bottom valves for loading and discharging of Liquid Propane Gas. Model MDOT 122A340W. Current stencilled number UPCX 81815. New stencilled number CHRX 1015.

7603

together with all increases and replacements thereof, all accessions thereto, and all other personal property of the same type which Debtor now owns or holds or may hereafter acquire, located on the premises described below, or if the collateral be farm products then when and wherever acquired, whether or not the same is specifically enumerated herein, and further, Debtor hereby grants to Secured Party a security interest in the proceeds and products thereof. Said collateral is located on or at:

6209 Cumberland Place, Stockton, California 95207
AND
610-8 Avenue S.W.
Calgary, Alberta, Canada T2P1G5

2. This agreement secures the payment, in lawful money of the United States of America to said Secured Party, at its address set forth below, of the following: (a) a promissory note dated August 9, 1974 executed by Debtor payable to Secured Party, in the amount of $ 22,554.32, with interest as provided therein; and (b) all further advances which may be made by Secured Party to Debtor including, but not limited to all advances and expenditures made by Secured Party for the protection, maintenance, preservation or repair of the collateral; and (c) all liabilities of any kind, whether primary, secondary, direct or contingent, which are now due or which may hereafter become due from Debtor to Secured Party; and (d) performance by Debtor of the agreements hereinafter set forth; provided, however, that the maximum amount secured hereby outstanding at any one time, without regard to advances already repaid or discharged, shall not be in excess of $ 45,108.64.

3. Debtor warrants that (a) Debtor is the owner of the collateral clear of all liens and security interests except the security interest granted herein and (b) Debtor has the right to make this Agreement.

4. Debtor will:

(a) Pay the Secured Party all amounts payable on the note mentioned above and on all other obligations of Debtor held by Secured Party as and when the same shall be due and payable, whether at maturity, by acceleration or otherwise, and will perform all obligations for which this Security Agreement has been given as security.

(b) Defend the collateral against the claims and demands of all persons.

(c) Insure the collateral against all hazards requested by Secured Party in form and amount satisfactory to Secured Party.

(d) Keep the collateral in condition satisfactory to Secured Party; attend to and care for the collateral; maintain the present buildings and improvements, if any, on said real property in good condition and repair; give Secured Party prompt notice of any damage to the collateral or to the said real property; permit Secured Party to enter upon the said real property at reasonable times for the purpose of examining the collateral, the real property, the buildings and improvements.

(e) Immediately pay Secured Party as part of the debt hereby secured all amounts including attorneys' fees with interest thereon paid or advanced by Secured Party (i) for taxes, levies, insurance, repairs to or maintenance of the collateral and (ii) in taking possession of, disposing of, or preserving the collateral after any default hereinafter described.

(f) Immediately inform Secured Party in writing of any change in the residence of Debtor.

(g) If the collateral is crops or livestock, protect, produce, develop and grow said collateral in accordance with the standards of good husbandry.

5. Without the prior consent in writing of the Secured Party, Debtor will not:

(a) Permit any of the collateral to be removed from the above described real property upon which it is located.

(b) Permit any liens or security interests (other than Secured Party's security interest) to attach to any of the collateral or to be levied upon under any legal process, or dispose of the collateral, or permit anything to be done that may impair the value of the collateral, or of the security interest created hereby.

6. If Debtor fails to obtain insurance as required herein, Secured Party shall have the right to obtain it at Debtor's expense and Debtor assigns to Secured Party all rights to receive proceeds of insurance, not exceeding the liabilities of Debtor to Secured Party hereunder; Debtor directs any insurer to pay all proceeds directly to Secured Party and authorizes Secured Party to endorse any draft or check for the proceeds. If Debtor fails to make any payments necessary to preserve and protect the collateral, the Secured Party may make such payments. Any payments made by the Secured Party under the provisions of this Section 6 shall be secured by this Security Agreement and shall be immediately due and payable by Debtor to Secured Party.

7. Debtor hereby nominates and appoints Secured Party as attorney-in-fact to do all acts and things which Secured Party may deem necessary or advisable to perfect and continue perfected the security interest created by this Security Agreement and to preserve, process, develop, maintain and protect the collateral. In order to protect, preserve and develop the collateral, Debtor authorizes Secured Party to enter upon the premises where said collateral is located and to use for such purposes any equipment and facilities of Debtor. Debtor authorizes Secured Party to collect and receive proceeds and products of the said collateral, and this Agreement shall be deemed an assignment thereof to Secured Party.

8. Failure by the Debtor in the performance of any covenant or agreement herein or in the discharge of any liability to Secured Party, or the giving of any warranty that should prove untrue, or the commencement of any proceedings under the bankruptcy or similar laws by or against Debtor, shall constitute an event of default under this Agreement. Upon the occurrence of any such default Secured Party, at its option may accelerate the maturity of any obligation or obligations of Debtor to Secured Party regardless of the terms of any promissory note or other instrument evidencing the same. Upon the occurrence of any such event of default Secured Party shall also have all of the rights and remedies of a secured party under the California Uniform Commercial Code or other applicable law and all rights provided herein, or in any other applicable security or loan agreement, all of which rights and remedies shall, to the full extent permitted by law, be cumulative. Without limiting the generality of the foregoing, upon the occurrence of any such event of default the Secured Party is entitled to take possession of the collateral or any part thereof, and to take such other measures as Secured Party may deem necessary for the protection of the collateral. Secured Party may, after any such event of default, require Debtor to assemble the collateral and to make it available to Secured Party at a place designated by Secured Party which is reasonably convenient to Secured Party and Debtor. Any notice of sale, disposition or other intended action by Secured Party sent to Debtor at least five days prior to such action shall constitute reasonable notice to Debtor. The waiver of any default hereunder shall not be a waiver of any subsequent default.

9. Any notices or communications provided for to be given in this Agreement shall be sent by either party to the address set opposite the name of the party signing below, or to such other address as may be substituted in writing by either party from time to time.

10. All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns; all obligations of Debtor shall bind its heirs, executors, administrators, successors and assigns. If there be more than one Debtor their obligations hereunder shall be joint and several. Debtor will execute any additional agreements, assignments or documents that may be deemed necessary or advisable by Secured Party to effectuate the purposes of this Agreement.

PURCHASE MONEY SECURITY INTEREST:

ERR if indicated by undersigned's initials, Bank is giving value to enable the undersigned to acquire rights in, or use of, collateral.

IN WITNESS WHEREOF Debtor and Secured Party have caused this Agreement to be executed this 9th day of August, 19 74

E R Roberts, MD (DEBTOR) E.R. Roberts, M.D.	6209 Cumberland Place Stockton,Ca.95207 (ADDRESS)
(DEBTOR)	(ADDRESS)
(DEBTOR)	(ADDRESS)
(DEBTOR)	(ADDRESS)

BANK OF STOCKTON (SECURED PARTY)

By Douglas M. Eichhorn

Miner Avenue Branch

P.O. Box 1110 Stockton,Calif. 95201 (ADDRESS)

N 2009

GERRY BALDWIN
Notary Public - Calif.
San Joaquin County
My Commission Expires Oct. 17, 1974

STATE OF CALIFORNIA,

County of San Joaquin } *ss.*

On this 9th *day of* August *in the year one thousand nine hundred and* Seventy Four *before me,* GERRY BALDWIN, *a Notary Public, State of California, duly commissioned and sworn, personally appeared* E. R. ROBERTS, M.D.

known to me to be the person *whose name* is *subscribed to the within instrument and acknowledged to me that* *he* *executed the same.*

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the *County of* San Joaquin *the day and year in this certificate first above written.*

Gerry Baldwin

Notary Public, State of California.

Acknowledgment—General.

My Commission Expires October 17, 1974