

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)		Trust Acct. #
Andrew J. Glendon		
B. SEND ACKNOWLEDGMENT TO: (Name and Address)		
Oliver J. Pancheri, Esq. SANTORO, DRIGGS, WALCH, KEARNEY, JOHNSON & THOMPSON 400 South Fourth Street, Third Floor Las Vegas, Nevada 89101		

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only ONE debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME				
OR				
1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
GARZA		RUBIN		
1c. MAILING ADDRESS				
Hwy 93, P.O. Box 401		CITY	STATE	POSTAL CODE
		Alamo	NV	89001
1d. TAX ID# (SSN OR EIN)		1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID # if any
				<input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only ONE debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
GARZA		SILVINA		
2c. MAILING ADDRESS				
Hwy 93, P.O. Box 401		CITY	STATE	POSTAL CODE
		Alamo	NV	89001
2d. TAX ID # (SSN OR EIN)		2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID # if any
				<input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE or ASSIGNOR (SP) - insert only ONE secured party name (3a or 3b)

3a. ORGANIZATION'S NAME				
Petroleum Systems & Maintenance, Inc.				
OR				
3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS				
1023 George Avenue		CITY	STATE	POSTAL CODE
		Las Vegas	NV	89030

4. This FINANCING STATEMENT covers the following collateral:

The pipes, gas tanks and other equipment located on the property identified as APN 8-031-7, Lincoln County, Nevada, as such equipment and property are more thoroughly identified in the Security Agreement attached hereto as Exhibit A which is herein incorporated by this reference.

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) All Debtors Debtor 1 Debtor 2 (ADDITIONAL FEE)

8. OPTIONAL FILER REFERENCE DATA

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

10. ORGANIZATION'S NAME		
OR		
10. INDIVIDUAL'S LAST NAME GARZA	FIRST NAME RUBIN	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME			
OR			
11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
11c. MAILING ADDRESS		CITY	STATE POSTAL CODE COUNTRY
11d. TAX ID#: SSN OR EIN	ADDITIONAL INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION
			11g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME			
OR			
12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
12c. MAILING ADDRESS		CITY	STATE POSTAL CODE COUNTRY

13. This FINANCING STATEMENT covers timber to be cut or is-associated collateral, or is filed as a fixture filing.

14. Description of real estate:

Del Pueblo, Hwy 93
Alamo, Lincoln County, Nevada,
Range 61 E, Township 75, Sec. 5, 2A (APN 8-031-7)

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest)

16. Additional collateral description:

17. Check only if applicable and check only one box
Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box.
 Debtor is a TRANSMITTING UTILITY
 Filed in connection with a Manufactured-House Transaction - effective 30 years
 Filed in connection with a Public-Finance Transaction - effective 30 years

EXHIBIT**SECURITY AGREEMENT**

19 THIS SECURITY AGREEMENT (this "Security Agreement") is made and entered into this day of July, 2002, by Rubin Garza ("Pledgor") in favor of Petroleum Systems and Maintenance, Inc., a Nevada corporation ("Secured Party").

RECITALS

A. Secured Party provided certain work, labor, and materials with regard to the construction and improvement of certain property owned by Pledgor commonly known as Del Pueblo, Hwy 93, Alamo, Lincoln County, Nevada, Range 61E, Township 7 S, Sec. 5, 2 A (APN 8-031-7) (the "Property").

B. Secured Party is owed money by Pledgor for the work, labor and materials performed by Secured Party on the Property. In order to cause payment of such monies, Secured Party filed a Complaint against Pledgor in the District Court, Clark County, Nevada, to foreclose the lien on the Property recorded on October 4, 2001 ("Litigation").

C. Pursuant to the terms of a Stipulation and Order of Judgment of even date herewith ("Stipulation and Order") with respect to settlement of the Litigation, Pledgor agreed to pay Secured Party the sum of Twenty-Two Thousand Dollars (\$22,000) (the "Settlement Amount") in accordance with the terms set forth in the Stipulation and Order.

D. As a condition to Secured Party's entering into the Stipulation and Order, and in order to give Secured Party collateral for the Settlement Amount and for Pledgor's other obligations under the Stipulation and Order, Pledgor agreed to grant Secured Party a security interest in the equipment on the Property identified on Exhibit A attached hereto and incorporated herein (such equipment is herein referred to collectively as the "Equipment").

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by Borrower, it is agreed as follows:

1. **Grant of Security Interest.** As security for the payment of the Settlement Amount and performance under the Stipulation and Order and all other liabilities, obligations and indebtedness of Pledgor to Secured Party due or to become due, direct or indirect, absolute or contingent, joint or several, now or hereafter at any time created, arising or evidenced under or pursuant to the Stipulation and Order or this Security Agreement or any other document or instrument evidencing or securing the Settlement Amount (hereinafter collectively referred to as the "Obligations"), Pledgor does hereby grant to Secured Party a continuing security interest in all of Pledgor's right, title and interest in and to the following (hereinafter collectively referred to as the "Collateral"), whether now owned or hereafter acquired or arising, which shall attach without further act on the part of Secured Party or Pledgor.

(a) The Equipment;

(b) All policies or certificates of insurance covering any of the foregoing property, and all awards, loss payments, proceeds and premium refunds that may become payable with respect to such policies; and

(c) all proceeds of any of the foregoing property, whether due or to become due from any sale, exchange or other disposition thereof, whether cash or non-cash in nature, and whether represented by checks, drafts, notes or other instruments for the payment of money, including, without limitation, all property, whether cash or non-cash in nature, derived from tort, contractual or other claims arising in connection with any of the foregoing property.

2. Representations and Warranties of Pledgor. Pledgor hereby represents and warrants that:

(a) Pledgor has the full legal right, power and authority to execute and deliver the Stipulation and Order, to enter into this Security Agreement and to consummate all the transactions contemplated by this Security Agreement, and the execution, delivery and performance of the Stipulation and Order and this Security Agreement by Pledgor will not: (i) require any consent or approval of any entity which has not been obtained; or (ii) violate any provision of any indenture, contract, agreement or instrument to which it is a party or by which it is bound. -

(b) Borrower has good and marketable title to all of the Collateral and none of the Collateral is subject to any lien or security interest except for the security interest created by this Security Agreement. Borrower has not made any prior sale or assignment of any item of Collateral, and has not granted, and will not grant or permit to exist, any lien or security interests in all or a portion of the Collateral. Borrower shall defend the Collateral against all claims and demands of all and any other persons at any time claiming any interest therein adverse to Secured Party.

(c) To Pledgor's knowledge, there is no proceeding pending or threatened against Pledgor or the Collateral which may materially affect the value of the Collateral or payments due or that become due under the Stipulation and Order. Pledgor agrees to provide Secured Party with written notice of any circumstances of which Pledgor has actual knowledge which could materially impair the value of the Collateral or Pledgor's payment obligations under the Stipulation and Order. Said notice shall be furnished within three (3) days of Pledgor becoming aware of any such event.

3. Covenants of Pledgor.

(a) Pledgor: (i) shall keep, preserve and maintain the Collateral in good condition and repair and shall not use the Collateral in material violation of any provision of the Stipulation and Order, this Security Agreement or any applicable statute, ordinance or regulation or any policy of insurance insuring the Collateral; (ii) shall not consent to the removal of any of the Equipment from the Property; and (iii) shall not sell, transfer or assign, or offer to sell, transfer or assign, or grant a security interest in, all or any part of the Collateral or permit all or any part of the Collateral

to be sold, transferred or assigned.

(b) Pledgor shall provide and maintain insurance insuring the Collateral with coverage and in form and amount reasonably approved by Secured Party.

(c) Pledgor shall pay when due all taxes, assessments and other charges which may be levied or assessed against the Collateral, except any taxes as to which Pledgor shall in good faith contest.

4. Use of Collateral by Pledgor. Until the occurrence of an Event of Default (as hereinafter defined), Pledgor may use the Collateral in any lawful manner.

5. Events of Default: Remedies.

5.1 The occurrence of any of the following events or conditions shall constitute and is hereby defined to be an "Event of Default":

(a) Any failure to pay any principal or interest or any other part of the Obligations when the same shall become due and payable and such failure continues unremedied for a period of sixty (60) days after notice thereof to Pledgor;

(b) Any failure or neglect to perform or observe any of the terms, provisions, or covenants of this Security Agreement, the Stipulation and Order, or any other document or instrument executed or delivered in connection with the Obligations and such failure or neglect continues unremedied for a period of sixty (60) days after notice thereof to Pledgor or such greater period as is reasonably necessary to remedy such failure or neglect provided Pledgor has taken measures to remedy such failure or neglect within such sixty (60) days after notice and is diligently pursuing such remedy;

(c) Any representation or warranty made by Pledgor herein or in any document, instrument or certificate given in connection with this Security Agreement or the Stipulation and Order shall be false when made; or

(d) Pledgor shall fail to pay its debts as they become due, shall make an assignment for the benefit of its creditors, shall admit in writing its inability to pay its debts as they become due, shall file a petition under any chapter of Title 11 of the Bankruptcy Reform Act of 1978, as amended, 11 U.S.C. Section 101 Et. Seq. (the "Federal Bankruptcy Code") or any similar law, state or federal, now or hereafter existing, shall become "insolvent" as that term is generally defined under the Federal Bankruptcy Code, shall in any involuntary bankruptcy case commenced against it file an answer admitting insolvency or inability to pay its debts as they become due, or shall fail to obtain a dismissal of such case within thirty (30) days after its commencement or convert the case from one chapter of the Federal Bankruptcy Code to another chapter, or be the subject of an order for relief in such bankruptcy case, or be adjudged a bankrupt or insolvent, or shall have a custodian, trustee or receiver appointed for, or have any court take jurisdiction of its property, or any

part thereof, in any proceeding for the purpose of reorganization, arrangement, dissolution or liquidation, and such custodian, trustee or receiver shall not be discharged, or such jurisdiction shall not be relinquished, vacated or stayed within thirty (30) days of the appointment.

5.2 Upon the occurrence of any Event of Default and at any time thereafter while such Event of Default is continuing, Secured Party shall have the following rights and remedies and may do one or more of the following:

(a) Declare all or any part of the Obligations to be immediately due and payable, and the same, with all costs and charges, shall be collectible thereupon by action at law;

(b) With reasonable notice to Pledgor and without legal process, take possession of the Collateral wherever found and, for this purpose, with reasonable notice to Pledgor, enter upon the Property;

(c) Pursue any legal or equitable remedy available to collect the Obligations, to enforce its title in and right to possession of the Collateral and to enforce any and all other rights or remedies available to it including, without limitation, such remedies provided in the Stipulation and Order; and

(d) Upon obtaining possession of the Collateral or any part thereof, after notice to Pledgor, sell such Collateral at public or private sale either with or without having such Collateral at the place of sale. The proceeds of such sale, after deducting therefrom all reasonable expenses of Secured Party in taking, storing, repairing and selling the Collateral (including reasonable attorneys' fees), shall be applied to the payment of the Obligations, and any surplus thereafter remaining shall be paid to Pledgor or any other person that may be legally entitled thereto.

5.3 Secured Party, so far as may be lawful, may purchase all or any part of the Collateral offered at any public or private sale made in the enforcement of Secured Party's rights and remedies hereunder.

5.4 Any demand or notice of sale, disposition or other intended action hereunder or in connection herewith, whether required by the Uniform Commercial Code or otherwise, shall be deemed to be commercially reasonable and effective if such demand or notice is given to Pledgor at least ten (10) days prior to such sale, disposition or other intended action, in the manner provided herein for the giving of notices.

5.5 Pledgor shall pay all costs and expenses incurred by Secured Party in enforcing payment and performance of the Obligations or in exercising the rights and remedies of Secured Party hereunder. All such costs and expenses shall be secured by this Security Agreement and by all other lien and security documents securing the Obligations. In the event of any court proceedings, court costs and attorneys' fees shall be set by the court and not by jury and shall be included in any judgment obtained by Secured Party.

5.6 In addition to any remedies provided herein for an Event of Default, Secured Party shall have all the rights and remedies afforded a secured party under the Uniform Commercial Code and all other legal and equitable remedies allowed under applicable law. No failure on the part of Secured Party to exercise any of its rights hereunder arising upon any Event of Default shall be construed to prejudice its rights upon the occurrence of any other or subsequent Event of Default.

6. Further Assurances. Pledgor shall execute and deliver to Secured Party, promptly and at Secured Party's expense, such other documents and assurances, and take such further action as Secured Party may reasonably request, in order to effectively carry out the intent and purpose of this Security Agreement, and to establish and protect the rights, interests and remedies of Secured Party hereunder. Pledgor agrees that Secured Party is authorized, at its option, to file a carbon, photographic or other reproduction of this Security Agreement as a financing statement, and it shall be sufficient as a financing statement under the Uniform Commercial Code, and to file financing statements or amendments thereto without the consent or signature of Pledgor and, if a signature is required by law, then Pledgor appoints Secured Party as Pledgor's attorney-in-fact to execute any such financing statements with respect to the perfection and maintenance of Secured Party's security interest in the Collateral.

7. Cumulative Remedies. All of Secured Party's rights and remedies herein are cumulative and in addition to any rights or remedies available at law or in equity, including those available to Secured Party under the Uniform Commercial Code, and may be exercised concurrently or separately. Secured Party reserves all rights and remedies with respect to the Stipulation and order for Judgment in addition to the rights set forth in this Security Agreement.

8. Continuing Rights. The rights and powers of Secured Party hereunder shall continue and remain in full force and effect until all Obligations are paid in full.

9. Address of Pledgor. The residence address of Pledgor is the same address for which Notices (as hereinafter defined) shall be delivered hereunder and will not be changed without (30) days' prior written notice to Secured Party.

10. Name of Pledgor. Pledgors' true and correct full legal names are set forth in the preamble hereto. Other than the fictitious firm name "Del Pueblo", Pledgor has not used any other name within the past five (5) years. Pledgor will not change its name or operate under a different business name without thirty (30) days' written notice to Secured Party.

11. Successors and Assigns. This Security Agreement and each and every covenant, agreement and provision hereof shall be binding upon Pledgor and its successors and assigns and shall inure to the benefit of Secured Party and its respective successors and assigns.

12. Severability. It is the intent of this Security Agreement to confer to Secured Party the rights and benefits hereunder to the full extent allowable by law including all rights available under the Uniform Commercial Code. The unenforceability or invalidity of any provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid. Any provisions

found to be unenforceable shall be severable from this Security Agreement.

13. Captions and Headings. The captions and headings of the various sections of this Security Agreement are for convenience only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

14. Miscellaneous Provisions.

14.1 The acceptance of this Security Agreement by Secured Party shall not be considered a waiver of or in any way to affect or impair any other security that Secured Party may have, acquire simultaneously herewith, or hereafter acquire for the payment or performance of the Obligations, nor shall the taking by Secured Party at any time of any such additional security be construed as a waiver of, or in any way to affect or impair, the rights of Secured Party with respect to the Collateral created hereunder; Secured Party may resort, for the payment or performance of the Obligations, to its several securities therefor in such order and manner as it may determine.

14.2 Without notice or demand, without affecting the obligations of Pledgor hereunder or the liability of any person for payment or performance of the Obligations, and without affecting the rights of Secured Party with respect to the Collateral created hereunder or the priority thereof, Secured Party, from time to time, may: (i) extend the time for payment of all or any part of the Obligations, accept a renewal note therefor, reduce the payments thereon, release any person liable for all or any part thereof, or otherwise change the terms of all or any part of the Obligations; (ii) take and hold other security for the payment or performance of the Obligations and enforce, exchange, substitute, subordinate, waive or release any such security; (iii) join in any extension or subordination agreement; or (iv) release any part of the Collateral from the security interest of Secured Party created hereby.

14.3 The terms herein shall have the meanings in and be construed under the Uniform Commercial Code. This Security Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada, without reference to choice of law principles.

14.4 No modification, rescission, waiver, release or amendment of any provision of this Security Agreement shall be made except by a written agreement executed by Pledgor and Secured Party.

14.5 Any notice or communication to be given under the terms of this Security Agreement ("Notice") shall be in writing and shall be personally delivered or sent by facsimile, overnight delivery or registered or certified mail, return receipt requested. Notice shall be effective (i) if personally delivered, when delivered; (ii) if by facsimile, on the day of transmission thereof on a proper facsimile machine with confirmed answerback; (iii) if by overnight delivery, the day after delivery thereof to a reputable overnight courier service; and (iv) if mailed, at midnight on the third business day after deposit in the mail, postage prepaid. Notices shall be addressed as follows:

If to Pledgor:

**Rubin Garza
Del Pueblo Exxon
Hwy 93, P.O. Box 401
Alamo, NV 89001
Fax No. () _____**

With copy to:

**Joel F. Hansen, Esq.
Hansen, Hansen & Hall, LLC
415 South Sixth Street, Suite 200
Las Vegas, Nevada 89101
Fax No. (702) _____**

If to Secured Party:

**Petroleum Systems and Maintenance, Inc.
Attn: Paul Brosseau
1023 George Ave.
Las Vegas, Nevada 89030**

With copy to:

**Santoro, Driggs, Walch, Kearney, Johnson & Thompson
400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101
Attn: Nicholas J. Santoro, Esq.
Fax No. (702) 791-1912**

or at such other address as a party may from time to time designate by Notice hereunder.

[signature page follows]

IN WITNESS WHEREOF, this Security Agreement has been executed and delivered on behalf of and in the name of Pledgor on the date indicated above.

"SECURED PARTY"

Petroleum Systems and Maintenance,
a Nevada Corporation

By *Paul Brosseau*
Paul Brosseau, President

"PLEDGOR"

Rubi Garza
Rubi Garza

Exhibit A

Equipment

- 4 each Schcumberger Dispensers
- 2 each Gilbarco Highline Master Diesel Dispensers
- 1 each Gilbarco Highline Satellite Diesel Dispensers
- 1 each VeederRoot Electronic Monitoring System with Tank Probes
- 1 each Gilbarco T1000 Console Pump Control System with Distribution Box

118565

FILED FOR RECORDING
AT THE REQUEST OF

Oliver J. Pancheri Esq.

2002 JUL 31 PM 2 59

LINCOLN COUNTY RECORDED
FEE \$4.00 DEPT 14 3
LESLIE BOUGHEN

165 490