

SECURITY AGREEMENT
UCC Agreement

Date: _____

BE IT KNOWN, that for good consideration of Supply Agreement/Consigned Fuel Agreement _____ (Owner/Operator/Debtor/Consignee) grants to Magness Oil Company (Secured Party) and moved and assigns a security interest pursuant to Article 9 of the Uniform Commercial Code in the following property (Collateral), which shall include all after-acquired property of like nature and description and proceeds and products thereof:

This security interest is granted to secure payment and performance on the following obligations as well as other debts now or hereinafter owed to Secured Party from Owner/Operator/Debtor/Consignee: Supply & Consigned Goods Agreement

Owner/Operator/Debtor Hereby acknowledges to Secured Party that:

1. That Collateral Shall be kept at the _____ Address and not moved or relocated without written consent of Secured Party.
2. Owner/Operator/Debtor/Consignee assures by signing this document that Owner/Operator/Debtor/Consignee owns the collateral and it is free from any lien, encumbrance and security interest or adverse interest and has the full authority to grant this security interest.
3. Owner/operator/Debtor/Consignee agrees to execute such financing statements as are reasonably required by Secured Party to perfect this security agreement in accordance with state law and the Uniform Commercial Code.

4. Upon default in payment or performance of any obligation for which this security interest granted, or breach of any term of this security agreement, then in such instance Secured Party may declare all obligations immediately due and payable and shall all remedies of a Secured Party under the Uniform Commercial Code, as enacted in the Owner/Operator/Debtor/Consignee's state, which rights shall be cumulative and not necessarily successive with any other rights or remedies.
5. Owner/Operator/Debtor/Consignee agrees to maintain such insurance coverage on the collateral as Secured Party may from time to time reasonably require and Secured Party shall be named as loss Payee.
6. This security agreement shall further be in default upon the death, Insolvency or bankruptcy of any party who is an obligor to this agreement or upon any material decrease in the value of the collateral or adverse change in the financial condition of the Owner/Operator/Debtor/Consignee.
7. Upon default the Owner/Operator/Debtor/Consignee shall pay reasonable attorney's fees and cost of collection to enforce this agreement.

IN WITNESS WHEREOF, this agreement is signed this _____ day of _____.

Owner/Operator/Debtor/Consignee

Secured Party

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

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
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1c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
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1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	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
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2c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
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2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	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 of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a ORGANIZATION'S NAME

OR

3b INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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3c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
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4. This FINANCING STATEMENT covers the following collateral:

5. ALTERNATIVE DESIGNATION (if applicable)	<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOR	<input type="checkbox"/> SELLER/BUYER	<input type="checkbox"/> AG. LIEN	<input type="checkbox"/> NON-UCC FILING
6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) (optional)		<input type="checkbox"/> All Debtors <input type="checkbox"/> Debtor 1 <input type="checkbox"/> Debtor 2			

8. OPTIONAL FILER REFERENCE DATA