



602-279-6231
6150 N. 16TH STREET, SUITE 2
POST OFFICE BOX 10334
PHOENIX, ARIZONA 85016

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INTERSTATE COMMERCE COMMISSION

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I.C.C.
FEE OPERATION BR.

Secretary, Interstate Commerce
Commission
Washington, D.C. 20423

Dear Sir:

The enclosed documents, executed in connection with a Loan Security Agreement of railroad equipment, are hereby submitted for recordation pursuant to 49 U.S.C. 20c and ICC Regulations, 49 C.F.R. Subtitle B, Chapter X, Part 1116.

The following persons were parties to the Loan Security Agreement:

1. R and R Leasing Company - Debtor
4705 W. Buckeye
P.O. Box 6966
Phoenix, Arizona 85005
2. Northwest Acceptance Corporation - Secured Party
6150 N. 16th Street, Suite 2
P.O. Box 10334
Phoenix, Arizona 85016
3. Charles R. and Bonnie L. Newman - Guarantors
2010 E. San Juan Avenue
Phoenix, Arizona 85016

The Loan Security Agreement covers the following equipment:

- (1) Burro Model 30 Crane, s/n 209 complete, including all accessories and attachments.

A fee of \$50.00 is included herewith for recordation of this Loan Security Agreement. Please return the original document to:

John Petersen - Northwest Acceptance Corporation
P.O. Box 14490
Portland, Oregon 97214

Sincerely,

NORTHWEST ACCEPTANCE CORPORATION

William H. Hall
Assistant Vice President

/vr

8-310A184
Date NOV 6 1978
Fee \$ 50-
ICC Washington, D. C.

TERMS AND CONDITIONS

1. OTHER CHARGES

a. **EXPENSES OF SECURED PARTY.** If Borrower fails to perform any acts or pay any amounts due other persons under this agreement, Secured Party may perform the acts or pay the sums due and the sums expended by Secured Party in the performance of any act or in the payment of such sums, with interest thereon at the highest lawful contract rate, shall be at once due to Secured Party and shall be added to and become a part of the obligation secured by this agreement without waiver of any rights arising from breach of any covenants herein contained.

b. **FUTURE ADVANCES.** This agreement is also given to secure any and all money due for work done or for material, supplies, accessories furnished or sold or money advanced to Borrower by Secured Party. Secured Party may add such amounts to the amount then due under this agreement. If Borrower fails to pay any such moneys when due, Secured Party may use any means herein provided for the collection or security thereof. If this agreement has been assigned, any such moneys becoming due and payable hereafter from Borrower to Lender may be added to the amount secured by this agreement by the consent of Lender and the then holder of this agreement. Any such moneys becoming due and payable hereafter from Borrower to any other person, partnership or corporation may likewise be added to the amount secured by this agreement by the consent of such third party and the then holder of this agreement.

c. **COLLECTION COSTS.** Any sums expended by Secured Party for the collection of the balance due upon this agreement and for the seizing and keeping of the Collateral, or any part thereof, together with the costs and expenses of sale, including a selling commission of not more than 15 per cent of the gross sale price, together with attorney's fees, including attorneys' fees on appeal, incurred in connection with the collection of the sums due or recovery of the property, whether or not in a legal proceeding, shall be added to the balance due under this agreement and secured hereby, and shall be immediately due upon demand made upon Borrower or may be paid from the proceeds of sale of the Collateral.

2. OTHER DUTIES OF BORROWER

a. **PROTECTION OF COLLATERAL.** Borrower agrees that he will, at his own cost and expense: (1) procure forthwith and maintain fire insurance with extended coverage on the Collateral for the full insurable value thereof, in such companies as are acceptable to the Secured Party or his assigns, for the life of this agreement, plus other insurance thereon in amounts and against such risks as the Secured Party or his assigns may specify, and promptly deliver each policy to the Secured Party or his assigns, with a standard long form endorsement attached thereto showing loss payable to Secured Party and his assigns as respective interests may appear; Secured Party's acceptance of policies in lesser amounts or risks shall not constitute a waiver of Borrower's foregoing obligations; (2) keep the Collateral at all times in good repair and free from all liens or charges of whatsoever kind or nature, whether for storage, repairs or otherwise; (3) pay all taxes levied upon the Collateral before the same become delinquent; (4) not suffer or permit the Collateral to be attached or seized on execution or otherwise; and (5) not, without the written consent of Secured Party, remove the Collateral from the State of Arizona

b. **AIDING SECURED PARTY.** Borrower will join with Secured Party in executing, filing and doing whatever may be necessary under applicable law to protect and continue Secured Party's security interest in the Collateral, all at Borrower's expense.

3. GENERAL

a. **APPLICATION OF PAYMENTS.** If any of the Collateral shall be sold at any time, the proceeds from such sale shall be applied upon the instalments due on the balance in inverse order of maturity, unless the holder of the note and Borrower shall otherwise agree by instrument in writing signed by each of them.

b. **ASSIGNMENT.** This agreement may be assigned by Secured Party and wherever any right, privilege or power is given in this instrument to Secured Party, it is understood that such right, privilege or power shall pass to the assignee. Borrower agrees not to assert against the assignee any claim or defense which it may have against Lender except defenses of a type assertable against a holder in due course of a negotiable instrument.

c. **INSURANCE DURING DEFAULT.** Insurance shall not be in effect or collectible by Borrower on the above Collateral, if payments are in default or delinquent.

d. **NOTICE.** Each demand, notice or other communication shall be served or given by mail or telegraph addressed to the party at his address set forth herein or as changed by written notice to the other party, or by personal service upon the party. Reasonable notice, when notice is required, shall be deemed to be five days.

e. **WAIVER.** Secured Party shall not be deemed to have waived any of its rights under this or any other agreement or instrument signed by the Borrower unless the waiver is in writing signed by the Secured Party. No delay in exercising its rights shall be a waiver nor shall a waiver on one occasion operate as a waiver of such right on a future occasion. Acceptance by Secured Party of any payment hereunder after the same is due, shall not constitute a waiver of any provision of this agreement.

f. All of the terms herein and the rights, duties and remedies of the parties shall be governed by the laws of Arizona

(STATE)

Any part of this agreement contrary to the law of any state having jurisdiction shall not invalidate other parts of this agreement in that state.

4. DEFAULT

Borrower shall be in default under this agreement if (1) he fails to make payment of any instalment of principal or interest ~~on the note~~ as and when the same shall become due; (2) he shall fail to perform any of the covenants or conditions to be by him kept and performed; (3) any attempt shall be made to remove, injure, or dispose of the Collateral; (4) the Collateral is attached or levied upon; (5) without the written consent of the Secured Party, the Borrower encumbers the Collateral with a subsequent security interest or purchases goods under a security agreement with any third person, which goods are to be attached as accessions to or used in connection with the Collateral; (6) Borrower permits any lien to be filed or levied upon the Collateral; (7) the Collateral shall not be safely or properly kept, cared for, and protected by Borrower; (8) the Secured Party deems or has reasonable cause to deem itself insecure; (9) Borrower makes any misrepresentation or materially false certificate or statement to Secured Party, whether or not in connection with this agreement; (10) Borrower dies; (11) Borrower becomes insolvent or insolvency proceedings are commenced by or against Borrower.

5. REMEDIES

In addition to all the rights and remedies of a secured party upon default set forth in the Uniform Commercial Code, ~~the UCC~~ and this agreement, the Secured Party may declare the balance immediately due and payable, may require the Borrower to assemble the Collateral and make it available at a reasonably convenient place designated by the Secured Party, and may transfer, assign, endorse and set over the certificate of title covering any vehicle herein described in Borrower's name, place and stead.

CORPORATE FORM OF ACKNOWLEDGMENT

State of Arizona

County of Maricopa, ss

On this 21st day of July, 1978, before me personally appeared Charles R. Newman; to me personally known, who being by me duly sworn, says that he is the President of R & R Leasing Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



X Bonnie L Newman
Secretary

Vicki Ruler
Notary Public

My commission expires June 14, 1981