

14103

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STATE OF OREGON
Corporation Division - UCC
Public Service Building
255 Capitol Street NE, Suite 151
Salem, OR 97310-1327
(503) 886-2200 Facsimile (503) 373-1166

THIS SPACE FOR OFFICE USE ONLY

Vol. 5687 Page 5687

UCC-1

STATE FINANCING STATEMENT STANDARD FORM

PLEASE TYPE OR WRITE LEGIBLY. READ INSTRUCTIONS BEFORE FILLING OUT FORM.

This Financing Statement is presented to filing officer pursuant to the Uniform Commercial Code. This financing statement remains effective for a period of five years from the date of filing, unless extended for additional periods as provided for by ORS Chapter 79. A carbon, photographic or other reproduction of this form, financing statement or security agreement may be filed as a financing statement under ORS Chapter 79.

A. DEBTOR NAME(S) (if individual list last name first) lessee

1. HEAVY RAILROAD EXCAVATIONS, INC.2. Etheridge Lane

3. _____

DEBTOR MAILING ADDRESS: lessee

1358 Oak Street, Ste. 3
Eugene, OR 97401-3552

B. SECURED PARTY(IES) NAME AND ADDRESS lessor

K.L.C., INC.,
KEYSTONE LEASING
433 NEW PARK AVE.
WEST HARTFORD, CT 06110-1185

Contact Name: Lynn Randall Phone No.: 800-444-8333

C. ASSIGNEE(S) NAME AND ADDRESS (if any)

Contact Name _____ Phone No.: _____

D. DEBTOR SIGNATURE(S) REQUIRED: lessee
HEAVY RAILROAD EXCAVATIONS, INC.By: Lane Etheridge By: _____

By: _____ By: _____

E. DEBTOR SIGNATURE(S) NOT REQUIRED. If applicable, check the appropriate box below to file without debtor signature(s). This statement is filed without the debtor signature(s) to perfect a security interest in collateral. Secured Party must sign, when Debtor signature(s) is not required. See instructions for further information.

- ☐ Collateral already subject to a security interest in another jurisdiction.
☐ Which is proceeds of the described original collateral which was perfected.
☐ Collateral as to which the filing has lapsed.
☐ Collateral acquired after a change of name, identity or corporate structure of debtor.

By: Lynn Randall

Secured Party signature

Secured Party signature

F. LIST THE TYPES (OR ITEMS) OF COLLATERAL (ORS 79.4020).

Use a separate sheet of paper if necessary.

☒ PRODUCTS of collateral are also covered.

"This filing represents a true lease and not a Security transaction"

(1) used 1993 Link Belt
LS-2650C-II
Excavator S/N C914-0130

"Additional Collateral applies to this Contract, please refer to Additional Collateral Letter attached"

Equipment location:

33430 W. Eldee Rd.
Chiloquin, OR 97624
(Klamath County)

Acct# HVYRL71...

RETURN COPY TO: (name and address). Please do not type or print outside of bracketed area. OR, FAX COPY TO: (name and fax number).

K.L.C., INC.,
KEYSTONE LEASING
433 NEW PARK AVE.
WEST HARTFORD, CT 06110-1185

Name: _____

Fax Number: _____

K.L.C., INC., KEYSTONE LEASING

LEASE NUMBER:

HVYRL71...

5688

433 New Park Avenue
WEST HARTFORD, CONNECTICUT 06110-1185
telephone (860) 233 - 3663 outside CT 800 - 444 - 8333

ADDITIONAL COLLATERAL LETTER

TO SECURE THE PAYMENT OF ALL SUMS DUE TO LESSOR UNDER LEASE AGREEMENT #

HVYRL71...

a copy of which is attached hereto,

HEAVY RAILROAD EXCAVATIONS, INC. of EUGENE, OR

(hereinafter called "Lessee"), for valuable consideration in the form of the Lease Agreement of which this letter forms an integral part, hereby grants to
K.L.C., INC., KEYSTONE LEASING of West Hartford, Connecticut
(hereinafter called "Lessor"), all rights and title to the following property and security holdings, plus any and all additions, accessions and accessories thereto (hereinafter called
"Additional Lease Collateral"):

☒

1 USED 861-C CAT: MID 1970, FRONT-END LOADER, REAR WINCH, HEAD, FULL CAGE, 3 ROLLERS, S/N 86J1468 & 1 USED FORK LIFT: 1983 CLARK, 8000#, 4X4 & 1 USED FORK LIFT: 1985 SCORPION, 8000, 283 DETROIT ENGINE & 1 USED 1977 FREIGHTLINER CONVENTIONAL CAB, 360 CUMMINS, KITTED IN 1984, TOP END DONE IN 1984, RUBBER AND 6TH WHEEL VIN# CA213HP132089, & 1 USED 1976 TRAVE TRAILER VIN# F023136S0682, & 1 USED 1985 CHEVROLET BIG DUALY (1 TON PICKUP TRUCK- 4 SPEED), VIN# 1GCHC33W3F8109643 & 1 1970 CHEVROLET FLAT BED VIN# CE630P14241 & 1 1989 CHEVROLET R30 PICKUP VIN# 1GCHR33N3KJ116622 & 1 ROTATING GRAPPLE (ATTACHED TO EXCAVATOR LISTED UNDER ITEM DESCRIPTION OF LEASE AGREEMENT)

☐

All equipment, machinery, furniture, fixtures, goods, and all personal property, now existing or hereafter acquired or arising and all additions, accessions and accessories thereto, substitutes and replacements therefore and any interest now existing or hereafter arising with respect thereto, and all proceeds (including without limitation, insurance proceeds) and products of the foregoing all including without limitation.

This letter shall in no way limit rights and remedies Lessor may have pursuant to said Lease Agreement. IF THERE ARE ANY DISCREPANCIES BETWEEN THE TERMS HEREIN CONTAINED AND THE TERMS OF SAID LEASE AGREEMENT, ALL OF THE TERMS AND CONDITIONS OF THE LEASE AGREEMENT SHALL PREVAIL.

- The Additional Lease Collateral will be kept at the location as set forth in the lease and will not be removed or relocated without written consent by Lessor.
- Insofar as Lessee can so agree, the Additional Lease Collateral shall remain personal property irrespective of its attachment to any real estate, or if attached to real estate prior to the perfection of the Security Interest granted herein, Lessee will use its best efforts to furnish to Lessor a disclaimer, signed by all parties having an interest in said real estate, or any interest in the Additional Lease Collateral which is prior to Lessor's. Lessee will notify Lessor in writing at least thirty (30) days prior to any intended sale, mortgage or conveyance of any real estate, or the termination of the lease of any real estate, to which the subject Collateral is at any time attached or in which it is contained.
- Except for the security interest granted to Lessor herein, Lessee is the lawful owner of the Additional Lease Collateral, and has the sole right and lawful authority to enter into this Letter and Lease Agreement; the subject Collateral is free from any adverse lien, security interest or encumbrance of every kind, and Lessee will warrant and defend the subject Collateral against all claims and demands of all persons claiming an interest in same at any time.
- No financing statement covering any Collateral or any proceeds thereof is on file in any public office. Lessee will execute Financing Statements pursuant to the Uniform Commercial Code as specified by Lessor, and will pay all costs for filing same or recording this Letter in all public offices wherever filing or recording is deemed appropriate by Lessor.
- Lessee will not sell or offer to sell or otherwise transfer, assign, lease, pledge, convey or otherwise dispose of the Additional Lease Collateral or any interest therein until all obligations under the terms of the Lease Agreement and this Letter have been fulfilled to Lessor's satisfaction, or until such time as Lessor grants Lessee written permission to do so.
- If the Additional Lease Collateral is equipment and/or machinery or fixtures, Lessee will have and maintain insurance for same at all times against risks of fire, theft, and such other risks as Lessor may require, containing terms and language satisfactory to Lessor, such insurance to be payable to Lessor; all insurance policies shall provide for thirty days minimum written cancellation notice to Lessor. Lessee shall furnish to Lessor certificates or other evidence of having satisfactorily complied with all of these insurance provisions. Lessor may act as Lessee's attorney in obtaining, settling, adjusting or cancelling such insurance and endorsing such drafts.
- Lessee will keep the Additional Lease Collateral free from any adverse lien, security interest or encumbrance of any nature, will maintain said Collateral in good order and repair, will not be negligent in the care and use thereof; will use said collateral for business purposes only and will not use it in violation of any statute or ordinance. Additional Lease Collateral shall be made available to Lessor or its duly appointed agents for inspection during all normal business hours.
- Lessee will pay promptly when due any taxes and assessments upon the Additional Lease Collateral.
- If Lessee is a corporation, the execution of this Letter has been duly consented to and authorized by all stockholders of Lessee and by its Board of Directors. Lessee agrees to provide Lessor written evidence of such upon Lessor's request.

ADDITIONAL RIGHTS OF PARTIES:

At its option, Lessor may discharge taxes, liens or security interests or other encumbrances at any time levied on said Additional Lease Collateral, may pay for insurance on Collateral and may pay for maintenance and care of Collateral. Lessee agrees to reimburse Lessor upon demand for any payments made, or any expenses incurred pursuant to the foregoing.

EVENT OF DEFAULT:

- Lessee shall be considered to be in Default of both the term of this Letter and of the affiliated Lease Agreement upon the happening of any of the following events or conditions:
- Default in the payment or performance of any obligations, covenants or liability contained or referred to herein or in the affiliated Lease Agreement;
 - Any warranty, representation or statement made to Lessor by or on behalf of Lessee proves to have been false or misleading in any material respect when made;
 - Loss, theft, substantial damage, destruction, attachment, sale or encumbrance to or of any of the Additional Lease Collateral or of the Leased Equipment as specified in the affiliated Lease Agreement, or the making of any levy, seizure or attachment thereof;
 - Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Lessee or any guarantor or surety for Lessee;
 - If Lessor deems itself to be insecure as a result of Lessee's actions.

REMEDIES:

Upon such default and at any time thereafter Lessor may declare all obligations of Lessee under the terms of this Letter and the affiliated Lease Agreement immediately due and payable and shall have all remedies of the Lessor under the Uniform Commercial Code, as applicable, including without limitation the right to take immediate possession of the Additional Lease collateral as well as Leased Equipment wherever it may be, and for that purpose, Lessor may enter the premises of Lessee with or without due process of law, search for, take legal possession of and remove said Collateral and Leased Equipment therefrom. Lessor may require Lessee to assemble same and make it available to Lessor at a designation specified by Lessor, which shall be reasonable and convenient to both parties. From the proceeds of any Sale of the subject Additional Lease Collateral and/or Leased Equipment, Lessor shall be entitled to retain reasonable expense of repossession, holding, preparing for commercial sale and the selling of same, including reasonable attorney's fees and legal cost incurred by Lessor in connection herewith, as well as all sums secured herein in such order of preference as Lessor may deem. If the Additional Lease Collateral is in the form of stocks, bonds, certificates of deposit, savings passbooks or legal tender, Lessor may immediately enforce its rights to the title of same, and may assume all right of Lessee in the cashing of said items without prior written notification to Lessee.

No waiver by Lessor of any default shall be construed to be a waiver of any other default or of the same default in the future. No action by Lessor shall be construed as a waiver of its rights unless given in writing to Lessee, signed by duly authorized officers of Lessor. No delay or omission on the part of Lessor in exercising any of its rights shall operate as a waiver of said rights or any other right. All rights of Lessor shall inure to the benefit of its successors and assigns; all obligations of Lessee shall bind his heirs, executors or administrators of his or its successors or assigns. If there is more than one Lessee, their obligations hereunder and in regard to the affiliated Lease Agreement shall be joint and several. This letter shall become effective, and an integral part of the affiliated Lease Agreement, upon signature by Lessee.

GOVERNING LAW:

This Letter and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of the State of Connecticut, and Lessee does herein consent to have any disputes pertaining to this document to be subject to the jurisdiction of the Connecticut Superior Courts, specifically the Judicial District of Hartford/New Britain at Hartford in the event Lessor commences any suit, action or legal proceeding against Lessee with respect to this Letter and the affiliated Lease Agreement.

STATE OF OREGON: COUNTY OF KLAMATH : ss.

Filed for record at request of Keystone Leasing the 1st day
of March A.D. 19 96 at 9:36 o'clock AM., and duly recorded in Vol. M96
of Mortgages on Page 5687

FEE \$10.00

By Bernetha G. Letsch, County Clerk