

FORM 10. PROOF OF CLAIM

United States Bankruptcy Court District of Idaho		PROOF OF CLAIM	
In Re: (Name of Debtor) Vladimir Paniouchkine		Case Number: 99-41879	
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" of payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.			
Name of Creditor (The person or entity to whom the debtor owes money or property)		<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
Name and Addresses Where Notices Should be Sent Associates Commercial Corporation P.O. Box 141029 Irving, Texas 75014-1029 Telephone Number: 972-652-3300		<input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input checked="" type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.	
Account or Other Number By Which Creditor Identifies Debtor 99-12325-0/1150998		Check here if this claim <input type="checkbox"/> replaces previously filed claim, dated ____ <input type="checkbox"/> amends	
1. BASIS FOR CLAIM <input checked="" type="checkbox"/> Goods sold <input type="checkbox"/> Services performed <input checked="" type="checkbox"/> Money loaned <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Taxes <input type="checkbox"/> Other (Describe briefly) Security agreements #1150998@14.75% 1391919@14.39% 1390273@14.50%		<input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (Fill out below) Your social security number _____ Unpaid compensations for services performed from _____ (date) to _____ (date)	
2. DATE DEBT WAS INCURRED 10/22/98		3. IF COURT JUDGMENT, DATE OBTAINED	
4. CLASSIFICATION OF CLAIM. Under the Bankruptcy Code all claims are classified as on or more of the following: 1. Unsecured nonpriority, 2. Unsecured priority, 3. Secured. It is possible for part of a claim to be in one category and part in another. CHECK THE APPROPRIATE BOX OR BOXES that best describe your claim and STATE THE AMOUNT OF THE CLAIM.			
<input checked="" type="checkbox"/> SECURED CLAIM \$ 96,326.21 + Contract Int. Attach evidence of perfection of security interest Brief Description of Collateral: <input type="checkbox"/> Real Estate <input checked="" type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other (describe) See attached contracts Amount of arrearage and other charges included in secured claim above, if any \$ 13,782.75		<input type="checkbox"/> UNSECURED PRIORITY CLAIM \$ _____ Specify the priority of the claim: <input type="checkbox"/> Wages, salaries, or commissions (up to \$2000), earned but not more than 90 days before filing of the bankruptcy petition or cessation of the debtor's business, which ever is earlier - 11 U.S.C. § 507 (a)(3) <input type="checkbox"/> Contributions to an employee benefit plan - U.S.C. § 507 (a)(4) <input type="checkbox"/> Up to \$900 of deposits toward purchase, lease, or rental property or services for personal, family, or household use - 11 U.S.C. § 507 (a)(6) <input type="checkbox"/> Taxes or penalties of governmental units - 11 U.S.C. § 507 (a)(7) <input type="checkbox"/> Other - 11 U.S.C. §§ 507(a)(2), (a)(5) - (Describe briefly)	
<input type="checkbox"/> UNSECURED NONPRIORITY CLAIM \$ _____ A claim is unsecured if there is no collateral or lien on property of the debtor securing the claim or to the extent that the value of such property is less than the amount of the claim.			
5. TOTAL AMOUNT OF CLAIM AT TIME CASE FILED:		\$ _____ (Unsecured) \$ <u>96,326.21 + Contract Int.</u> (Secured) \$ _____ (Priority) \$ <u>96,326.21</u> Plus fees and costs to be determined (TOTAL)	
<input checked="" type="checkbox"/> Check this box if claim includes prepetition charges in addition to the principal amount of the claim. Attach itemized statement of all additional charges			
6. CREDITS AND SETOFFS. The amount of all payments on this claim has been credited and deducted for the purposes of making this proof of claim. In filing this claim, claimant has deducted all amounts that claimant owes to debtor.			
7. SUPPORTING DOCUMENTS: Attached copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments or evidence of security interests. If the documents are not available, explain. If the documents are voluminous, attach a summary.			
8. TIME-STAMPED COPY: To receive an acknowledgment of the filing of your claim, enclose a stamped self-addressed envelope and copy of this proof of claim.			
Date December 30, 1999		Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any)  Bryan Schrepel/Bankruptcy Specialist	

UNITED STATES COURTS
 DISTRICT OF IDAHO

32



**SECURITY AGREEMENT
(Conditional Sale Contract)**

1150998

The undersigned buyer, meaning all buyers jointly and severally ("Buyer"), having been quoted both a time sale price and cash sale price, has elected to purchase and hereby purchases from the undersigned seller ("Seller") for the time sale price shown below, under the terms and provisions of this agreement, the following described property (herein, with all present and future attachments, accessories, replacement parts, repairs, additions, and all proceeds thereof, referred to as "Collateral"):

Year	Make	Model	Description	Identification Number
1997	TRANSCRAFT	EAGLE	TRAILER	1TTF48203V1054120

Collateral Will Be Kept At (Address): 255 BONNY DRIVE, TWIN FALLS County IDAHO State ID

INSURANCE COVERAGE

LIABILITY INSURANCE COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE CAUSED TO OTHERS IS NOT INCLUDED IN THIS AGREEMENT.

PHYSICAL DAMAGE INSURANCE COVERING THE COLLATERAL IS REQUIRED; however, Buyer has the option of furnishing the required insurance through an agent or broker of Buyer's choice.

Buyer requests and authorizes Seller to obtain the insurance coverage checked below on the Collateral for _____ months from the date of this agreement, and for the premium of \$ _____
(Enter above and in 4(a) - INSURANCE CHARGES)

CHECK ONE

\$ _____ Deductible Fire, Theft, Combined Additional Coverage, and
\$ _____ Deductible Collision; or

\$ _____ Deductible Comprehensive and Deductible Collision.

Buyer has obtained the required coverages through:

INTERSTATE TRUCKERS INS. PO BOX 8394 BOISE, ID 83707
(Agent's Name and Address)

(Name of Insurance Company)

CREDIT INSURANCE, if included, is not a factor in the approval of credit, is not required by the Seller and is for the term of the credit only.

Buyer desires Credit Insurance: Premium \$ _____
(Enter above and in 4(b) - INSURANCE CHARGES)

CHECK ONE

Buyer hereby requests and authorizes Seller to obtain Credit Insurance, if checked above, to the extent the cost thereof is included in item 4(b) - Insurance Charges.

Buyer does not want Credit Insurance.

BUYER _____ Date 10/22/98
(Only one person may sign above, and any credit insurance covers only that person. Credit insurance does not cover any co-buyer.)

Description of Trade-In:

N/A

Gross Allowance \$ 0.00

Less Amount Owing To: \$ 0.00

Trade-In (Net Allowance) \$ 0.00
(Enter above and in 2(b) - DOWN PAYMENT)

1. CASH SALE PRICE	\$ <u>19,365.00</u>
2. (a) Cash Down Payment	\$ <u>3,000.00</u>
(b) Trade-in (See above)	\$ <u>0.00</u>
TOTAL DOWN PAYMENT (a + b)	\$ <u>3,000.00</u>
3. UNPAID BALANCE OF CASH SALE PRICE (1 Minus 2)	\$ <u>16,365.00</u>
4. INSURANCE CHARGES	
(a) Physical Damage Insuranc	\$ <u>0.00</u>
(b) Credit Insurance	\$ <u>0.00</u>
TOTAL INSURANCE CHARGES (a + b)	\$ <u>0.00</u>
5. OFFICIAL FEES	\$ <u>150.00</u>
6. PRINCIPAL BALANCE (3 + 4 + 5)	\$ <u>16,515.00</u>
7. FINANCE CHARGE	\$ <u>5,581.32</u>
8. TIME BALANCE (6 + 7)	\$ <u>22,096.32</u>
9. TIME SALE PRICE (1 + 4 + 5 + 7)	\$ <u>25,096.32</u>
10. ANNUAL PERCENTAGE RATE	<u>14.75 %</u>

Page 1 of 3 of Security Agreement dated 10/22/98 between Vladimir Paniouchkine (Buyer) and MISSOULA FREIGHTLINER (Seller) which includes, without limitation, an item of Collateral with the following serial number: 1TTF48203V1054120

**Buyer's
Initials**

V.P.

PAYMENT SCHEDULE: Buyer promises to pay Seller the TIME BALANCE (Item 8 above) in 48 installments as follows:
(To of Installments)

For equal successive monthly installments: (a) \$ 460.34 on 12/07/98 and a like sum on the like date of each month thereafter until fully paid, provided, however, that the final installment shall be in the amount of \$ 460.34

For other than equal successive monthly installments: (b)

A. **COLLATERAL USE.** Buyer warrants and agrees that: the Collateral was delivered to and accepted by Buyer in satisfactory condition; the Collateral will be used solely for business purposes; the Collateral is free from and will be kept free from all liens, claims, security interests and encumbrances other than that created hereby; notwithstanding Seller's claim to proceeds, Buyer will not, without Seller's prior written consent, sell, rent, lend, encumber, pledge, transfer, secrete or otherwise dispose of any of the Collateral, nor will Buyer permit any such act; the Collateral will be maintained in good operating condition, repair and appearance, and will be used and operated with care, only by qualified personnel in the regular course of Buyer's business and in conformity with all applicable governmental laws and regulations; the Collateral shall remain personal property and not become part of any real property regardless of the manner of affixation; Seller may inspect the Collateral at all reasonable times and from time to time; and the Collateral will be kept by Buyer at the location set forth for it on the face hereof and will not be removed from said location without the prior written consent of Seller, except that an item of Collateral which is mobile and of a type normally used at more than one location may be used by Buyer away from said location in the regular course of Buyer's business provided that (a) such item is not removed from the State of said location, and (b) if such item is not returned to said location within 30 days, Buyer will immediately thereafter, and each 30 days thereafter until the item is returned, report the then current location thereof to Seller in writing.

B. **COLLATERAL PRESERVATION.** Buyer agrees, at its own cost and expense: to do everything necessary or expedient to perfect and preserve the security interests of Seller obtained hereunder; to defend any action, proceeding or claim affecting the Collateral including but not limited to any forfeiture action or proceeding; to pay all expenses incurred by Seller in enforcing its rights after the occurrence of an event of default hereunder, including the reasonable fees of any attorneys retained by Seller (15% of all sums then owing hereunder if permitted by law); and to pay promptly all taxes, assessments, license fees and other public or private charges when levied or assessed against the Collateral, this agreement or any accompanying note.

C. **INSURANCE.** Buyer shall at all times bear all risk of loss of, damage to or destruction of the Collateral. Buyer agrees to procure forthwith and maintain insurance on the Collateral, for the actual cash value thereof and for the life of this agreement, in the form of Fire Insurance with Combined Additional Coverage and Collision, Theft and/or Vandalism and Malicious Mischief Coverage when appropriate, plus such other insurance as Seller may specify from time to time, all in form and amount and with insurers satisfactory to Seller. Buyer agrees to deliver promptly to Seller certificates or, if requested, policies of insurance satisfactory to Seller, each with a standard long-form loss-payable endorsement naming Seller or assigns as loss-payee as their interests may appear. Each policy shall provide that Seller's interest therein will not be invalidated by the acts, omissions or neglect of anyone other than Seller, and will contain insurer's agreement to give 30 days prior written notice to Seller before cancellation of or any material change in the policy will be effective as to Seller, whether such cancellation or change is at the direction of Buyer or insurer. Seller's acceptance of policies in lesser amounts or risks will not be a waiver of Buyer's foregoing obligation. Buyer assigns to Seller all proceeds of any physical damage or credit insurance for which a charge is stated herein or which is maintained by Buyer in accordance herewith, including returned and unearned premiums, up to the amount owing hereunder by Buyer. Buyer directs all insurers to pay such proceeds directly to Seller. Buyer authorizes Seller to endorse Buyer's name to all remittances without the joinder of Buyer.

D. **FINANCING STATEMENT.** If permitted by law, Buyer agrees that a carbon, photographic or other reproduction of this agreement or of a financing statement may be filed as a financing statement.

E. **PERFORMANCE.** If Buyer fails to perform any of its obligations hereunder, Seller may perform the same, but shall not be obligated to do so, for the account of Buyer to protect the interest of Seller or Buyer or both, at Seller's option, and Buyer shall immediately repay to Seller any amounts paid by Seller in such performance, together with interest thereon at the same rate as is set forth on the face hereof as payable upon acceleration.

F. **DEFAULT.** Time is of the essence. An event of default shall occur if: (a) Buyer fails to pay when due any amount owed by it to Seller or to any affiliate of Seller, whether hereunder or under any other instrument or agreement; (b) Buyer fails to perform or observe any other term or provision to be performed or observed by it hereunder or under any other instrument or agreement furnished by Buyer to Seller or to any affiliate of Seller or otherwise acquired by Seller or any affiliate of Seller; (c) Buyer becomes insolvent or ceases to do business as a going concern; (d) any of the Collateral is lost or destroyed; (e) Buyer makes an assignment for the benefit of creditors or takes advantage of any law for the relief of debtors; (f) a petition in bankruptcy or for an arrangement, reorganization, or similar relief is filed by or against Buyer; (g) any property of Buyer is attached, or a trustee or receiver is appointed for Buyer or for a substantial part of its property, or Buyer applies for such appointment; (h) Seller in good faith believes that the prospect of payment or performance hereunder is impaired; or (i) there shall be a material change in the management, ownership or control of Buyer.

G. **REMEDIES.** Upon the occurrence of an event of default, and at any time thereafter as long as the default continues, Seller may, at its option, with or without notice to Buyer (i) declare this agreement to be in default, (ii) declare the indebtedness hereunder to be immediately due and payable, (iii) declare all other debts then owing by Buyer to Seller to be immediately due and payable, (iv) cancel any insurance and credit any refund to the indebtedness, and (v) exercise all of the rights and remedies of a secured party under the Uniform Commercial Code and any other applicable laws, including the right to require Buyer to assemble the Collateral and deliver it to Seller at a place to be designated by Seller which is reasonably convenient to both parties, and to lawfully enter any premises where the Collateral may be without judicial process and take possession thereof. Acceleration of any and all indebtedness, if so elected by Seller, shall be subject to all applicable laws including those pertaining to refunds and rebates of unearned charges. Any property other than Collateral which is in or upon the Collateral at the time of repossession may be taken and held without liability until its return is requested by Buyer. Unless otherwise provided by law, any requirement of reasonable notice which Seller may be obligated to give regarding the sale or other disposition of Collateral will be met if such notice is mailed to Buyer at its address shown herein at least ten days before the time of sale or other disposition. Seller may buy at any sale and become the owner of the Collateral. Buyer agrees that Seller

Page 2 of 3 of Security Agreement dated 10/22/98 between Vladimir Paniouchkine (Buyer) and MISSOULA FREIGHTLINER (Seller) which includes, without limitation, an item of Collateral with the following serial number: 1TTF48203V1054120

Buyer's Initials
V.P.

State shown in Seller's address set forth herein, and service of process may be made upon Buyer by mailing a copy of the summons to Buyer at its address shown herein. The inclusion of a trade name or division name in the identification of Buyer hereunder shall not limit Seller's right, after the occurrence of an event of default, to proceed against all of Buyer's assets, including those held by Buyer individually or under another trade or division name. Expenses of retaking, holding, preparing for sale, selling and the like shall include (a) the reasonable fees of any attorneys retained by Seller (15% of all sums then owing hereunder if permitted by law), and (b) all other legal expenses incurred by Seller. Buyer agrees that it is liable for and will promptly pay any deficiency resulting from any disposition of Collateral after default.

H. **GENERAL.** Waiver of any default shall not be a waiver of any other default; all of Seller's rights are cumulative and not alternative. No waiver or change in this agreement or in any related note shall bind Seller unless in writing signed by one of its officers. The term "Seller" shall include any assignee of Seller who is the holder of this agreement. After assignment of this agreement by Seller, the assignor will not be the assignee's agent for any purpose and Buyer's obligations and liabilities hereunder to the assignee will be absolute and unconditional and will not be subject to any abatement, reduction, recoupment, defense, set-off or counterclaim available to Buyer for breach of warranty or for any other reason whatsoever. Any provisions hereof contrary to, prohibited by or invalid under applicable laws or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining provisions hereof. Buyer waives all exemptions to the extent permitted by law. Buyer hereby waives any right to trial by jury in any action relating to this agreement. Seller may correct patent errors herein. All of the terms and provisions of this agreement shall apply to and be binding upon Buyer, its heirs, personal representatives, successors and assigns and shall inure to the benefit of Seller, its successors and assigns.

I. **ACCELERATION INTEREST.** Buyer agrees to pay Seller, upon acceleration of the above indebtedness, interest on all sums then owing hereunder at the rate of 1 1/2% per month if not prohibited by law, otherwise at the highest rate Buyer can legally obligate itself to pay and/or Seller can legally collect. Any note taken herewith evidences indebtedness and not payment. All amounts payable hereunder are payable at Seller's address shown below or at such other address as Seller may specify from time to time in writing.

J. **DELINQUENCY CHARGE.** For each installment not paid within 10 days after its due date, Buyer agrees to pay to Seller a delinquency charge equal to 5% of such installment (but not more than \$5.00) or, in lieu thereof, at Seller's option, interest for the period of delinquency at the rate of 1 1/2% per month if not prohibited by law, otherwise at the highest rate Buyer can legally obligate itself to pay and/or Seller can legally collect.

K. **SECURITY INTEREST.** To secure payment of the TIME BALANCE (Item 8), Seller retains title to and a security interest in the Collateral regardless of any retaking and redelivery of the Collateral to Buyer.

L. **CROSS SECURITY.** Buyer grants to Seller a security interest in the Collateral to secure the payment and performance of all absolute and all contingent obligations and liabilities of Buyer to Seller, or to any assignee of Seller, now existing or hereafter arising, whether under this agreement or any other agreement and whether due directly or by assignment; provided, however, upon any assignment of this agreement by Seller, the assignee shall be deemed for the purpose of this paragraph the only party with a security interest in the Collateral.

M. **DISCLAIMER.** There are no warranties other than those made by the manufacturer of the Collateral. SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE QUALITY, WORKMANSHIP, DESIGN, MERCHANTABILITY, SUITABILITY, OR FITNESS OF THE COLLATERAL FOR ANY PARTICULAR PURPOSE, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, unless such warranties are in writing and signed by Seller. Seller shall not under any circumstances be liable for loss of anticipatory profits or consequential damages.

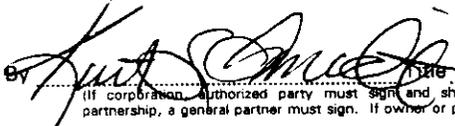
N. **ADDITIONAL COVENANTS AND ORAL AGREEMENT.** No oral agreement, guaranty, promise, representation or warranty shall be binding on Seller. Buyer and Seller agree that this is a three page agreement and each page hereof constitutes a part of this agreement.

O. **CHATTEL PAPER.** This specific Security Agreement is to be sold only to ASSOCIATES COMMERCIAL CORPORATION and is subject to the security interest of ASSOCIATES COMMERCIAL CORPORATION. The only copy of this Security Agreement which constitutes Chattel Paper for all purposes of the Uniform Commercial Code is the copy marked "ORIGINAL FOR ASSOCIATES" which is delivered to and held by ASSOCIATES COMMERCIAL CORPORATION. Any change in the name of the assignee of this Security Agreement from ASSOCIATES COMMERCIAL CORPORATION shall render the copy of this Security Agreement so changed VOID and of no force and effect. No assignee or secured party other than Associates Commercial Corporation will under any circumstances acquire any rights in, under or to this Security Agreement or any sums due hereunder.

NOTICE TO BUYER - 1. Do not sign this contract before you read it or if it contains any blank spaces. 2. You are entitled to an exact copy of the contract you sign. 3. Under the law, you have the right to pay off in advance the full amount due and to obtain a partial refund of the finance charge.

Dated 10/22/98

MISSOULA FREIGHTLINER
Seller **GENERAL MANAGER**
(Name of individual, corporation or partnership.)

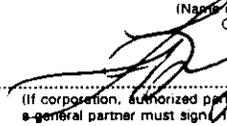
 **GENERAL MANAGER**
(If corporation, authorized party must sign and show corporate title. If partnership, a general partner must sign. If owner or partner, show which.)

8745 HWY 93 NORTH
(Street Address of Seller's Place of Business)

MISSOULA MT 59802
(City, State and Zip Code)

Buyer hereby acknowledges receipt of an exact copy of this contract.

Vladimir Paniouchkine
Buyer(s) **PAN TRANS**
(Name of individual(s), corporation or partnership. Give trade style, if any, after name.)

By  Title **Individual**
(If corporation, authorized party must sign and show corporate title. If partnership, a general partner must sign. If owner(s) or partner, show which.)

By _____ Title _____
(If co-buyer, co-partner or co-officer, sign here and show which.)

255 Bonny Dr.
(Street Address of Buyer's Residence or Place of Business)

Twin Falls Idaho ID 83301
(City, COUNTY, State, and Zip Code)

Buyer's Initials **V.P.**

Page 3 of 3 of Security Agreement dated 10/22/98 between Vladimir Paniouchkine (Buyer) and MISSOULA FREIGHTLINER (Seller) which includes, without limitation, an item of Collateral with the following serial number 1TTF48203V1054120

SELLERS AGREEMENT

For value received, the undersigned ("Assignor") hereby sells, assigns and transfers to ASSOCIATES COMMERCIAL CORPORATION, its successors and assigns ("Assignee"), all Assignor's right, title and interest in and to (a) that certain security agreement dated 10/22/98 between Vladimir Paniouchkine ("Buyer") and Assignor which includes, without limitation an item of Collateral, as defined herein, with the following serial number 13548203V1054120 (the "Security Agreement"), (b) any notes, guaranties and other documents executed in connection with the Security Agreement (herein, with the Security Agreement, called the "Documents"), (c) all amounts due and to become due under the Documents, (d) the property in which a security interest is granted to or reserved by Assignor under the Security Agreement (the "Collateral"), and (e) all of Assignor's rights and remedies under or in connection with the Documents, including the right, without notice to Assignor and without affecting Assignor's liability hereunder: (i) to collect any and all amounts owing under the Documents, (ii) to endorse Assignor's name on any note or remittance received, (iii) to release or discharge the Buyer under the Security Agreement or any other persons obligated under the Documents, on terms satisfactory to Assignee, by operation of law or otherwise, (iv) to settle, compromise or adjust any and all rights against and to grant extensions of time of payment to Buyer or any other persons obligated under the Documents, and (v) to take any other action Assignor might take but for this assignment. Assignor warrants that: the Documents are genuine, enforceable and in all respects what they purport to be; all signatures, names, addresses, amounts and other statements and facts contained in the Documents and herein are true and correct; the Collateral was sold to Buyer in a bona fide time sale transaction; Buyer has paid the down payment in cash or as otherwise set forth in the Security Agreement, and no part thereof was loaned directly or indirectly by Assignor; the Collateral was delivered in satisfactory condition to Buyer on the date set forth below and was accepted by Buyer; any notice of insurance or certificate or policy thereof was or will be delivered to Buyer within the time required by law; all parties to the Documents have the capacity to contract and none of such parties is a minor; the security interest and reservation of title evidenced by the Security Agreement are valid, first, prior to all others and effective against all persons;

Assignor has caused and will promptly cause such actions or procedures to be taken as are required or permitted by statute or regulation to perfect such security interest and reservation of title in Assignee's favor, including, without limitation, filing financing statements, recording documents and obtaining Certificates of Title disclosing Assignee's interest; Assignor has full title to and the right to sell and assign the Documents and the security interest and reserved title evidenced thereby, and this assignment conveys the same free and clear of all liens and encumbrances whatsoever; the Documents are and will continue free from defenses, counterclaims, cross-claims, and set-offs; and Assignor shall continue to be liable hereunder, notwithstanding Assignee's waiver of or failure to enforce any of the terms, covenants or conditions contained in the Documents or any release of, or failure on the part of Assignee to realize upon or protect, the Collateral or any lien thereon. If any of the foregoing warranties are untrue, regardless of Assignee's knowledge thereof or lack of reliance thereon, or if Assignor breaches any provision hereof, Assignor hereby unconditionally agrees to (i) indemnify and hold Assignee harmless from any losses, damages or claims arising therefrom, and (ii) purchase the Documents on written demand from Assignee for the balance remaining unpaid thereunder, plus any expenses of collection, repossession, transportation and storage, and reasonable attorneys' fees and court costs incurred by Assignee, less any customary refund by Assignee of unearned finance charges.

ANY REASSIGNMENT OF THE DOCUMENTS AND/OR THE COLLATERAL BY ASSIGNEE SHALL BE WITHOUT RECOURSE OR WARRANTY OF ANY KIND. Assignor waives notice of acceptance hereof, presentment and demand for payment, protest and notice of non-payment, and subordinates all rights Assignor may now or hereafter have against Buyer to any rights Assignee may now or hereafter have against Buyer. Assignor shall have no authority to, and will not, without Assignee's prior consent, accept collections, repossess, substitute or consent to the return of the Collateral or modify the terms of the Documents.

The Collateral was delivered to Buyer on 10/22/98 (Date)

WITH RECOURSE: If Buyer fails to pay any payment on the Documents when due, or if Buyer is otherwise in default under the terms of the Documents, or if Buyer or Assignor becomes insolvent or makes an assignment for the benefit of creditors, or if a petition for a receiver or in bankruptcy is filed by or against Buyer or Assignor, then in any of such events Assignor will, without requiring Assignee to proceed against Buyer or any other person or any security, repurchase the Documents on written demand and pay Assignee in cash the balance remaining unpaid thereunder plus any expenses of collection, repossession, transportation and storage, and reasonable attorneys' fees and court costs incurred by Assignee, less any customary refund by Assignee of unearned finance charges. The terms and provisions of Seller's Assignment above the following described agreement are incorporated herein by reference:

(Identify specific agreement or, if none, show "None") Assignor (Name of individual, corporation or partnership.)

Dated By Title (If corporation, authorized party must sign and show corporate title. If partnership, a general partner must sign. If owner or partner, show which.)

WITHOUT RECOURSE: This assignment is Without Recourse as to the financial ability of the Buyer to pay, except as provided in Seller's Assignment above or as may be otherwise provided in the following described agreement between Assignor and Assignee. The terms and provisions of Seller's Assignment above and the following described agreement are incorporated herein by reference.

Subject to the Special Dealer Agreement dated 02/02/98

(Identify specific agreement or, if none, show "None") Assignor Missoula Freightliner, Inc. (Name of individual, corporation or partnership.)

Dated 10/22/98 By [Signature] Title General Manager (If corporation, authorized party must sign and show corporate title. If partnership, a general partner must sign. If owner or partner, show which.)

REPURCHASE: Assignor hereby agrees with Assignee that in the event of repossession of the Collateral Assignor on written demand will purchase the Security Agreement from Assignee at a place designated by Assignee for the balance remaining unpaid under the Security Agreement plus any expenses of collection, repossession, transportation and storage, and reasonable attorneys' fees and court costs incurred by Assignee, less any customary refund by Assignee of unearned finance charges, and will so purchase the Security Agreement even though Assignee may have waived full performance of the provisions of the Security Agreement by Buyer without Assignor's consent. The terms and provisions of Seller's Assignment above and the following described agreement are incorporated herein by reference.

(Identify specific agreement or, if none, show "None") Assignor (Name of individual, corporation or partnership.)

Dated By Title (If corporation, authorized party must sign and show corporate title. If partnership, a general partner must sign. If owner or partner, show which.)

IDAHO CERTIFICATE OF TITLE

1 VIN IDENTIFICATION NUMBER 1TTF48203V1054120		YEAR 1997	MAKE TRAO	BODY FB	MODEL TL	DESCRIPTION
2 VIN IDENTIFICATION NUMBER		ODOMETER READING		DATE		
TITLE NUMBER 989112245		PRINT DATE 01/25/1999		EXEMPT		
OWNER'S NAME AND ADDRESS		WEIGHT	LENGTH	WIDTH	HULL	HORSEPOWER PROPULSION

PANIOUCHKINE, VLADIMIR
255 BONNY DR
TWIN FALLS, ID 83301

OTHER PERTINENT DATA

Assignment of Title

Federal and state law requires that you state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment.

1 ODOMETER READING - Reading is actual unless indicated otherwise: (NO TENTHS) DATE		6 PURCHASER'S PRINTED NAME(S)	
<input type="checkbox"/> In Error or Mechanical Fault <input type="checkbox"/> Not Actual - Warning: Odometer Discrepancy		<input type="checkbox"/> Known <input type="checkbox"/> No Odometer	
2 DATE SOLD	SELLING PRICE	6 ADDRESS	
3 SELLER'S/REPRESENTATIVE'S PRINTED NAME(S)		7 CITY STATE ZIP	
4 I certify to the best of my knowledge that the odometer reading reflects the actual mileage unless otherwise indicated. I state hereby that I am not a dealer and I am not a seller in the normal course of business. SELLER'S/REPRESENTATIVE'S SIGNATURE:		8 I am aware of the odometer certification made by the seller. PURCHASER'S/REPRESENTATIVE'S SIGNATURE:	
A X		A X	
B X		B X	

Lienholder Section

FIRST LIEN ASSOCIATES COMMERCIAL CORP		SECOND LIEN	
PO BOX 168647 IRVING, TX 75016 RECORDED 01/25/1999			
9 SIGNATURE RELEASING LIEN DATE		10 SIGNATURE RELEASING LIEN DATE	
X		X	
		11 NEW LIENHOLDER'S NAME	
		12 ADDRESS	
		13 CITY STATE ZIP	

Alterations May Void This Document

This title contains an eagle watermark that is visible when held to the light

AUDIT NO. 03756180

\$2.00 Fee

NOTICE OF RELEASE OF LIABILITY

\$2.00 Fee

PLEASE PRINT CLEARLY — ALL INFORMATION MUST BE COMPLETE — NOTIFICATION BY SELLER IS MANDATORY

Vehicle Identification Number (VIN) 1TTF48203V1054120	Year 1997	Make TRAO	Body Style FB	Title Number 989112245
---	---------------------	---------------------	-------------------------	----------------------------------

Seller's Full Name:		Phone Number	
Address	City	State	Zip
Odometer	Selling Price \$	Date Vehicle Delivered to Purchaser	
Purchaser's Full Name:		State Zip	
Address	City	State	Zip

I hereby certify that the vehicle described herein is the property of the seller and is being transferred to the purchaser. I have read the notice of release of liability and will remain responsible for any and all obligations of this certificate of title as applied for and issued hereon.

SEE REVERSE SIDE FOR MAILING/PAYMENT INSTRUCTIONS

1391919



SECURITY AGREEMENT

The undersigned debtor, meaning all debtors jointly and severally ("Debtor"), to secure the obligations set forth herein grants to the secured party named below (herein, with its successors and assigns, called "Security Party") under the terms and provisions of this agreement (this "Agreement") a security interest in the following described property (herein, with all present and future attachments, accessories, replacement parts, repairs and additions or substitutions, referred to collectively as "Equipment"):

(Describe the Equipment, including all major attachments, fully, including make, kind of unit, model, serial numbers and other pertinent information.)

Year	Manufacturer	Model	Description	Serial Number
1994	WHITE GMC	WIA64TES	TRACTOR	4V1WDBJF1RN675659
1994	WHITE GMC	WIA64TES	TRACTOR	4V1WDBJFXRN675658

This Equipment will be used primarily for: business or commercial use other than farming operations farming operations. When not in use, the Equipment will be kept at:

255 BONNY DR IDAHO, TWIN FALLS ID 83301

(Street Address)

and, when in use, will be used only in the following State(s) ALL 48

PAYMENT SCHEDULE

Debtor promises to pay Secured Party the Total Amount of \$ 62,762.76 (the "Total Amount") in 36 installments as follows:

(a) \$ 1,743.41 on 03/12/99, and a like sum of the like date of each month thereafter until fully paid:

or

(b)

USE OF PROCEEDS

Secured Party is hereby irrevocably authorized and directed to disburse the proceeds of this Agreement as follows:

Amount	Payee (Name and Address)
\$ 50,236.96	DL CAMPBELL USED CARS & TRUCKS 4008 MAIN STREET (PROCEEDS TO SELLER)
\$ 490.00	ASSOCIATES COMMERCIAL CORP 6965 UNION PARK CENTER 400.00 DOC FEE/90.00 TITLE FEE
\$ 0.00	

Debtor hereby acknowledges and agrees that the proceeds of this Agreement will be used for commercial, business or agricultural purposes and will not be used for personal, family or household purposes.

Secured Party may disburse the proceeds using checks, drafts, orders, transfer funds, or any other method or media Secured Party deems desirable. Disbursement may be made in Secured Party's name on Debtor's behalf or in Debtor's name. Disbursement in accordance with the above instructions or any written supplement to these instructions will constitute payment and delivery to and receipt by Debtor of all such proceeds.

provided, however, that the final installment will be in the amount of the then remaining unpaid balance. All amounts payable under this Agreement are payable at Secured Party's address shown below or at such other address as Secured Party may specify from time to time in writing. Any note taken in conjunction with this Agreement evidences indebtedness and not payment.

INSURANCE: Physical damage insurance covering the equipment is required. Debtor can furnish this insurance through an agent or broker of Debtor's choice. Debtor hereby authorizes Secured Party and any assignee to release to any Insurance company affiliated with Secured Party or any assignee any information relating to a contract or policy of insurance which is providing or may provide insurance coverage against physical damage to the Equipment.

TOTAL AMOUNT: The Total Amount consists of \$ 50,726.96 of principal and precomputed interest in the amount of \$ 12,035.80 computed on the basis of 14.95 % per annum on the assumption that all payments will be made on their respective due dates.

DELINQUENCY: For each installment not paid when due, Debtor agrees to pay Secured Party a delinquency charge calculated on the amount of such installment at the rate of 1.5% per month for the period of the delinquency, or, at Secured Party's option, 5% of such installment, provided that such a delinquency charge is not prohibited by law, otherwise at the highest rate that Debtor can legally obligate itself to pay and/or Secured Party can legally collect. Debtor agrees to reimburse Secured Party immediately upon demand for any amount charged to Secured Party by any depository institution because a check, draft or other order made or drawn by or for the benefit of Debtor is returned unpaid for any reason. From and after acceleration, Debtor agrees to pay interest on all amounts then owing at the rate of 1.5% per month, if not prohibited by law, otherwise at the highest rate that Debtor can legally obligate itself to pay and/or Secured Party can legally collect. If the implementation of any provision of this Agreement would at any time raise the interest rate (whether before or after acceleration) or delinquency charge above the lawful maximum, if any, in effect from time to time under applicable state or federal laws for loans to borrowers of the type, in the amount, for the purposes, and otherwise of the kind contemplated by this Agreement, then such interest rate and/or delinquency charge will be limited to such lawful maximum and any excess amount inadvertently collected will be deemed to be a partial prepayment of principal and applied or reapplied by Secured Party in that manner.

Page 1 of 3 of Security Agreement dated 02/12/98 between VLADIMIR PANIOUCHKINE (Debtor) and ASSOCIATES COMMERCIAL CORP (Secured Party) which includes, without limitation, an item of Collateral with the following serial number: 4V1WDBJF1RN675659

Statement of Additional Terms

1. Additional Warranties and Agreements.

Debtor warrants and agrees that: the execution of and performance by Debtor under the terms of this Agreement has been approved for Debtor by all necessary action and by Debtor's partners or board of directors, as applicable; the Equipment is currently and will continue to be maintained in good operating condition, repair and appearance and is currently and will continue to be used and operated with care only by qualified personnel in the regular course of Debtor's business and in conformity with all applicable governmental laws and regulations, manufacturer's specifications and the restrictions contained in any insurance policy insuring the Equipment; the Equipment is not currently and will not be used in conjunction with the storage, transportation or disposal of substances considered to be toxic and/or hazardous or in conjunction with any activity or for any use that would subject the Equipment to seizure or confiscation by any governmental body; and the Equipment is currently located at and will be kept by Debtor at the location set forth for it on page 1 of this Agreement and will not be removed from said location without the prior written consent of Secured Party, except that if the Equipment is of a type which is mobile and normally used by Debtor at more than one location, Debtor may use the Equipment away from said location in the regular course of Debtor's business provided that (a) if the Equipment is not returned to said location within 30 days, Debtor will immediately thereafter, and each 30 days thereafter until the Equipment is returned, report the then current location of the Equipment to Secured Party in writing and (b) the Equipment shall not be removed from the State(s) of use indicated on page 1 of this Agreement. Secured Party shall have the right to inspect the Equipment at all reasonable times and from time to time.

Debtor further warrants and agrees that: the security interest in the Collateral granted to and/or retained by Secured Party is and will continue to be superior to any title to or interest in the Equipment now or hereafter held or claimed by any other party; the Collateral is free from and will be kept free from all liens, claims, security interests and encumbrances (whether superior or inferior to the interests of Secured Party) other than that created by this Agreement; notwithstanding Secured Party's interest in proceeds, Debtor will not and will not allow any other party to consign, sell, rent, lend, encumber, pledge, transfer, create or otherwise dispose of any of the Collateral without Secured Party's prior written consent; Debtor will do everything Secured Party deems necessary or expedient to perfect or preserve the interests granted to Secured Party under this Agreement and the first priority of such interests; any Manufacturer's Statement or Certificate of Origin or Certificate of Title relating to the Equipment shall be immediately delivered to Secured Party and, if a Certificate of Title or registration is required for any item of Equipment Debtor will cooperate with Secured Party in obtaining the Certificate of Title or registration disclosing the interests of Debtor and Secured Party in the Equipment; Debtor will defend any action, proceeding or claim affecting the Collateral or the interests of Secured Party in the Collateral; Debtor shall promptly pay all amounts payable in conjunction with the storage, maintenance or repair of the Equipment and all taxes, assessments, license fees and other public and private charges levied or assessed in conjunction with the operation or use of the Equipment or levied or assessed against the Collateral, this Agreement or any accompanying note except for those which are being contested by Debtor in good faith by appropriate proceedings and which do not constitute a lien or encumbrance upon the Collateral; and Debtor will from time to time furnish Secured Party with such financial statements and other information as Secured Party may reasonably request.

2. Insurance and Risk of Loss.

Debtor will at all times bear all risk of loss of, damage to or destruction of the Equipment. Debtor agrees to immediately procure and maintain insurance on the Equipment for the full insurable value thereof and for the life of this agreement, in the form of "All Risk" or similar insurance (insuring the Equipment for fire, extended coverage, vandalism, theft and collision and containing only those exclusions from coverage which are acceptable to Secured Party) with respect to Equipment which is not a vehicle and Fire Insurance with Combined Additional Coverage and Collision, Theft and/or Vandalism and Malicious Mischief Coverage with respect to any Equipment which is a vehicle, plus such other insurance as Secured Party may specify from time to time, all in form and amount and with insurers satisfactory to Secured Party. Debtor agrees to deliver promptly to Secured Party certificates or, if requested, policies of insurance satisfactory to Secured Party, each with a standard long-form loss-payable endorsement naming Secured Party or assigns as loss-payee and providing that Secured Party's rights under such policy will not be invalidated by any act, omission or neglect of anyone other than Secured Party, and containing the insurer's agreement to give 30 days prior written notice to Secured Party before any cancellation of or material change in the policy(s) will be effective as to Secured Party, whether such cancellation or change is at the direction of Debtor or insurer. Secured Party's acceptance of policies in lesser amounts or risks will not be a waiver of Debtor's obligation to procure insurance complying with the provisions hereof promptly after notice from Secured Party. Debtor assigns to Secured Party all proceeds of any physical damage or credit insurance which is maintained by Debtor in accordance herewith, including returned and unearned premiums, up to the amount owing hereunder by Debtor. Secured Party will not have the right to cancel any such insurance without Debtor's consent prior to the occurrence of an event of default and repossession, loss or destruction of the Collateral. Debtor directs all insurers to pay such proceeds solely to the order of Secured Party for application to Debtor's indebtedness to Secured Party. Secured Party may, at its option, apply any such proceeds received by Secured Party to the final maturing installments due hereunder in the inverse order of their maturity.

3. Performance By Secured Party.

If Debtor fails to perform any of Debtor's obligations pursuant to this Agreement, Secured Party may perform the same for the account of Debtor. Any such action by Secured Party will be in Secured Party's sole discretion and Secured Party will not be obligated in any way to do so. Secured Party's performance on behalf of Debtor will not obligate Secured Party to perform the same or any similar act in the future and will not cure or waive Debtor's failure of performance as an event of default hereunder. All sums advanced or costs and expenses incurred by Secured Party pursuant to this Paragraph, including the reasonable fees of any attorney retained by Secured Party, will be for the account of Debtor, will constitute indebtedness secured by Secured Party's security interest in the Collateral, will bear interest at the rate as specified on page 1 of this Agreement in the event of acceleration and, unless Secured Party, in Secured Party's sole discretion agrees otherwise in writing, shall be immediately due and payable.

4. Events of Default.

Time is of the essence. An event of default will occur if: (a) Debtor fails to pay when due any amount owed by it to Secured Party under this Agreement or under the terms of any promissory note delivered in conjunction with this Agreement or if Debtor fails to pay when due any amount owed by it to Secured Party or to any affiliate of Secured Party under any other document, agreement or instrument; (b) Debtor fails to perform in compliance with any of its agreements or to any warranty made by Debtor in this Agreement or becomes incorrect or if Debtor fails to perform or observe any term or provision to be performed or observed by it under any other document, instrument or agreement furnished by Debtor to Secured Party or any affiliate of Secured Party or to otherwise acquired by Secured Party or any affiliate of Secured Party; (c) any information, representation, or warranty furnished by Debtor to Secured Party or to any affiliate of Secured Party is inaccurate or incorrect in any material respect when furnished; (d) Debtor becomes insolvent or ceases to do or is prohibited by any court order or governmental action from conducting the business in which Debtor is principally engaged on the date of this Agreement as a going concern; (e) any surety or bonding company assumes any of Debtor's responsibilities under any contract or job; (f) if any of the Equipment is lost, stolen, destroyed, confiscated by any governmental agency, abandoned, or relocated, used or maintained in violation of the terms hereof or if Debtor attempts to consign, sell, rent, lend or encumber any of the Equipment or allows another to do so; (g) Debtor files a petition in bankruptcy, or for an arrangement, reorganization, or similar relief, or makes an assignment of the benefit of creditors, or applies for the appointment of a receiver or trustee for a substantial part of its assets or for any of the Equipment, or attempts to take advantage of any process of proceeding for the relief of debtors, or if any such action is taken against Debtor; (h) any other party attempts to attach, repossess or execute upon any of the Collateral; (i) Debtor ceases to exist as a legal entity or Debtor or any party in control of Debtor takes any action looking to Debtor's dissolution as a legal entity; (j) there shall be a material change in the management, ownership or control of Debtor; or (k) Secured Party in good faith believes that the prospect of payment or performance hereunder is impaired. Secured Party's inaction with respect to an event of default shall not be a waiver of such default and Secured Party's waiver of any default shall not be a waiver of any other default.

5. Remedies Upon Default.

Upon the occurrence of an event of default, and at any time thereafter as long as the default continues, Secured Party may, at its option, with or without notice to Debtor (i) declare this Agreement to be in default, (ii) declare the indebtedness hereunder to be immediately due and payable, (iii) declare all other debts then owing by Debtor to Secured Party to be immediately due and payable, (iv) cancel an insurance and credit any refund to the indebtedness, and (v) exercise all of the rights and remedies of a Secured Party under the Uniform Commercial Code and any other applicable laws, including, without limitation, the right to require Debtor to assemble the Equipment and deliver it to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties, and to lawfully enter any premises where the Collateral may be without judicial process and take possession thereof. Acceleration of any and all indebtedness, if so elected by Secured Party, shall be subject to all applicable laws including those pertaining to refunds and rebates of unearned charges. Any property other than the Collateral which is in or upon the Collateral at the time of repossession may be taken and held without liability until its return is requested by Debtor. Any sale or other disposition of any of the Collateral may be made at public or private sale or through public auction at the option of Secured Party. Secured Party may buy at any sale and become the owner of the Collateral. Unless otherwise provided by law, any requirement of reasonable notice which Secured Party may be obligated to give regarding the sale or other disposition of Collateral will be met if such notice is given to Debtor at least ten days before the time of the sale or other disposition. Debtor agrees that Secured Party may bring any legal proceeds it deems necessary to enforce the payment and performance of Debtor's obligations hereunder in any court in the State shown in Secured Party's address set forth herein, and service of process may be made upon Debtor by the mailing a copy of the summons to Debtor. All notices to Debtor relating hereto will be considered received when delivered in person or mailed to Debtor at the address set forth on page 3 of this Agreement, or at any later address designated in writing by Debtor. The filing by Secured Party of any action or proceeding with respect to the Collateral or any of Debtor's obligations hereunder shall not constitute an election by Secured Party of Secured Party's remedies or a waiver of Secured Party's rights to take possession of the Collateral as provided above. Expenses of retaking, holding, preparing for sale, selling and the like shall include (a) the reasonable fees of any attorneys retained by Secured Party, (b) any amounts advanced or expenses incurred by Secured Party pursuant to Paragraph 3 hereof and (c) all other legal and other expenses incurred by Secured Party. Debtor agrees that it is liable for and will promptly pay any deficiency remaining after any disposition of Collateral after default and all costs and expenses, including the reasonable fees of any attorney, incurred by Secured Party in the collection of any such deficiency.

Page 2 of 3 of Security Agreement dated 02/12/99 between VLADIMIR PANIOUCHKINE (Debtor) and ASSOCIATES COMMERCIAL CORP (Secured Party) which includes, without limitation, an item of Collateral with the following serial number: 4Y1WDBJF1RN875859

6. Power of Attorney. Secured Party or any duly authorized officer or employee of Secured Party as Debtor's attorney-in-fact to, in Debtor's or Secured Party's name: (a) prepare, execute and submit any notice or proof of loss in order to realize the benefits of any insurance policy insuring the Collateral; (b) prepare, execute and file any instrument which, in Secured Party's opinion, is required by law to perfect and give or modify public notice of Secured Party's interest in the Collateral; and (c) endorse Debtor's name on any remittance representing proceeds of any insurance insuring the Collateral or the proceeds of the sale, or other disposition of any of the Collateral (whether or not such disposition is a default hereunder). This power is coupled with an interest and is irrevocable so long as any indebtedness secured hereunder remains unpaid.

7. Assignment. Debtor shall not assign this Agreement without prior written consent of Secured Party. Secured Party may assign this Agreement with or without notice to or the consent of Debtor. Upon assignment, the term "Secured Party" shall mean and refer to any assignee who is the holder of this Agreement. After assignment of this Agreement by Secured Party, the assignor will not be the assignee's agent for any purpose and Debtor's obligations to the assignee will be absolute and unconditional and, to the extent permitted by applicable law, will not be subject to any abatement, reduction, recoupment, defense, set-off or counterclaim available to Debtor for breach of warranty or for any other reason whatsoever. Upon full payment of all obligations secured by this Agreement, the assignee may deliver all original papers to the assignor for Debtor.

8. Miscellaneous. (A) All of Secured Party's rights hereunder are cumulative and not alternative. (B) The inclusion of a trade name or division name in the identification of Debtor hereunder does not limit Secured Party's rights, after the occurrence of an event of default, to proceed against all of Debtor's assets, including those held or used by Debtor individually or under another trade or division name. (C) If permitted by law, Debtor agrees that a carbon, photographic or other reproduction of this Agreement or of a financing statement may be filed as a financing statement. (D) Secured Party may correct patent errors herein and fill in blanks. (E) All of the terms and provisions hereof will apply to and be binding upon Debtor, its heirs, personal representatives, successors and assigns and shall inure to the benefit of Secured Party, its successors and assigns. (F) Debtor and Secured Party hereby waive any right to trial by jury in any action or proceeding relating to this Agreement or the transaction contemplated hereby. (G) Debtor hereby expressly waives notice of nonpayment, presentment, protest, dishonor, default, intent to accelerate the maturity hereof and of acceleration of the maturity hereof. (H) If allowed by law, "the reasonable fees of attorneys" retained by Secured Party shall include the amount of any flat fee, retainer, contingent fee and/or the hourly charges of any attorney retained by Secured Party in enforcing any of Secured Party's rights hereunder in the prosecution or defense of any litigation related to this Agreement or the transaction contemplated by this Agreement. (I) To the extent allowed by law, Debtor hereby waives any exemptions or appraisals. (J) No waiver or change in this Agreement or in any related note will be binding upon Secured Party, or Secured Party's assignee, unless such waiver or change is in writing and signed by one of its officers and any such waiver or change shall then be effective only upon the terms and to the extent provided in such writing. (K) The acceptance by Secured Party of any remittance from a party other than Debtor will in no way constitute Secured Party's consent to the transfer of any of the Collateral to such party. (L) Any captions or headings included in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision contained in this Agreement. (M) Any provision contained herein which is contrary to, prohibited by or invalid under applicable laws or regulations will be deemed inapplicable and omitted herefrom, but shall not invalidate the remaining provisions hereof. (N) The only copy of this Agreement which constitutes "chattel paper" is the original executed copy designated as "Original For Associates".

SECURITY INTEREST: To secure payment of the Total Amount and all of Debtor's obligations under this Agreement or with respect to the Equipment, Debtor hereby grants to Secured Party a first priority security interest in the Equipment and in all cash and non-cash proceeds thereof (the Equipment and all such proceeds are herein called the "Collateral") regardless of any retaking and/or redelivery of the Collateral to Debtor.

CROSS SECURITY: Debtor further grants to Secured Party a security interest in the Collateral to secure the payment of all absolute and all contingent obligations and liabilities of Debtor to Secured Party now existing or hereafter arising, whether under this Agreement or under any other agreement and whether due directly or by assignment; provided, however, upon any assignment of this Agreement by Secured Party, the assignee shall be deemed for the purpose of this paragraph as the only party with a security interest in the Collateral.

DELIVERY AND ACCEPTANCE OF EQUIPMENT
(Check Appropriate Box)

Debtor's obligations and liabilities to Secured Party are absolute and unconditional under all circumstances and regardless of any failure of operation or Debtor's loss of possession of any item of Equipment or the cessation or interruption of Debtor's business for any reason whatsoever.

- On 02/12/99, the Equipment being purchased with the proceeds of this Agreement was delivered to Debtor with all installation and other work necessary for the proper use of the Equipment completed at a location agreed upon by Debtor; the Equipment was inspected by Debtor and found to be in satisfactory condition in all respects and delivery was unconditionally accepted by Debtor.
- The Equipment being purchased with the proceeds of this Agreement has not yet been delivered to or accepted by Debtor and, upon delivery, Debtor agrees to execute such delivery and acceptance certificate as Secured Party requires.
- All of the Equipment was acquired by Debtor prior to the date hereof and was previously delivered to and unconditionally accepted by Debtor.

ADDITIONAL TERMS AND ORAL AGREEMENTS: Debtor and Secured Party agree that this is a three page agreement and each page hereof constitutes a part of this agreement. THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Debtor's Social Security or Federal Taxpayer Identification Number is 518479401 and Co Debtor's is:

Debtor hereby acknowledges receipt of an exact copy of this Agreement.

DATED 02/12/99
SECURED PARTY ASSOCIATES COMMERCIAL CORP
(Name of individual, corporation or partnership.)
By [Signature] Title C.I.O.
(If corporation, authorized party must sign and show corporate title. If partnership, a general partner must sign. If owner or partner, show which.)

Accepted At: 6955 UNION PARK CENTER (Street Address) MIDVALE, UTAH 84047 (City, State and ZIP Code)
By [Signature] Title INDIVIDUAL (If co-buyer or co-officer sign here and show which.) 255 BONNY DR (Street Address) TWIN FALLS ID 83301 (City, County, State and ZIP Code)

Buyer's Initials

Page 3 of 3 of Security Agreement dated 02/12/99 between VLADIMIR PANIOUCHKINE (Debtor) and ASSOCIATES COMMERCIAL CORP (Secured Party) which includes, without limitation, an item of Collateral with the following serial number: 4V1WDBJF1RNS76659

IDAHO CERTIFICATE OF TITLE

VEHICLE IDENTIFICATION NUMBER 4V1WDBJFXRN675658		YEAR 1994	MAKE WHGM	BODY DS	MODEL TK	DESCRIPTION
2ND VEHICLE IDENTIFICATION NUMBER		ODDMETER READING		DATE		
TITLE NUMBER 994007081	PRINT DATE 04/07/1999	WEIGHT	LENGTH	WIDTH	HULL	HORSEPOWER PROPULSION

EXEMPT

OWNER'S NAME AND ADDRESS PANIOUCHKINE, VALDIMIR DBA PAN TRANS 255 BONNY DR TWIN FALLS, ID 83301	OTHER PERTINENT DATA
---	----------------------

Assignment of Title

Federal and state law requires that you state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment.

1 ODOMETER READING - Reading is actual unless indicated otherwise. (NO TENTHS): _____ DATE: _____ <input type="checkbox"/> In Excess of Mechanical Limit <input type="checkbox"/> Exempt <input type="checkbox"/> Not Actual - Warning: Odometer Discrepancy <input type="checkbox"/> No Drive	5 PURCHASER'S PRINTED NAME(S) A _____ B _____
3 DATE SOLD: _____ SELLING PRICE: _____	6 ADDRESS
8 SELLER'S/REPRESENTATIVE'S PRINTED NAME(S)	7 CITY STATE ZIP
4 I certify, to the best of my knowledge, that the odometer reading reflects the actual mileage, unless otherwise indicated. I also hereby release my interest and transfer ownership to the named purchaser. SELLER'S/REPRESENTATIVE'S SIGNATURE: A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/>	8 I am aware of the odometer certification made by the seller. PURCHASER'S/REPRESENTATIVE'S SIGNATURE: A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> See PURCHASER'S/REPRESENTATIVE'S SIGNATURE (or representative's printed name).

Lienholder Section

FIRST LIEN ASSOCIATES COMMERCIAL CORP #8901 PO BOX 168647 IRVING, TX 75016-8647 RECORDED 04/02/1999	SECOND LIEN
SIGNATURE RELEASING LIEN _____ DATE _____	10 SIGNATURE RELEASING LIEN _____ DATE _____
<input checked="" type="checkbox"/>	11 NEW LIENHOLDER'S NAME
	12 ADDRESS
	13 CITY

After this day and this hour and

AUDIT NO. 03259111

\$2.00 Fee

NOTICE OF RELEASE OF LIABILITY

\$2.00 Fee

PLEASE PRINT CLEARLY — ALL INFORMATION MUST BE COMPLETE — NOTIFICATION BY SELLER IS MANDATORY

Vehicle Identification Number (VIN) 4V1WDBJFXRN675658	Year 1994	Make WHGM	Body Style DS	Title Number 994007081
Seller's Full Name: _____		Phone Number: _____		
Address: _____		City: _____		State: _____ Zip: _____
Odometer: _____		Selling Price: \$ _____		Date Vehicle Delivered to Purchaser: _____
Purchaser's Full Name: _____		City: _____		State: _____ Zip: _____

I/we hereby request that the Idaho Transportation Department mark its motor vehicle records to indicate that I/we have transferred the vehicle described above under the provisions of Section 49-53A Idaho Code, which addresses vehicle transfers. However, I/we understand that the motor vehicle record will remain in my name until a new Idaho Certificate of Title is applied for and issued record the name of the new owner.

X _____

(Signature of Seller(s))

— SEE REVERSE SIDE FOR MAILING/PAYMENT INSTRUCTIONS —

IDAHO					
CERTIFICATE OF TITLE					
VEHICLE IDENTIFICATION NUMBER 4V1WDBJF1RN675659			YEAR 1994	MAKE WHGM	BODY MODEL DESCRIPTION DS TK
2ND VEHICLE IDENTIFICATION NUMBER			ODOMETER READING EXEMPT		DATE
TITLE NUMBER 994007083	PRINT DATE 04/07/1999	WEIGHT	LENGTH	WIDTH	HULL HORSEPOWER PROPULSION
OWNER'S NAME AND ADDRESS PANIOUCHKINE, VALDIMIR DBA PAN TRANS 255 BONNY DR TWIN FALLS, ID 83301			OTHER PERTINENT DATA		
Assignment of Title Federal and state law requires that you state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment.					
1 ODOMETER READING - Reading is actual unless indicated otherwise (NO TENTHS): DATE: _____ <input type="checkbox"/> In Excess of Mechanical Limit <input type="checkbox"/> Exempt <input type="checkbox"/> Not Actual - Warning: Odometer Discrepancy <input type="checkbox"/> No Device			5 PURCHASER'S PRINTED NAME(S) A _____ B _____		
2 DATE SOLD: _____ SELLING PRICE: _____			6 ADDRESS _____		
3 SELLER'S/REPRESENTATIVE'S PRINTED NAME(S)			7 CITY _____ STATE _____ ZIP _____		
4 I certify to the best of my knowledge, that the odometer reading reflects the actual mileage, unless otherwise indicated. I also hereby release my interest and transfer ownership to the named purchaser. SELLER'S/REPRESENTATIVE'S SIGNATURE: A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/>			8 I am aware of the odometer certification made by the seller. PURCHASER'S/REPRESENTATIVE'S SIGNATURE: A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> (or representative's printed name)		
Lienholder Section					
FIRST LIEN ASSOCIATES COMMERCIAL CORP #8901 PO BOX 168647 IRVING, TX - 75016-8647 RECORDED 04/02/1999			SECOND LIEN		
9 SIGNATURE RELEASING LIEN _____ DATE _____			10 SIGNATURE RELEASING LIEN _____ DATE _____ <input checked="" type="checkbox"/>		
11 SIGNATURE RELEASING LIEN _____ DATE _____ <input checked="" type="checkbox"/>			12 NEW LIENHOLDER'S NAME		
			13 ADDRESS _____		
			14 CITY _____ STATE _____ ZIP _____		
AUDIT NO. 03 259115					

1-97TW

\$2.00 Fee

NOTICE OF RELEASE OF LIABILITY

\$2.00 Fee

PLEASE PRINT CLEARLY — ALL INFORMATION MUST BE COMPLETE — NOTIFICATION BY SELLER IS MANDATORY

Vehicle Identification Number (VIN) 4V1WDBJF1RN675659	Year 1994	Make WHGM	Body Style DS	Title Number 994007083
Seller's Full Name: _____		Phone Number: _____		
Address: _____		City: _____		State: _____ Zip: _____
Odometer: _____		Selling Price: \$ _____		Date Vehicle Delivered to Purchaser: _____
Purchaser's Full Name: _____				
Address: _____		City: _____		State: _____ Zip: _____

I/we hereby request that the Idaho Transportation Department mark its motor vehicle records to indicate that I/we have transferred the vehicle described above under the provisions of Section 49-52 Idaho Code, which addresses vehicle transfers. However, I/we understand that the motor vehicle record will remain in my name until a new Idaho Certificate of Title is applied for and issued under the name of the new owner.

(Signature of Seller(s))

— SEE REVERSE SIDE FOR MAILING/PAYMENT INSTRUCTIONS —

1390273



SECURITY AGREEMENT

The undersigned debtor, meaning all debtors jointly and severally ("Debtor"), to secure the obligations set forth herein grants to the secured party named below (herein, with its successors and assigns, called "Secured Party") under the terms and provisions of this agreement (this "Agreement") a security interest in the following described property (herein, with all present and future attachments, accessories, replacement parts, repairs and additions or substitutions, referred to collectively as "Equipment"):

(Describe the Equipment, including all major attachments, fully, including make, kind of unit, model, serial numbers and other pertinent information.)

Year	Manufacturer	Model	Description	Serial Number
1995	WHITE GMC	WIA64TTES	TRACTOR	4V1WDBCHXSN696773

This Equipment will be used primarily for: business or commercial use other than farming operations farming operations. When not in use, the Equipment will be kept at:
255 BONNY DR IDAHO, TWIN FALLS ID 83301
(Street Address)

and, when in use, will be used only in the following State(s) ALL 48

PAYMENT SCHEDULE

Debtor promises to pay Secured Party the Total Amount of \$ 4,428.44 (the "Total Amount") in 36 installments as follows:

(a) \$ 1,150.79 on 01/11/99, and a like sum of the like date of each month thereafter until fully paid:

or

(b)

USE OF PROCEEDS

Secured Party is hereby irrevocably authorized and directed to disburse the proceeds of this Agreement as follows:

Amount	Payee (Name and Address)
\$ 33,387.79	ASSOCIATES COMMERCIAL CORP 6955 UNION PARK CENTER PAYOFF ACCT 1900380
\$ 45.00	ASSOCIATES COMMERCIAL CORP 6955 UNION PARK CENTER TITLE FEE
\$ 0.00	

Debtor hereby acknowledges and agrees that the proceeds of this Agreement will be used for commercial, business or agricultural purposes and will not be used for personal, family or household purposes.

Secured Party may disburse the proceeds using checks, drafts, orders, transfer funds, or any other method or media Secured Party deems desirable. Disbursement may be made in Secured Party's name on Debtor's behalf or in Debtor's name. Disbursement in accordance with the above instructions or any written supplement to these instructions will constitute payment and delivery to and receipt by Debtor of all such proceeds.

provided, however, that the final installment will be in the amount of the then remaining unpaid balance. All amounts payable under this Agreement are payable at Secured Party's address shown below or at such other address as Secured Party may specify from time to time in writing. Any note taken in conjunction with this Agreement evidences indebtedness and not payment.

INSURANCE: Physical damage insurance covering the equipment is required. Debtor can furnish this insurance through an agent or broker of Debtor's choice. Debtor hereby authorizes Secured Party and any assignee to release to any insurance company affiliated with Secured Party or any assignee any information relating to a contract or policy of insurance which is providing or may provide insurance coverage against physical damage to the Equipment.

TOTAL AMOUNT: The Total Amount consists of \$ 33,432.79 of principal and precomputed interest in the amount of \$ 7,995.65 computed on the basis of 15.03 % per annum on the assumption that all payments will be made on their respective due dates.

DELINQUENCY : For each installment not paid when due, Debtor agrees to pay Secured Party a delinquency charge calculated on the amount of such installment at the rate of 1.5% per month for the period of the delinquency, or, at Secured Party's option, 5% of such installment, provided that such a delinquency charge is not prohibited by law, otherwise at the highest rate that Debtor can legally obligate itself to pay and/or Secured Party can legally collect. Debtor agrees to reimburse Secured Party immediately upon demand for any amount charged to Secured Party by any depository institution because a check, draft or other order made or drawn by or for the benefit of Debtor is returned unpaid for any reason. From and after acceleration, Debtor agrees to pay interest on all amounts then owing at the rate of 1.5% per month, if not prohibited by law, otherwise at the highest rate that Debtor can legally obligate itself to pay and/or Secured Party can legally collect. If the implementation of any provision of this Agreement would at any time raise the interest rate (whether before or after acceleration) or delinquency charge above the lawful maximum, if any, in effect from time to time under applicable state or federal laws for loans to borrowers of the type, in the amount, for the purposes, and otherwise of the kind contemplated by this Agreement, then such interest rate and/or delinquency charge will be limited to such lawful maximum and any excess amount inadvertently collected will be deemed to be a partial prepayment of principal and applied or reapplied by Secured Party in that manner.

Page 1 of 3 of Security Agreement dated 12/11/98 between VLADIMIR PANOUCHKINE (Debtor) and ASSOCIATES COMMERCIAL CORP (Secured Party) which includes, without limitation, an item of Collateral with the following serial number: 4V1WDBCHXSN696773

623374 Rev. 9-94
Comm'l Direct Loan - Various States
(Revised 10-94)

Buyer's Initials

Statement of Additional Terms

1. Additional Warranties and Agreements.

Debtor warrants and agrees that: the execution of and performance by Debtor under the terms of this Agreement has been approved for Debtor by all necessary action and by Debtor's partners or board of directors, as applicable; the Equipment is currently and will continue to be maintained in good operating condition, repair and appearance and is currently and will continue to be used and operated with care only by qualified personnel in the regular course of Debtor's business and in conformity with all applicable governmental laws and regulations, manufacturer's specifications and the restrictions contained in any insurance policy insuring the Equipment; the Equipment is not currently and will not be used in conjunction with the storage, transportation or disposal of substances considered to be toxic and/or hazardous or in conjunction with any activity or for any use that would subject the Equipment to seizure or confiscation by any governmental body; and the Equipment is currently located at and will be kept by Debtor at the location set forth for it on page 1 of this Agreement and will not be removed from said location without the prior written consent of Secured Party, except that if the Equipment is of a type which is mobile and normally used by Debtor at more than one location, Debtor may use the Equipment away from said location in the regular course of Debtor's business provided that (a) if the Equipment is not returned to said location within 30 days, Debtor will immediately thereafter, and each 30 days thereafter until the Equipment is returned, report the then current location of the Equipment to Secured Party in writing and (b) the Equipment shall not be removed from the State(s) of use indicated on page 1 of this Agreement. Secured Party shall have the right to inspect the Equipment at all reasonable times and from time to time.

Debtor further warrants and agrees that: the security interest in the Collateral granted to and/or retained by Secured Party is and will continue to be superior to any title to or interest in the Equipment now or hereafter held or claimed by any other party; the Collateral is free from and will be kept free from all liens, claims, security interests and encumbrances (whether superior or inferior to the interests of Secured Party) other than that created by this Agreement; notwithstanding Secured Party's interest in proceeds, Debtor will not and will not allow any other party to consign, sell, rent, land, encumber, pledge, transfer, secrete or otherwise dispose of any of the Collateral without Secured Party's prior written consent; Debtor will do everything Secured Party deems necessary or expedient to perfect or preserve the interests granted to Secured Party under this Agreement and the first priority of such interests; any Manufacturer's Statement or Certificate of Origin or Certificate of Title relating to the Equipment shall be immediately delivered to Secured Party and, if a Certificate of Title or registration is required for any item of Equipment Debtor will cooperate with Secured Party in obtaining the Certificate of Title or registration disclosing the interests of Debtor and Secured Party in the Equipment; Debtor will defend any action, proceeding or claim affecting the Collateral or the interests of Secured Party in the Collateral; Debtor shall promptly pay all amounts payable in conjunction with the storage, maintenance or repair of the Equipment and all taxes, assessments, license fees and other public and private charges levied or assessed in conjunction with the operation or use of the Equipment or levied or assessed against the Collateral, this Agreement or any accompanying note except for those which are being contested by Debtor in good faith by appropriate proceedings and which do not constitute a lien or encumbrance upon the Collateral; and Debtor will from time to time furnish Secured Party with such financial statements and other information as Secured Party may reasonably request.

2. Insurance and Risk of Loss.

Debtor will at all times bear all risk of loss of, damage to or destruction of the Equipment. Debtor agrees to immediately procure and maintain insurance on the Equipment for the full insurable value thereof and for the life of this agreement, in the form of "All Risk" or similar insurance (insuring the Equipment for fire, extended coverage, vandalism, theft and collision and containing only those exclusions from coverage which are acceptable to Secured Party) with respect to Equipment which is not a vehicle and Fire Insurance with Combined Additional Coverage and Collision, Theft and/or Vandalism and Malicious Mischief Coverage with respect to any Equipment which is a vehicle, plus such other insurance as Secured Party may specify from time to time, all in form and amount and with insurers satisfactory to Secured Party. Debtor agrees to deliver promptly to Secured Party certificates or, if requested, policies of insurance satisfactory to Secured Party, each with a standard long-form loss-payable endorsement naming Secured Party or assigns as loss-payee and providing that Secured Party's rights under such policy will not be invalidated by any act, omission or neglect of anyone other than Secured Party, and containing the insurer's agreement to give 30 days prior written notice to Secured Party before any cancellation of or material change in the policy(s) will be effective as to Secured Party, whether such cancellation or change is at the direction of Debtor or insurer. Secured Party's acceptance of policies in lesser amounts or risks will not be a waiver of Debtor's obligation to procure insurance complying with the provisions hereof promptly after notice from Secured Party. Debtor assigns to Secured Party all proceeds of any physical damage or credit insurance which is maintained by Debtor in accordance herewith, including returned and unearned premiums, up to the amount owing hereunder by Debtor. Secured Party will not have the right to cancel any such insurance without Debtor's consent prior to the occurrence of an event of default and repossession, loss or destruction of the Collateral. Debtor directs all insurers to pay such proceeds solely to the order of Secured Party for application to Debtor's indebtedness to Secured Party. Secured Party may, at its option, apply any such proceeds received by Secured Party to the final maturing installments due hereunder in the inverse order of their maturity.

3. Performance By Secured Party.

If Debtor, fails to perform any of Debtor's obligations pursuant to this Agreement, Secured Party may perform the same for the account of Debtor. Any such action by Secured Party will be in Secured Party's sole discretion and Secured Party will not be obligated in any way to do so. Secured Party's performance on behalf of Debtor will not obligate Secured Party to perform the same or any similar act in the future and will not cure or waive Debtor's failure of performance as an event of default hereunder. All sums advanced or costs and expenses incurred by Secured Party pursuant to this Paragraph, including the reasonable fees of any attorney retained by Secured Party, will be for the account of Debtor, will constitute indebtedness secured by Secured Party's security interest in the Collateral, will bear interest at the rate as specified on page 1 of this Agreement in the event of acceleration and, unless Secured Party, in Secured Party's sole discretion agrees otherwise in writing, shall be immediately due and payable.

4. Events of Default.

Time is of the essence. An event of default will occur if: (a) Debtor fails to pay when due any amount owed by it to Secured Party under this Agreement or under the terms of any promissory note delivered in conjunction with this Agreement or if Debtor fails to pay when due any amount owed by it to Secured Party or to any affiliate of Secured Party under any other document, agreement or instrument; (b) Debtor fails to perform in compliance with any of its agreements hereunder or any warranty made by Debtor in this Agreement or becomes incorrect or if Debtor fails to perform or observe any term or provision to be performed or observed by it under any other document, instrument or agreement furnished by Debtor to Secured Party or any affiliate of Secured Party or otherwise acquired by Secured Party or any affiliate of Secured Party; (c) any information, representation, or warranty furnished by Debtor to Secured Party or to any affiliate of Secured Party is inaccurate or incorrect in any material respect when furnished; (d) Debtor becomes insolvent or ceases to do or is prohibited by any court order or governmental action from conducting the business in which Debtor is principally engaged on the date of this Agreement as a going concern; (e) any surety or bonding company assumes any of Debtor's responsibilities under any contract or job; (f) if any of the Equipment is lost, stolen, destroyed, confiscated by any governmental agency, abandoned, or relocated, used or maintained in violation of the terms hereof or if Debtor attempts to consign, sell, rent, lend or encumber any of the Equipment or allows another to do so; (g) Debtor files a petition in bankruptcy, or for an arrangement, reorganization, or similar relief, or makes an assignment of the benefit of creditors, or applies for the appointment of a receiver or trustee for a substantial part of its assets or for any of the Equipment, or attempts to take advantage of any process or proceeding for the relief of debtors, or if any such action is taken against Debtor; (h) any other party attempts to attach, repossess or execute upon any of the Collateral; (i) Debtor ceases to exist as a legal entity or Debtor or any party in control of Debtor takes any action looking to Debtor's dissolution as a legal entity; (j) there shall be a material change in the management, ownership or control of Debtor; or (k) Secured Party in good faith believes that the prospect of payment or performance hereunder is impaired. Secured Party's inaction with respect to an event of default shall not be a waiver of such default and Secured Party's waiver of any default shall not be a waiver of any other default.

6. Remedies Upon Default.

Upon the occurrence of an event of default, and at any time thereafter as long as the default continues, Secured Party may, at its option, with or without notice to Debtor (i) declare this Agreement to be in default, (ii) declare the indebtedness hereunder to be immediately due and payable, (iii) declare all other debts then owing by Debtor to Secured Party to be immediately due and payable, (iv) cancel an insurance and credit any refund to the indebtedness, and (v) exercise all of the rights and remedies of a Secured Party under the Uniform Commercial Code and any other applicable laws, including, without limitation, the right to require Debtor to assemble the Equipment and deliver it to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties, and to lawfully enter any premises where the Collateral may be without judicial process and take possession thereof. Acceleration of any and all indebtedness, if so elected by Secured Party, shall be subject to all applicable laws including those pertaining to refunds and rebates of unearned charges. Any property other than the Collateral which is in or upon the Collateral at the time of repossession may be taken and held without liability until its return is requested by Debtor. Any sale or other disposition of any of the Collateral may be made at public or private sale or through public auction at the option of Secured Party. Secured Party may buy at any sale and become the owner of the Collateral. Unless otherwise provided by law, any requirement of reasonable notice which Secured Party may be obligated to give regarding the sale or other disposition of Collateral will be met if such notice is given to Debtor at least ten days before the time of the sale or other disposition. Debtor agrees that Secured Party may bring any legal proceeds it deems necessary to enforce the payment and performance of Debtor's obligations hereunder in any court in the State shown in Secured Party's address set forth herein, and service of process may be made upon Debtor by mailing a copy of the summons to Debtor. All notices to Debtor relating hereto will be considered received when delivered in person or mailed to Debtor at the address set forth on page 3 of this Agreement, or at any later address designated in writing by Debtor. The filing by Secured Party of any action or proceeding with respect to the Collateral or any of Debtor's obligations hereunder shall not constitute an election by Secured Party of Secured Party's remedies or a waiver of Secured Party's rights to take possession of the Collateral as provided above. Expenses of retaking, holding, preparing for sale, selling and the like shall include (a) the reasonable fees of any attorneys retained by Secured Party, (b) any amounts advanced or expenses incurred by Secured Party pursuant to Paragraph 3 hereof and (c) all other legal and other expenses incurred by Secured Party. Debtor agrees that it is liable for and will promptly pay any deficiency remaining after any disposition of Collateral after default and all costs and expenses, including the reasonable fees of any attorney, incurred by Secured Party in the collection of any such deficiency.

Page 2 of 3 of Security Agreement dated 12/11/98 between VLADIMIR PANIOUCHKINE (Debtor) and ASSOCIATES COMMERCIAL CORP (Secured Party) which includes, without limitation, an item of Collateral with the following serial number: 4V1WBCHXSN698773

6. Power of Attorney

Debtor hereby appoints Secured Party or any duly authorized officer or employee of Secured Party as Debtor's attorney-in-fact to, in Debtor's or Secured Party's name: (a) prepare, execute and submit any notice or proof of loss in order to realize the benefits of any insurance policy insuring the Collateral; (b) prepare, execute and file any instrument which, in Secured Party's opinion, is required by law to perfect and give or modify public notice of Secured Party's interest in the Collateral; and (c) endorse Debtor's name on any remittance representing proceeds of any insurance insuring the Collateral or the proceeds of the sale, or other disposition of any of the Collateral (whether or not such disposition is a default hereunder). This power is coupled with an interest and is irrevocable so long as any indebtedness secured hereunder remains unpaid.

7. Assignment

Debtor shall not assign this Agreement without prior written consent of Secured Party. Secured Party may assign this Agreement with or without notice to or the consent of Debtor. Upon assignment, the term "Secured Party" shall mean and refer to any assignee who is the holder of this Agreement. After assignment of this Agreement by Secured Party, the assignor will not be the assignee's agent for any purpose and Debtor's obligations to the assignee will be absolute and unconditional and, to the extent permitted by applicable law, will not be subject to any abatement, reduction, recoupment, defense, set-off or counterclaim available to Debtor for breach of warranty or for any other reason whatsoever. Upon full payment of all obligations secured by this Agreement, the assignee may deliver all original papers to the assignor for Debtor.

8. Miscellaneous

(A) All of Secured Party's rights hereunder are cumulative and not alternative. (B) The inclusion of a trade name or division name in the identification of Debtor hereunder does not limit Secured Party's rights, after the occurrence of an event of default, to proceed against all of Debtor's assets, including those held or used by Debtor individually or under another trade or division name. (C) If permitted by law, Debtor agrees that a carbon, photographic or other reproduction of this Agreement or of a financing statement may be filed as a financing statement. (D) Secured Party may correct patent errors herein and fill in blanks. (E) All of the terms and provisions hereof will apply to and be binding upon Debtor, its heirs, personal representatives, successors and assigns and shall inure to the benefit of Secured Party, its successors and assigns. (F) Debtor and Secured Party hereby waive any right to trial by jury in any action or proceeding relating to this Agreement or the transaction contemplated hereby. (G) Debtor hereby expressly waives notice of nonpayment, presentment, protest, dishonor, default, intent to accelerate the maturity hereof and of acceleration of the maturity hereof. (H) If allowed by law, "the reasonable fees of attorneys" retained by Secured Party shall include the amount of any flat fee, retainer, contingent fee and/or the hourly charges of any attorney retained by Secured Party in enforcing any of Secured Party's rights hereunder in the prosecution or defense of any litigation related to this Agreement or the transaction contemplated by this Agreement. (I) To the extent allowed by law, Debtor hereby waives any exemptions or appraisals. (J) No waiver or change in this Agreement or in any related note will be binding upon Secured Party, or Secured Party's assignee, unless such waiver or change is in writing and signed by one of its officers and any such waiver or change shall then be effective only upon the terms and to the extent provided in such writing. (K) The acceptance by Secured Party of any remittance from a party other than Debtor will in no way constitute Secured Party's consent to the transfer of any of the Collateral to such party. (L) Any captions or headings included in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision contained in this Agreement. (M) Any provision contained herein which is contrary to, prohibited by or invalid under applicable laws or regulations will be deemed inapplicable and omitted herefrom, but shall not invalidate the remaining provisions hereof. (N) The only copy of this Agreement which constitutes "chattel paper" is the original executed copy designated as "Original For Associates".

SECURITY INTEREST: To secure payment of the Total Amount and all of Debtor's obligations under this Agreement or with respect to the Equipment, Debtor hereby grants to Secured Party a first priority security interest in the Equipment and in all cash and non-cash proceeds thereof (the Equipment and all such proceeds are herein called the "Collateral") regardless of any retaking and/or redelivery of the Collateral to Debtor.

CROSS SECURITY: Debtor further grants to Secured Party a security interest in the Collateral to secure the payment of all absolute and all contingent obligations and liabilities of Debtor to Secured Party now existing or hereafter arising, whether under this Agreement or under any other agreement and whether due directly or by assignment; provided, however, upon any assignment of this Agreement by Secured Party, the assignee shall be deemed for the purpose of this paragraph as the only party with a security interest in the Collateral.

DELIVERY AND ACCEPTANCE OF EQUIPMENT (Check Appropriate Box)

Debtor's obligations and liabilities to Secured Party are absolute and unconditional under all circumstances and regardless of any failure of operation or Debtor's loss of possession of any item of Equipment or the cessation or interruption of Debtor's business for any reason whatsoever.

- On 12/11/98, the Equipment being purchased with the proceeds of this Agreement was delivered to Debtor with all installation and other work necessary for the proper use of the Equipment completed at a location agreed upon by Debtor; the Equipment was inspected by Debtor and found to be in satisfactory condition in all respects and delivery was unconditionally accepted by Debtor.
The Equipment being purchased with the proceeds of this Agreement has not yet been delivered to or accepted by Debtor and, upon delivery, Debtor agrees to execute such delivery and acceptance certificate as Secured Party requires.
All of the Equipment was acquired by Debtor prior to the date hereof and was previously delivered to and unconditionally accepted by Debtor.

ADDITIONAL TERMS AND ORAL AGREEMENTS: Debtor and Secured Party agree that this is a three page agreement and each page hereof constitutes a part of this agreement. THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Debtor's Social Security or Federal Taxpayer Identification Number is 518-47-9401 and Co Debtor's is:

DATED 12/11/98 Debtor hereby acknowledges receipt of an exact copy of this Agreement.

SECURED PARTY ASSOCIATES COMMERCIAL CORP DEBTOR(S) (Name of individual, corporation or partnership.)

By [Signature] Title C.L.O. (If corporation, authorized party must sign and show corporate title. If partnership, a general partner must sign. If owner or partner, show which.)
By [Signature] Title INDIVIDUAL (If corporation, authorized party must sign and show corporate title. If partnership, a general partner must sign. If owner(s) or partner show which.)

Accepted At: 6955 UNION PARK CENTER (Street Address) MIDVALE, UTAH 84047 (City, State and ZIP Code)
By [Signature] Title (If co-buyer or co-officer sign here and show which.) 255 BONNY DR (Street Address) TWIN FALLS ID 83301 (City, County, State and ZIP Code)

Buyer's Initials [Signature]

AGREEMENT



ASSOCIATES COMMERCIAL CORPORATION

6955 UNION PARK CENTER

MIDVALE, UTAH 84047

Gentlemen:

You have purchased one or more conditional sale contracts, lease agreements, chattel mortgages, security agreements, notes and other choses in action (herein designated "Accounts") arising from the sale or lease to us, by various vendors or lessors, of equipment and/or inventory (herein designated "Collateral") and/or you have made direct loans to us and/or leased Collateral to us and/or otherwise extended credit to us evidenced by Accounts creating security interests in Collateral.

In order to induce you to extend our time of payment on one or more Accounts and/or to make additional loans to us and/or to lease Collateral to us and/or to purchase additional Accounts, and in consideration of you so doing, and for other good and valuable consideration, the receipt of which we hereby acknowledge, we agree as follows:

All presently existing and hereafter acquired Collateral (the description of which is incorporated herein by reference) in which you have or shall have a security interest shall secure the payment and performance of all our liabilities and obligations to you of every kind and character, whether joint or several, direct or indirect, absolute or contingent, due or to become due, and whether under presently existing or hereafter created Accounts or agreements, or otherwise (herein individually and collectively designated "Obligations").

We further agree that your security interest in the Collateral covered by any Account now held or hereafter acquired by you shall not be terminated in whole or in part until and unless all of our Obligations to you are fully paid and satisfied and the terms of every Account now owned or hereafter acquired by you have been fully performed by us. It is further agreed that you are to retain your security interest in all Collateral covered by all Accounts now owned or hereafter acquired by you, as security for payment and performance under each such Account, notwithstanding the fact that one or more of such Accounts may become fully paid.

A default under any Account or other agreement between us shall be deemed to be a default under all other Accounts and agreements. A default shall result if we fail to pay any sum when due on any Account or agreement, or if we breach any of the other terms and conditions thereof, or if we become insolvent, cease to do business as a going concern, make an assignment for the benefit of creditors, or if a petition for a receiver or in bankruptcy is filed by or against us, or if any of our property is seized, attached or levied upon. Upon our default any or all Accounts and agreements shall, at your option, become immediately due and payable without notice or demand to us or any other party obligated thereon, and you shall have and may exercise any and all rights and remedies of a secured party under the Uniform Commercial Code as enacted in the applicable jurisdiction(s) and as otherwise granted or accorded to you under any Account, other agreement, rule of law, judicial decision or statute. We hereby waive, to the maximum extent permitted by law, notices of default, notices of repossession and sale or the disposition of Collateral, and all other notices, and in the event any such notice cannot be waived, we agree that if such notice is mailed to us postage prepaid at the address shown below at least ten (10) days prior to the exercise by you of any of your rights or remedies, such notice shall be deemed to be reasonable and shall fully satisfy any requirement for giving notice.

All rights and remedies granted to you hereunder shall be cumulative and not alternative, shall be in addition to and shall in no manner impair or affect your rights and remedies under any existing Account, agreement, statute, judicial decision or rule of law.

This instrument is intended to create cross-default and cross-security between and among all Accounts now owned or hereafter acquired by you.

This agreement may not be varied or altered nor its provisions waived except by your duly executed written agreement. This agreement shall inure to the benefit of your successors and assigns and shall be binding upon our heirs, administrators, executors, legal representatives, successors and assigns.

IN WITNESS WHEREOF, we have executed this Agreement on 12/11/98
(Date)

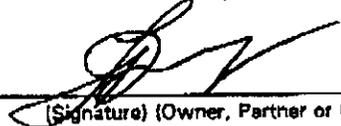
VLADIMIR PANIOUCHKINE
dba: PAN TRANS

(Name of Proprietorship, Partnership or Corporation, as applicable)

255 BONNY DR

TWIN FALLS **ID 83301**

(Principal Place of Business)

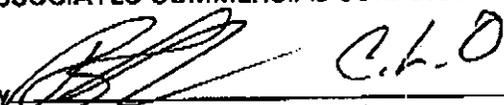
By  **INDIVIDUAL**

(Signature) (Owner, Partner or Officer, as applicable)

By _____
(Signature) (Owner, Partner or Officer, as applicable)

Accepted and agreed to on _____
12/11/98

(Date)

ASSOCIATES COMMERCIAL CORPORATION
By  _____
(Name and Title)

CERTIFICATE OF TITLE

VEHICLE IDENTIFICATION NUMBER 4V1WDBCHXSN696773		YEAR 1995	MAKE WHGM	BODY STYLE DS	DESCRIPTION TK
2ND VEHICLE IDENTIFICATION NUMBER		ODOMETER READING EXEMPT		DATE	
TITLE NUMBER 999065216	ISSUE DATE 10/18/1999	WEIGHT	LENGTH	WIDTH	AREA ADAM POWER POSITION
OWNER'S NAME AND ADDRESS PANTOUCHEKINE, VALADIMIR DBA PAN TANS 255 BONNY DR TWIN FALLS, ID 83301			OTHER PERFORMANCE DATA		

Assignment of Title

Federal and state law requires that you make this release of title void with the transfer of ownership. Failure to complete or provide a false statement may make you liable for a civil penalty.

ODOMETER READING: Reading is actual unless stated otherwise (NO TENTHS)	DATE	SELLER'S SIGNATURE	DATE
<input checked="" type="checkbox"/> In Case of Mechanical Fault			
<input checked="" type="checkbox"/> Not Actual: Warning: Odometer Discrepancy			
DATE SOLD	SELLING PRICE	COPIES	
SELLER'S REPRESENTATIVE'S PRINTED NAME(S)		SELLER'S SIGNATURE	
I hereby certify to the best of my knowledge that the information furnished reflects the actual status of this vehicle and that I am not aware of any other liens or claims against it to the named purchaser. SELLER'S REPRESENTATIVE'S SIGNATURE		I hereby certify that the odometer reading made by the seller is correct and that I am not aware of any other liens or claims against it to the named purchaser. SELLER'S REPRESENTATIVE'S SIGNATURE	
A <input checked="" type="checkbox"/>	B <input checked="" type="checkbox"/>	X	X

FIRST LIEN ASSOCIATES COMMERCIAL CORP PO BOX 158647 IRVING, TX 75016 RECORDED 10/12/1999	SECOND LIEN
SIGNATURE RELEASING LIEN	DATE
ASSOCIATED COMMERCIAL CORPORATION	

NOTICE OF RELEASE OF LIABILITY \$2.00 Fee

PLEASE PRINT CLEARLY — ALL INFORMATION MUST BE COMPLETE — NOTIFICATION BY SELLER IS MANDATORY

Vehicle Identification Number (VIN)	Year	Make	Body Style	Title Number
4V1WDBCHXSN696773	1995	WHGM	DS	999065216

Seller's Full Name: _____ Phone Number: _____
 Address: _____ City: _____ State: _____ Zip: _____
 Odometer: _____ Selling Price: \$ _____ Date Vehicle Delivered to Purchaser: _____
 Purchaser's Full Name: _____
 Address: _____ City: _____ State: _____ Zip: _____

I/we hereby request that the Idaho Transportation Department mark its motor vehicle records to indicate that I/we have transferred the vehicle described above under the provisions of Section 49-526, Idaho Code, which addresses vehicle transfers. However, I/we understand that the motor vehicle record will remain in my name until a new Idaho Certificate of Title is applied for and issued recording the name of the new owner.

X _____
 (Signature of Seller/s)

— SEE REVERSE SIDE FOR MAILING/PAYMENT INSTRUCTIONS —