

Rainier National Bank

Fifth Avenue & Union Office: 1402 Fifth Avenue, Seattle, Washington 98101

December 18, 1979

RECORDATION NO. **11263** Filed 1425

DEC 27 1979 - 2 35 PM

INTERSTATE COMMERCE COMMISSION

No. **9-3C1A058**

Date **DEC 27 1979**

Fee \$ **50.00**

ICC Washington, D. C.

Secretary of the Interstate
Commerce Commission
Washington D.C. 20423

Dear Sir:

The enclosed described Railroad Cars were taken as collateral to secure a loan. In order to perfect our interest, I have enclosed a \$50.00 Cashier's Check to cover the expense of recording our Security Agreement. The other two Security Agreements are for your files.

The owner of the Railroad Cars is Richard George Patton, 2561 Magnolia Blvd. W., Seattle, Washington 98199.

The subject cars are two (2) 70 Ton, 50 Foot, 6 Inch, XM Type Railroad Boxcars having serial numbers NY SW 2060 and NY SW 2061.

Please send the recorded Security Agreement to Rainier National Bank, 1402 5th Avenue, Seattle, Washington 98101, Attn: Peter Hollern.

Sincerely,



Peter Hollern
Assistant Cashier

PH/ck
Enclosures

RAINIER BANK

RECORDED
DEC 27 1979
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Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

1/2/80

Peter Hollern
Rainier National Bank
1402 5th Avenue
Seattle, Washington 98101

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/27/79 at 2:35pm, and assigned re-
recording number(s). 11263

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)



Do Not Use for Inventory or Retail Sale Transaction on Consumer Goods.)

SECURITY AGREEMENT

Business Equipment or Fixtures

The undersigned (hereinafter called "Borrower") hereby grants to RAINIER NATIONAL BANK at its Fifth & Union Office, 1402 5th Avenue, Seattle Washington, (hereinafter called "Bank")

a security interest in the following described property (hereinafter called "Collateral"):

Two (2) 70 Ton, 50 Foot, 6 Inch, XM Type Railroad Box Cars having serial numbers NY SW 2060 and NY SW 2061.

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INTERSTATE COMMERCE COMMISSION

together with all other equipment and fixtures now owned or hereafter acquired and/or all parts, accessories, repairs, improvements and accessions thereto and substitutions and replacements therefor at any time hereafter made or acquired; and

All property of every kind and description in which the Borrower has or may acquire any interest now or hereafter at any time in the possession or control of the Bank at any of its Offices for any reason including, without limitation, property delivered to the Bank as collateral for safekeeping or for collection or exchange for other property, and all dividends and distributions on and other rights in connection with such property, and

All proceeds of the foregoing,

to secure payment to the Bank of all notes of Borrower concurrently herewith, heretofore or hereafter delivered to or purchased or otherwise acquired by the Bank, and all other liabilities and indebtedness of Borrower to the Bank, at any of its Offices, due or to become due, direct or indirect, absolute or contingent, joint or several, howsoever and wheresoever created, arising or evidenced, now existing or hereafter at any time created, arising or incurred (hereinafter called "Secured Obligations"). Nothing herein contained shall be construed as obligating the Bank to make any future loans or advances.

BORROWER WARRANTS, REPRESENTS AND AGREES THAT:

USE

1. The Collateral is used or bought primarily for business use, and if checked here [], some or all of the Collateral is being acquired with the proceeds of the loan or advance made on or about the date hereof, which will be used for such purpose. Borrower hereby authorizes Bank to disburse such proceeds to the seller or sellers of the Collateral.

LOCATION OF BUSINESS

5. Borrower's chief place of business is:

2561 Magnolia Blvd. W.

(NUMBER AND STREET)

TITLE

2. Borrower is of legal age, and has or will acquire title to and will at all times keep the Collateral free of all liens and encumbrances, except the Security interest created hereby, and has full power and authority to execute this Security Agreement, to perform Borrower's obligations hereunder, and to subject the Collateral to the Security Interest created hereby. No financing statement covering all or any part of the Collateral, except any which may have been filed by the Bank, is on file in any public office. Any certificate of title existing on any of the Collateral will be endorsed and delivered to Bank reciting Bank's interest.

Seattle

King

Washington

(CITY)

(COUNTY)

(STATE)

FIXTURES

6. If the Collateral is to be or has been attached to real estate, a description of said real estate is as follows:

and the name of the record owner is _____

Borrower will on demand of Bank furnish Bank with a waiver or waivers signed by all persons having an interest in the real estate of any interest in the Collateral which is prior to the Bank's interest.

PERFECTION

7. Borrower will at any time or times hereafter execute such financing statements and other instruments and perform such acts as the Bank may request to establish and maintain a valid Security Interest in the Collateral. all at Borrower's expense, including costs of record searches, filing and recording.

DISPOSITION

8. Borrower will not sell, transfer, lease, or otherwise dispose of the Collateral, or attempt to offer to do any of the foregoing, without the prior written consent of the Bank, and unless the Proceeds of any such sale, transfer, lease, or other disposition are paid directly to the Bank. No provision contained in this Agreement shall be construed to authorize any such sale, transfer, lease or other disposition of the Collateral except on the conditions contained in this paragraph.

INSURANCE AND TAXES

9. Borrower will keep the Collateral in good condition and insured against such risks, in such form and in such amounts as Bank may request, and with insurance companies satisfactory to Bank. All policies of insurance shall have endorsed thereon Bank's standard loss payable clause and/or such other endorsements as Bank may from time to time request. Borrower will promptly provide Bank with evidence of such insurance and deliver said policies to Bank at its request. Bank is hereby appointed Borrower's attorney-in-fact to adjust, settle and cancel, in its sole discretion, such insurance and endorse any drafts or checks payable to Borrower by reason of insurance against damage or loss affecting the Collateral. Borrower will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this agreement or upon any note or notes evidencing the Secured Obligations.

BANK'S RIGHT TO PAY INSURANCE, ETC.

10. Upon default by Borrower in any of the foregoing agreements, the Bank may, but shall in no event be obligated to (i) effect such insurance and repairs and pay the premiums therefor and the costs thereof, (ii) pay and discharge any taxes, liens and encumbrances on the Collateral and (iii) pay for the maintenance and preservation of the Collateral. All sums so advanced or paid by the Bank shall be payable by Borrower on demand with interest at the maximum rate allowed by law and shall be a part of the Secured Obligations.

USE AND INSPECTION

11. Borrower will not use or permit use of the Collateral in violation of any statute, ordinance, or state or federal regulation; and Bank may examine and inspect the Collateral at any time, wherever located.

DEFAULT

12. Time is of the essence in this agreement and the occurrence of any of the following events shall constitute a Default: (a) failure of Borrower, or of any co-maker, indorser, surety or guarantor to pay when due any amount payable under any of the Secured Obligations; (b) failure to perform any agreement of Borrower contained herein; (c) any statement, representation, or warranty of Borrower made herein or at any time furnished to the Bank is untrue in any respect as of the date made; (d) entry of any judgment

against Borrower; (e) appointment of a receiver for, loss, substantial damage to, destruction, theft, sale, or encumbrance to or of any portion of the Collateral, or the making of any levy, seizure, or attachment thereof; (f) Borrower becomes insolvent or unable to pay its debts as they mature or makes an assignment for the benefit of its creditors or any proceeding is commenced by or against Borrower alleging that it is insolvent or unable to pay its debts as they mature; (g) death of any Borrower who is a natural person or of any partner of any Borrower which is a partnership; (h) dissolution, consolidation, or merger, or transfer of a substantial part of the property of any Borrower which is a corporation or a partnership; (i) such a change in the condition or affairs (financial or otherwise) of Borrower or any co-maker, indorser, surety or guarantor of any of the Secured Obligations as in the opinion of the Bank impairs the Bank's security or increases its risk; or (j) the Bank deems itself insecure for any reason whatsoever.

13. Whenever a Default shall exist, the Bank may, at its option at any time thereafter and without demand or notice, declare all or any part of the Secured Obligations immediately due and payable, and the Bank may exercise, in addition to the rights and remedies granted hereby, all rights and remedies of a secured party under the Uniform Commercial Code or any other applicable law.

14. Borrower agrees, in the event of Default, to assemble and make the Collateral available to the Bank at a place or places acceptable to Bank, and to pay all costs of the Bank, including reasonable attorneys' fees and legal expenses, in the collection of any of the Secured Obligations and the enforcement of any of the Bank's rights. If any notification of intended disposition of any of the Collateral is required by law, such notification shall be deemed reasonably and properly given if mailed at least five (5) days before such disposition, postage prepaid, addressed to the Borrower at the address shown below.

GENERAL

15. No delay or failure by the Bank in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. Bank shall not be deemed to have waived any of Bank's rights hereunder or under any other writing signed by Borrower unless such waiver be in writing and signed by Bank. All Bank's rights and remedies, whether evidenced hereby or by any other writing shall be cumulative and may be exercised singularly or concurrently. Any demand upon or notice to Borrower that Bank may elect to give shall be effective when deposited in the mails or delivered to a telegraph, wireless or radio company addressed to Borrower at the address shown at the end of this agreement. Demands or notices addressed to Borrower's address at which Bank customarily communicates with Borrower shall also be effective. If at any time or times by assignment or otherwise Bank transfers any obligations and Collateral therefor, such transfer shall carry with it Bank's powers and rights under this agreement with respect to the obligations and Collateral transferred and the transferee shall become vested with said powers and rights, whether or not they are specifically referred to in the transfer. This agreement shall be governed by the law of the State of Washington and is intended to take effect when signed by Borrower and delivered to Bank.

16. This agreement inures to the benefit of the Bank, its successors and assigns, and shall bind (as may be applicable) the respective heirs, personal representatives, successors and assigns of Borrower and if more than one party shall sign this Agreement, the term "Borrower" shall mean all such parties, and each of them, and all such parties shall be jointly and severally obligated hereunder. Words used herein shall take the singular or plural number, and such gender, as the number and gender of parties Borrower herein shall require.

Executed and delivered at Seattle, Washington, this 18th day of December, 19 79.

BORROWER

Richard George Patton

(NAME OF BORROWER)

By: Richard G Patton

(AUTHORIZED SIGNATURE)

(TITLE)

Borrower's Address: 2561 Magnolia Blvd. W. Seattle King, Washington

(STREET NUMBER)

(CITY)

(COUNTY)

Supplement to Security Agreement - Business Equipment

A. "The Debtor covenants and agrees to cause to be plainly, distinctly, permanently and conspicuously marked upon the side of the collateral the following words in letters not less than 1" in height: RAINIER NATIONAL BANK, SECURED PARTY. In case, during the continuance of this Security Agreement, any such marking on the collateral shall at any time be painted over or otherwise be made inconspicuous, removed, defaced or destroyed, the Debtor shall immediately cause the same to be restored or replaced."

B. "The Debtor covenants and agrees that it will cause this Security Agreement and all amendments, supplements and assignments hereto to be duly filed with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, at Debtor's sole cost and expense."

INDIVIDUAL FORM OF ACKNOWLEDGEMENT

STATE OF Washington

COUNTY OF King

On this 18th day of December 1979, before me personally appeared Richard G. Patton, to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.

RAINIER NATIONAL BANK

Peter Hollern

Title of Officer

Peter Hollern, Assistant Cashier