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8 207A058

July 22, 1988

RECORDATION NO. 15284A

JUL 25 1988-2 55 PM

INTERSTATE COMMERCE COMMISSION

ICC OFFICE OF
THE SECRETARY
JUL 25 2 50 PM '88
MOTOR OPERATING UNIT

No. JUL 25 1988
Date
Fee \$ 13.00

ICC Washington, D. C.

INTERSTATE COMMERCE COMMISSION
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

Attn: Mildred Lee - Room 2303

Re: Transfer Document - Security Agreement Originally
Recorded with ICC Under Recordation No. 15284 on
August 11, 1987 at 3:25 P.M.

Dear Mildred:

Enclosed please find our office check in the amount of \$13.00 to cover the recording fee of the enclosed Transfer Document, together with attached UCC Security Agreement. You will please note that under RCW 62A.9.504, the security interest held by Key Bank of Puget Sound has been realized upon (foreclosed), and under the applicable provisions of the Uniform Commercial Code, as adopted in the State of Washington, all right, title and interest in the said collateral which is the subject matter of the recorded document has now been transferred to our client, Washington Central Railroad Company, Inc., a Washington corporation.

The effect of this transaction is, in effect, to release the security interest because of the "foreclosure" sale. It should be noted, however, that in the context of the realization or foreclosure on a security interest, a release is not one of the documents used. For this reason, we are requesting that you record this Transfer Document, together with the attachment, indicating that title has now been set aside and transferred to Washington Central Railroad Company in accordance with the applicable provisions of the Uniform Commercial Code, as adopted in the State of Washington.

INTERSTATE COMMERCE COMMISSION

Attn: Mildred Lee

July 22, 1988

Page Two

We are also enclosing an extra copy of the document with the request that you conform the same and return it to us in the enclosed self-addressed envelope

Yours very truly,

A handwritten signature in cursive script that reads "Morris G. Shore". The signature is written in dark ink and is positioned above the typed name.

Morris G. Shore

MGS/ci

Enclosures

cc/enc: Nicholas B. Temple

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

7/27/88

Morris G. Shore
Velkanje, Moore & Shore, Inc, P.S.
405 East Lincoln Avenue
P. O. Box 6-2550
Yakima, WA 98907

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 7/25/88 at 2:55PM, and assigned rec-
ordation number(s). 15284-A

Sincerely yours,

Narta L. McEua

Secretary

Enclosure(s)



[Chattel Mortgage Type Instrument. Do Not Use for Inventory or Retail Sale Transactions on Consumer Goods.]

SECURITY AGREEMENT—EQUIPMENT, FIXTURES, OR CONSUMER GOODS

(May Be Used for Motor Vehicles and Aircraft in Above Categories) RECORDATION NO. 9284 Filed 1425

THE UNDERSIGNED Arthur G. Allen, Jr.

AUG 11 1987 3 25 PM

Key Bank of Puget Sound

(hereinafter called "Debtor") hereby grants to (hereinafter called "Secured Party"), a security interest in the following described property; together with all increases therein, all added and substituted parts and equipment, tools, parts, accessories, supplies and improvements therefor, together with all proceeds of all such property, to-wit:

INTERSTATE COMMERCE COMMISSION

[Insert full description of property, including identifying data such as year, make, model, serial and identification numbers.]

Railroad Car: 1938 Budd Mfg. Co., 70 Club Coast passenger Railroad Car, #3820 "Formerly Atcheson-Topeka and Santa Fe #1398", together with all related equipment, accessories, furnishings, together with any and all replacements, or additions thereto, all as now owned or hereafter acquired, together with proceeds of any sale or lease of same.

This security agreement reaffirms previously existing security agreement of identical collateral proceeds generated on May 18, 1981. This security agreement is for the purpose of providing a duplicate original to comply with filing requirements for rolling stock mortgages of the Interstate Commerce Commission and addresses the name change of Seattle Trust and Savings Bank to Key Bank of Puget Sound.

All of said property is hereinafter referred to as the "property."

This Security Agreement is given to secure the payment and performance of all indebtedness and obligations of Debtor to Secured Party presently existing and hereafter arising, direct or indirect, and interest thereon. Regardless of the adequacy of any security which the Secured Party may at any time hold hereunder, and regardless of the adequacy of any other security which Secured Party may obtain at any of its offices from Debtor in connection with any other transactions, any deposits or other moneys owing from Secured Party at any of its offices to Debtor shall (as collateral in the possession of Secured Party) constitute additional security for, and may be set off against, obligations secured hereby even though said obligations may not then be due. When more than one person is the Debtor, they shall be jointly and severally liable.

DEBTOR HEREBY REPRESENTS, COVENANTS AND AGREES WITH SECURED PARTY AS FOLLOWS:

1. Use of Property: Debtor agrees to comply with any governmental regulation affecting the use of the property and will not waste, injure nor destroy the property, nor use nor permit the use of the property in any unlawful manner. Debtor represents and agrees that the primary use of the property is and will be as checked here:

Personal, family or household purposes Business or Farming use

2. Debtor and Collateral Location: The address appearing next to Debtor's signature below is the address of Debtor's chief executive office or, if the Debtor has no place of business, his residence. If the collateral is not located at the Debtor's address appearing below, it will be located at:

Accidental & Holgate streets in King County

Debtor will give Secured Party prior written notice of any change in either the Debtor's chief executive office or, if he has no place of business, his residence and of any change in collateral location.

3. Fixtures: If any of the property is to be or has been attached to real estate, the legal description of the real estate is as follows:

If the Debtor does not have a record interest in the above real property, the record owner is:

4. Ownership and Liens: Debtor is over 18 years of age and owns the property and the same is free and clear of all security interests and encumbrances of every nature. Debtor will not create nor permit the existence of any lien or security interest other than that created hereby on the property without the written consent of Secured Party. Any certificate of title now or hereafter existing on any of the property will be delivered to Secured Party and will recite the interest of Secured Party.

5. Taxes: Debtor will pay before delinquency all taxes or other governmental charges that are or may become a lien or charge on the property and will pay any tax which may be levied on any obligation secured hereby.

6. Repairs and Inspection: Debtor will keep the property in good repair. Secured Party may inspect the property at reasonable times and intervals and may for this purpose enter the premises upon which the property is located.

7. Insurance: Debtor will keep the property continuously insured by an insurer approved by Secured Party against fire, theft and other hazards designated at any time by Secured Party, in an amount equal to the full insurable value thereof or to all sums secured hereby, with such form of loss-payable clause as designated by and in favor of Secured Party, and will deliver the policies and receipts showing payment of premiums to the Secured Party. In the event of loss, Secured Party shall have full power to collect any and all insurance upon the property and to apply the same at its option to any obligation secured hereby, whether or not matured, or to the restoration or repair of the property. Secured Party shall have no liability whatsoever for any loss that may occur by reason of the omission or lack of coverage of any such insurance.

The terms and conditions appearing on the back hereof are part of this Security Agreement.

Signed this 5th day of August, 1987.

Arthur G. Allen, Jr. (Signature)

Arthur G. Allen, Jr.

22029 Edmonds Way C-2 Edmonds Street City

Snohomish WA 98020 same as above County State Zip Code ADDRESS OF DEBTOR (Print)

(SIGNATURE OF DEBTOR)

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION.

8. Removal or Sale: Without the prior written consent of Secured Party, Debtor will not remove the property from the State of Washington, and Debtor will not sell nor lease the property or any interest therein.

9. Expenses Incurred by Secured Party: Secured Party is not required to, but may at its option, pay any tax or other charge or expense payable by Debtor and any filing or recording fees and any amounts so paid shall be repayable by Debtor upon demand. Debtor will also repay upon demand all of Secured Party's expenses incurred in collecting, insuring, conserving or protecting the collateral or in any inventories, audits, inspections or other examination by Secured Party in respect of the collateral. All such sums shall bear interest at the lesser of 2% per month or the maximum rate permitted by law from the date of payment by the Secured Party until repaid by Debtor and such sums and interest thereon shall be secured hereby. The rights granted by this paragraph are not a waiver of any other rights of Secured Party arising from breach of any of Debtor's covenants.

10. Waivers: This Security Agreement shall not be qualified or supplemented by course of dealing. No waiver or modification by Secured Party of any of the terms or conditions hereof shall be effective unless in writing signed by Secured Party. No waiver nor indulgence by Secured Party as to any required performance by Debtor shall constitute a waiver as to any subsequent required performance or other obligations of Debtor hereunder. Debtor hereby waives any counter claims or defense hereunder against any assignee for value.

11. Default: Time is of the essence in this Security Agreement, and in any of the following events, hereinafter called "Events of Default," to-wit:

- a. Any failure to pay when due the full amount of any payment of principal, interest, taxes, insurance premiums or other charges which are or may be secured hereby; or
- b. Any failure to perform as required by any covenant or agreement herein; or
- c. The falsity of any representation by Debtor herein or in any credit application or financial statement given by Debtor to Secured Party as a basis for any extension of credit secured hereby; or
- d. If the property should be seized or levied upon under any legal or governmental process against Debtor or against the property; or
- e. If Debtor becomes insolvent or is the subject of a petition in bankruptcy, either voluntary or involuntary, or in any other proceeding under the federal bankruptcy laws; or makes an assignment for the benefit of creditors; or if Debtor is named in or the property is subjected to a suit for the appointment of a receiver; or
- f. Loss, substantial damage to, or destruction of any portion of the property; or
- g. Entry of any judgment against Debtor; or

- h. Dissolution or liquidation of Debtor; or
- i. The Secured Party deems itself insecure.

Then and in any of such events of default, the entire amount of indebtedness secured hereby shall then or at any time thereafter, at the option of Secured Party, become immediately due and payable without notice or demand, and Secured Party shall have an immediate right to pursue the remedies set forth in this Security Agreement.

12. Remedies: In the event of a default hereunder, Secured Party shall have all remedies provided by law; and without limiting the generality of the foregoing, shall be entitled as follows:

- a. Debtor agrees to put Secured Party in possession of the property on demand; and
- b. Secured Party is authorized to enter any premises where the property is situated and take possession of said property without notice or demand and without legal proceedings; and
- c. At the request of Secured Party, Debtor will assemble the property and make it available to Secured Party at a place designated by Secured Party which is reasonably convenient to both parties; and
- d. Debtor agrees that a period of fifteen (15) days from the time notice is sent, by first-class mail or otherwise, shall be a reasonable period of notification of a sale or other disposition of the property; and
- e. Debtor agrees that any notice or other communication by Secured Party to Debtor shall be sent to the address of the Debtor stated herein; and
- f. Debtor agrees to pay on demand the amount of all expenses reasonably incurred by Secured Party in protecting or realizing on the property. In the event that this Security Agreement or any obligation secured by it is referred to an attorney for protecting or defending the priority of Secured Party's interest or for collection or realization procedures, Debtor agrees to pay a reasonable attorney's fee, including fees incurred in both trial and appellate courts, or fees incurred without suit, and expenses of title search and all court costs and costs of public officials. The sums agreed to be paid in this subparagraph shall be secured hereby; and
- g. If Secured Party disposes of the property, Debtor agrees to pay any deficiency remaining after application of the net proceeds to any indebtedness secured hereby.

13. Applicable Law: This security agreement shall be governed by the laws of the State of Washington.