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NEW NUMBER B3C  
B10

LAW OFFICES  
ALVORD AND ALVORD

200 WORLD CENTER BUILDING  
918 SIXTEENTH STREET, N.W.  
WASHINGTON, D.C.  
20006-2973

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD\*  
CARL C. DAVIS\*  
CHARLES T. KAPPLER  
JOHN H. DOYLE\*  
GEORGE JOHN KETO\*  
MILTON C. GRACE\*  
JAMES C. MARTIN, JR.\*

\*NOT A MEMBER OF D.C. BAR  
\*ALSO ADMITTED IN NEW YORK  
\*ALSO ADMITTED IN OHIO  
\*ALSO ADMITTED IN MARYLAND

OF COUNSEL  
JESS LARSON  
JOHN L. INGOLDSBY  
URBAN A. LESTER

CABLE ADDRESS  
"ALVORD"

TELEPHONE  
AREA CODE 202  
393-2266

TELEX  
440367 A AND A

December 8, 1987 1 5404

DEC 8 1987 12 23 PM

INTERSTATE COMMERCE COMMISSION  
No.

Date DEC 8 1987

Fee \$ 10.00

ICC Washington, D.C.

DEC 8 12 15 PM '87  
REGISTRATION UNIT  
THE SECRETARY  
ICC OFFICE OF

Counterpart - C.T. Kappler

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
Washington, D.C.

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303(a) are three (3) fully executed counterparts of a Security Agreement dated as of December 4, 1987, a primary document.

The names and addresses of the parties to the enclosed document are:

Guarantor: James-Furman & Company, a Partnership  
One Centerpointe Drive  
Lake Oswego, Oregon 97035

Secured Party: The Bank of California, National Association  
P.O. Box 3121  
Portland, Oregon 97208

A description of the railroad equipment covered by the enclosed document is set forth in Schedule 1 attached hereto and made a part hereof.

Also enclosed is a check in the amount of \$10 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return two stamped copies of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

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Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
December 8, 1987  
Page Two

A short summary of the enclosed primary document to appear in the Commission's Index is:

Security Agreement dated as of December 4, 1987 between James-Furman & Company, a Partnership, Guarantor, and The Bank of California, Secured Party, covering covering fifteen (15) 86-foot high-cubic capacity boxcars bearing WCRC marks and numbers.

Very truly yours,

  
Charles T. Kappler

Enclosures

SCHEDULE 1  
TO  
SECURITY AGREEMENT

Initial

Description of Equipment:

- a) Fifteen (15) 86-foot high-cubic capacity boxcars bearing railroad markings:

WCRC 36743	WCRC 36936	WCRC 36954
WCRC 36746	WCRC 36938	WCRC 36955
WCRC 36752	WCRC 36939	WCRC 36961
WCRC 36758	WCRC 36946	WCRC 36963
WCRC 36766	WCRC 36949	WCRC 36966

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RECORDATION NO. 1 5404

SECURITY AGREEMENT

DEC 8 1987 12 20 PM

INTERSTATE COMMERCE COMMISSION

THIS SECURITY AGREEMENT ("Security Agreement"), dated as of December 4, 1987 between JAMES-FURMAN & CO., an Oregon partnership, (the "Guarantor"), having its chief executive offices and chief place of business at One Centerpointe Drive, Suite 200, Lake Oswego, Oregon, and THE BANK OF CALIFORNIA, NATIONAL ASSOCIATION (the "Bank"), a national banking association.

WITNESSETH:

WHEREAS, pursuant to a Commitment Letter ("Commitment Letter") dated as of December 4, 1987 between GREENBRIAR LEASING CORPORATION, a Delaware corporation, ("Borrower") and the Bank, the Bank has committed to make a loan to the Borrower with respect to the Equipment (as hereinafter defined) which Equipment is described in paragraph 3(b) of the Commitment Letter.

WHEREAS, as security for Borrower's repayment of such loan and the prompt and faithful performance of Borrower's obligations and duties under the Commitment Letter, the Guarantor has given a Continuing Guaranty to Bank guaranting such loan and obligations and desires to assign to the Bank, and grant to the Bank a security interest in and a lien on, certain property herein specified; and

NOW, THEREFORE, in consideration of the aforesaid premise and the mutual terms and covenants herein contained, the parties hereto agree as follows:

SECTION 1. THE COLLATERAL.

To secure the guarantee by Guarantor of all obligations of the Borrower to the Bank now existing or hereafter arising or incurred (i) under the Commitment Letter, as amended from time to time, (ii) under the Borrower's promissory note with respect to the Equipment issued pursuant to the Commitment Letter (the "Note"), as said Note may be amended or extended from time to time or under any note issued in substitution or replacement thereof, or (iii) hereunder (the "Obligations"), the Guarantor hereby assigns to the Bank all of its rights, title and interest in, whether now existing or hereafter arising, and grants the Bank a lien on and security interest in:

(a) All equipment, vehicles and goods listed on Schedule 1 hereto, all equipment, vehicles and goods listed on any Supplements to Security Agreement (in the form attached hereto as Exhibit A) from time to time delivered to the Bank in connection herewith, and all improvements, replacements, substitutions, accessories and additions thereto, whether in the possession of Guarantor, warehousemen, bailees or any other person and whether located at the places of business of Guarantor or elsewhere (the "Equipment");

(b) Any and all leases listed on Schedule 2 attached hereto, all leases listed on any Supplements to Security Agreement from time to time delivered to the Bank in

connection herewith, and all leases and agreements to lease, now or hereafter in effect and relating in any way to the Equipment (the "Leases") and all rents, accounts and other rights to payment arising under the Leases ("Rents");

(c) All accounts, contracts, contract rights, documents, instruments, general intangibles, chattel paper, and all accounting and other files and other documents relating to the property described in paragraphs (a) and (b); and

(d) All proceeds of the sale, collection, exchange or other disposition of the property described in paragraphs (a) through (c) whether voluntary or involuntary (collectively the "Proceeds"), including, but not limited to, returned premiums, insurance proceeds, and all rights to payment with respect to any cause of action affecting or relating to such property.

All of the foregoing are hereinafter referred to collectively as the "Collateral."

## SECTION 2. REPRESENTATIONS AND WARRANTIES.

Guarantor represents and warrants to the Bank which representations and warranties shall survive delivery of this Agreement that:

(a) The Guarantor has the right and power to grant a security interest in the Collateral;

(b) Guarantor is the owner and has good and marketable title to the Equipment and each Lease free and clear

of all liens and encumbrances, except (i) the security interest created hereby, (ii) the leasehold interests of the lessee under any such Lease and (iii) the Security Agreement dated June 1, 1987 given to secure the Promissory Note dated June 1, 1987 in the amount of \$980,000.00 and the Security Agreement dated October 1, 1987 given to secure the Promissory Note dated October 1, 1987 in the amount of \$225,000.00 given to Borrower as payment of the purchase price of the equipment listed on schedule 1.

(c) Any piece of Equipment is in the condition required by Section 3(j) hereof; and

(d) Each Lease is the valid and binding obligation of the lessee thereon, not subject as of the date hereof to any claim, offset or defense known to the Guarantor. The name and address of the lessee, the lease terms and the Rents payable on such Lease as shown on such Schedule are true and correct.

### SECTION 3. GUARANTOR'S COVENANTS.

Guarantor shall:

(a) Not sell, discount or factor any or all of the Collateral, without the prior written consent of the Bank;

(b) Not create, permit or suffer to exist any lien, security interest, claim or right in or to any of the Collateral, except (i) the security interest granted hereunder, (ii) the leasehold interest of lessees under the Leases, and (iii) mechanics', carriers', workmen's, tax and other like

liens arising in the ordinary course of business which are not overdue or which are being contested in good faith by appropriate proceedings, provided that any such lien shall be satisfied or discharged prior to the foreclosure thereof against any of the Collateral;

(c) Not use or permit the use of the Equipment for any unlawful purpose nor in any way that would void any insurance required to be carried in connection therewith;

(d) Furnish reports to the Bank of all acquisitions, returns, sales and other dispositions of Equipment in such form and detail and at such times as the Bank may reasonably require;

(e) Not modify or amend any Lease in any way that would adversely affect the value thereof as Collateral for the Bank or waive any material default thereunder except that the Guarantor may waive the payment of rent under any Lease with the prior written consent of the Bank; not consent to any assignment or sublease of the Equipment (provided that the Equipment may be interchanged in accordance with the customary practices of the railroad industry); notify the Bank of any default or condition which with notice or lapse of time could become a material default under any Lease (other than nonpayment of rent) and of any claimed defense, offset or counterclaim of any lessee on any Lease promptly after becoming aware of any thereof; notify the Bank of any nonpayment of

rent under any Lease which continues for more than 45 days after such payment was due; enforce each Lease in accordance with its terms and perform all obligations as lessor under the Leases;

(f) Not, without the consent of the Bank (which consent shall not be unreasonably withheld), (i) enter into any Lease which varies or deviates substantially from, or amend any Lease so as to vary or deviate substantially from, the standard form of lease submitted to and approved in writing by the Bank or (ii) enter into any Lease with a term (including any automatic or optional renewal) in excess of one year;

(g) Promptly upon its acquisition of each replacement Equipment, furnish or cause to be furnished to the Bank, a Supplement to Security Agreement, describing each such piece of Equipment with such specificity as the Bank may reasonably require. Promptly upon the loss, theft, destruction or abandonment of any Equipment, the Guarantor will furnish or cause to be furnished to the Bank a deletion notice describing each such Equipment to be deleted from the list of Collateral hereunder and a statement of the circumstances surrounding such loss, theft, destruction or abandonment with such specificity as the Bank may reasonably require;

(h) Promptly after executing any Lease, deliver to the Bank such original executed Lease, a written acknowledgment by the lessee of the existence of this Agreement, and

the Note (provided that a separate written acknowledgment shall not be required if such Lease contains such acknowledgment) and a copy of any opinion of counsel to each lessee obtained by the Guarantor and furnish or cause to be furnished to the Bank a Supplement to Security Agreement adding each Lease not described in Schedule 2 or any prior Supplements thereto and deleting each previously described Lease which has been terminated;

(i) Acquire any replacement Equipment only if such Equipment is acquired by the Guarantor as owner, free and clear of all liens and encumbrances, except (i) the security interest created hereby, and (ii) the leasehold interest of the lessee under any Lease applicable to such Equipment;

(j) Keep all Equipment in good order, repair and saleable condition, ordinary wear and tear excepted, in accordance with the standards and practices adhered to by user of similar items; not sell, transfer, dispose, waste, destroy or abandon the Equipment or any part thereof except for any Equipment that, in the good faith judgment of Guarantor, is worn-out, obsolete or without material economic value;

(k) if any of the Equipment is covered by a certificate of title, not obtain a certificate of title from more than one jurisdiction covering the same Equipment and deliver to the Bank promptly upon issuance by the appropriate state authorities all certificates of title or of ownership for

such Equipment; notify the Bank in writing of any changes in the certificates of title or ownership covering such Equipment; upon replacing any Equipment, immediately obtain for such Equipment a certificate of title, naming the Bank as lienholder from the appropriate state officials; and take all necessary action to perfect the security interest of the Bank in such replacement Equipment;

(l) Cause every copy of each Lease comprised in the Collateral which is in the possession of the Guarantor to be stamped or imprinted with the legend: "Subject to a Security Interest in favor of The Bank of California, National Association, a national banking association, Portland, Oregon"; and

(m) Maintain fire and extended coverage insurance on the Equipment to the extent of the full replacement value thereof under policies acceptable to the Bank containing a lender's loss payable clause in favor of Bank and providing such insurance will not be terminated except after at least thirty (30) days prior written notice to the Bank, maintain such other insurance on the Equipment for the benefit of Guarantor or the Bank, as Bank may request from time to time and furnish to Bank the originals of all such policies of insurance or valid and binding certificates evidencing such insurance.

SECTION 4. FURTHER ASSURANCES.

Guarantor shall use its best efforts to supply the Bank promptly with such information concerning the Collateral as the Bank may reasonably request from time to time hereafter. At the Guarantor's expense, the Guarantor shall execute and deliver to the Bank concurrently with the execution of this Security Agreement, and at any time or times hereafter at the request of the Bank, all vehicle title documents, financing statements, continuation statements, security agreements, assignments, affidavits, reports, notices, and other documents, including, without limitation, originals of all instruments, documents and chattel paper consisting of the Collateral, necessary to maintain a first perfected security interest in the Collateral or that the Bank may reasonably request, in a form satisfactory to the Bank, to maintain the Bank's assignment of and security interest in the Collateral and to consummate fully all of the transactions contemplated under this Security Agreement. The Guarantor shall file all financing statements, security agreements and vehicle title documents necessary to preserve its interest in the Equipment against any person claiming an interest therein by or through any lessee or by virtue of any Lease, including filings with the Interstate Commerce Commission under 49 U.S.C. § 11303 and 49 CFR Part 1177. The Guarantor hereby irrevocably authorizes the Bank to file, at the Guarantor's expense, such vehicle title documents,

financing statements, continuation statements and other documents as the Bank may deem necessary or reasonably desirable for the perfection of the security interest and lien of the Bank hereunder, without the Guarantor's signature, and appoints the Bank as the Guarantor's attorney-in-fact (which appointment is irrevocable and coupled with an interest) to execute any such statements and documents in the Guarantor's name and to perform all other acts which the Bank deems appropriate to perfect and continue the security interest granted to the Bank hereunder. The Guarantor will execute and deliver to the Bank such additional documents as the Bank may reasonably require or deem advisable to carry into effect the purpose of this Security Agreement or to maintain the Bank's interest hereunder.

SECTION 5. RECORDS AND INSPECTION.

The Guarantor will, with respect to the Collateral, deliver to the Bank at the Guarantor's expense such papers as the Bank may request including, without limitation, statements of customer accounts, bank statements, invoices, evidence of shipment or delivery and receipts. The Guarantor hereby covenants that until the effective date of the notice of a change in its place of business is delivered to Bank, its records relating to the Collateral, including, without limitation, all originals of all Leases, instruments and other chattel paper relating thereto not delivered to the Bank, will be kept at its

chief executive office at One Centerpointe Drive, Suite 200,  
Lake Oswego, Oregon.

SECTION 6. EVENTS OF DEFAULT.

The following events ("Events of Default") shall be a default hereunder:

(a) Failure to make prompt payment of any amount due under the Note;

(b) Failure of the Borrower to perform any of the covenants in the Commitment Letter and such failure shall continue for 20 days after notice of such failure from the Bank, whichever is earlier;

(c) Any warranty or representation of the Guarantor made herein, or in any Supplement to Security Agreement or other certificate or report furnished by the Guarantor to the Bank in connection herewith shall have been materially false when made; or

(d) Any warranty or representation of the Borrower in the commitment letter or in the Note, or in any other document certificate or report furnished by Borrower to Bank in connection of the loan in the original principal amount amount of \$213,750.00 shall have been materially false when made.

SECTION 7. RIGHTS UPON DEFAULT.

Upon the occurrence of an Event of Default hereunder:

(a) The Bank may, upon written notice to the Guarantor, declare any and all Obligations to be, and the same shall forthwith become immediately due and payable;

(b) The Bank shall be entitled to exercise, with respect to the Collateral, any or all of the rights and remedies available to a secured party under the Uniform Commercial Code in effect in the State of Oregon or any other jurisdiction in which Collateral may be located at that time and, in addition thereto the rights and remedies provided for herein and such other rights and remedies as may be provided by law, including, without limitation, rights of set-off and bankers lien, the aforesaid rights and remedies of the Bank to be cumulative and nonexclusive;

(c) The Guarantor shall, upon the request of the Bank, assemble the Collateral (or any portion thereof) at such place or places as the Bank shall designate (subject always to the rights of the lessees under the Leases), and the Bank shall have the right, with or without legal process and with or without prior demand, directly or through its agents to take possession of all or any part of the Collateral. Furthermore the Bank shall have the right, without notice or demand or legal process, to enter upon any premises of the Guarantor for the purpose of taking such possession;

(d) The Bank may exercise all rights of the Guarantor under any Lease;

(e) The Bank may notify the lessees under the Leases and any other person obligated on any of the Collateral of the existence of the Bank's security interest and may direct that all Rents and other sums due or to become due on any of the Leases or other Collateral be paid directly to the Bank; and all Rents and other payments thereafter received by the Guarantor with respect to any of the Collateral shall be received and held by the Guarantor in trust for the Bank, and shall not be commingled with any other property, and shall be delivered to the Bank immediately upon receipt thereof by the Guarantor in the same form as received except for any necessary endorsement of the Guarantor; and

(f) The Bank may demand, collect, receive and receipt for, compromise, compound, settle and give acquittance for, and prosecute and discontinue any suits or proceedings in respect of any or all of the Collateral or of any insurance on any or all of the Collateral, and may pay or discharge any taxes, liens and encumbrances levied or placed on or threatened against the Collateral (and any such payments shall be part of the Obligations and be payable by the Guarantor on demand), and may take any other action which the Bank may deem necessary or desirable in order to realize on the Collateral, including, without limitation, the power to perform any contract and to endorse in the name of the Guarantor any checks, drafts, notes

or other documents which are Collateral or are received in payment or on account of the Collateral.

SECTION 8. NOTICES.

Any notice required or permitted to be given under this Security Agreement may be, and shall be deemed, given and sent when deposited in the United States mail, postage paid, or by telegraph or telex when delivered to the appropriate office for transmission, charges prepaid, addressed

To the Guarantor as follows:

James-Furman & Co.  
One Centerpointe Drive, Suite 200  
Lake Oswego, Oregon 97034

Attention: Norriss Webb

To the Bank as follows:

The Bank of California, National Association  
P.O. Box 3121  
Portland, Oregon 97208

Attention: Robert Zagunis

The Guarantor and the Bank may each change the address for service of notice upon it by a notice in writing to the other.

SECTION 9. PROCEEDS.

All proceeds and other monies received by the Bank pursuant to the terms of this Security Agreement shall be applied as follows:

(a) To the payment of all expenses reasonably incurred by the Bank in connection with the exercise of any right or remedy hereunder, to the extent that such advances,

costs and expenses shall not theretofore have been reimbursed to the Bank by the Guarantor; and

(b) To the payment in full to the Bank of all Obligations owing to the Bank, any surplus to be paid to Guarantor, its successors or assigns, or as a court of competent jurisdiction may direct.

SECTION 10. INDEMNITY.

In no event shall the Bank be liable for any matter or thing in connection with this Security Agreement other than to account for monies actually received by it in accordance with the terms hereof. The Bank does not in any way assume any of the Guarantor's obligations under any Lease or any other Collateral. The Guarantor agrees to indemnify and hold harmless the Bank from and against any and all claims, demands, losses, judgments and liabilities of whatsoever kind or nature and to reimburse the Bank for all costs and expenses, including attorney's fees, growing out of or resulting from the exercise by the Bank of any right or remedy granted to it hereunder with respect to the Collateral.

SECTION 11. COUNSEL FEES.

If at any time or times hereafter the Bank shall employ counsel:

(a) To represent the Bank in any litigation, contest, dispute, suit or proceeding (whether instituted by the

Bank, the Guarantor or any other entity) in any way or respect relating to any of the Collateral or this Security Agreement;

(b) To protect, collect, lease, sell, take possession of or liquidate any of the Collateral;

(c) To attempt to enforce any assignment or security interest of the Bank in any of the Collateral; or

(d) To enforce any rights of the Bank against the Guarantor or against any other entity which may be obligated to the Bank by virtue of this Security Agreement, then, in any of the foregoing events, all of the reasonable attorneys' fees arising from such services and all reasonable expenses, costs and charges in any way or respect arising in connection therewith or relating thereto shall constitute a part of the Obligations in connection with which such actions were taken, shall bear interest from the date of the Bank's payment thereof at the rate borne or to be borne by the Note and shall be payable on demand.

#### SECTION 12. WAIVERS.

The Bank's failure at any time or times hereafter to require strict performance by the Guarantor of any of such undertakings, or agreements and covenants shall not waive, affect, or diminish any right of the Bank hereunder to demand strict compliance and performance therewith. Any waiver by the Bank of any default by the Guarantor under this Security Agreement shall not waive or affect any other default by the Guarantor under this Security Agreement, whether such default

is prior or subsequent thereto and whether of the same or a different type. None of the undertakings, agreements and covenants of the Guarantor contained in this Security Agreement, and no default by the Guarantor under this Security Agreement, shall be deemed to have been waived by the Bank unless such waiver is evidenced by an instrument in writing signed by an officer of the Bank and directed to the Guarantor specifying such waiver.

SECTION 13. TERMINATION.

This Security Agreement shall terminate when all the Obligations have been fully paid and satisfied, at which time the Bank shall reassign and deliver to the Guarantor all the Collateral in which the Bank shall have any interest hereunder or which shall then be held by the Bank or in its possession and, if requested by the Guarantor, shall execute and deliver to the Guarantor for filing in each office in which any financing statement or certificate of title relative to the Collateral, or any part thereof, shall have been filed, a termination statement or other evidence of release of its interest releasing the Bank's interest therein, all without recourse upon or warranty by the Bank and at the cost and expense of the Guarantor.

SECTION 14. AMENDMENTS.

This Security Agreement may not be altered or amended except by an agreement in writing signed by the Bank and the

Guarantor. In the event that the Bank at any time or from time to time dispenses with any one or more of the requirements specified in this Security Agreement, such dispensation may be revoked by the Bank at any time and shall not be deemed to constitute a waiver of any such requirements subsequent thereto.

SECTION 15. SEVERABILITY.

If any provision of this Security Agreement or the application thereof to any party or circumstances is held invalid or unenforceable, the remainder of this Security Agreement and the application of such provision to other parties or circumstances will not be affected thereby, the provisions of this Security Agreement being severable in any such instance.

SECTION 16. SUCCESSOR-IN-INTEREST.

This Security Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Bank and the Guarantor. Upon the transfer by the Bank of the Obligations owed to it or any part thereof, the Bank may transfer all or any part of its rights hereunder to the Collateral and shall be fully discharged thereafter from all liability and responsibility with respect to any of the Collateral so transferred, but with respect to any Collateral not so transferred the Bank shall retain all rights and powers herein given.

SECTION 17. GOVERNING LAW.

This Security Agreement shall be governed by the laws (including the choice of law rules) of the State of Oregon.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed and delivered by their respective officers duly authorized thereunto as of the day first written above.

JAMES-FURMAN & CO.,  
an Oregon partnership

By *W. Fur*  
By *Alan James*

THE BANK OF CALIFORNIA, NATIONAL  
ASSOCIATION

By *R. Zagor*  
Title *Vice President*

STATE of OREGON        )  
                              ) SS.  
COUNTY of MULTNOMAH)

On this 7<sup>th</sup> day of December, 1987, before me personally appeared ALAN JAMES and WILLIAM A. FURMAN, each to me personally known, who being by me duly sworn, say that they are the partners of James-Furman & Co., an Oregon partnership, that the foregoing instrument was signed on behalf of said partnership, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said partnership.

Janet E. Hudson  
Notary Public  
My Commission Expires 5/28/90

STATE of OREGON        )  
                              ) SS.  
COUNTY of MULTNOMAH)

On this 7<sup>th</sup> day of December, 1987, before me personally appeared ROBERT ZAGUNIS, to me personally known, who being by me duly sworn, says that he is the Vice President of THE BANK OF CALIFORNIA, NATIONAL ASSOCIATION, a national banking association, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Walter A. Meller  
Notary Public  
My Commission Expires: 7/11/89

SCHEDULE 1  
TO  
SECURITY AGREEMENT

Initial

Description of Equipment:

- a) Fifteen (15) 86-foot high-cubic capacity boxcars bearing railroad markings:

WCRC 36743	WCRC 36936	WCRC 36954
WCRC 36746	WCRC 36938	WCRC 36955
WCRC 36752	WCRC 36939	WCRC 36961
WCRC 36758	WCRC 36946	WCRC 36963
WCRC 36766	WCRC 36949	WCRC 36966

SCHEDULE 2  
TO  
SECURITY AGREEMENT

Initial

Leases subject to the Security Agreement:

1. Any existing Lease Agreement entered into on monthly basis between James-Furman & Company, an Oregon general partnership ("Lessor") and Soo Line ("Lessee").

EXHIBIT A  
TO SECURITY AGREEMENT

Initial

SECURITY AGREEMENT SUPPLEMENT

This Security Agreement Supplement is given by JAMES-FURMAN & CO., an Oregon general partnership (the "Guarantor"), to THE BANK OF CALIFORNIA, NATIONAL ASSOCIATION (the "Bank") as a supplement to the Security Agreement dated as of December 4, 1987 (herein, as the same may have been amended, modified or supplemented from time to time, called the "Security Agreement") between the Guarantor and the Bank.

Capitalized terms used herein shall have the meaning attributed thereto in the Security Agreement.

As further security for the Obligations, the Guarantor hereby assigns to the Bank all of Guarantor's rights, title and interest in, and grants to the Bank a security interest in the following items of Collateral: (a) the Equipment listed on Attachment 1 hereto and all improvements, replacements, substitutions, accessories and additions thereto; (b) the Leases listed on Attachment 1 hereto and all leases and agreements to lease now or hereafter in effect and relating in any way to the Equipment and all rents, accounts and other rights to payment arising under the Leases; (c) all proceeds of all of the foregoing. This grant of a security interest is made under and pursuant to the terms of the Security Agreement.

Initial

The Guarantor warrants to the Bank that (a) it is the lawful owner of such Equipment, Leases and Proceeds, free and clear of all liens and encumbrances (except the security interest of the Bank and the leasehold interest of the lessees under the Leases); (b) each piece of Equipment listed on Attachment 1 has been received, delivered and accepted by a duly authorized agent of the Guarantor and each such piece of Equipment is in the condition required by the Security Agreement; and (c) each Lease listed on Attachment 1 is the valid and binding obligation of the lessee thereon, not subject as of the date hereof to any claim, offset or defense known to the Guarantor and the names and addresses of the lessees, the lease terms and the Rents payable on such Leases as shown on the attachment are true and correct.

Dated \_\_\_\_\_, 1987.

By \_\_\_\_\_

Title \_\_\_\_\_

ATTACHMENT 1  
TO  
SUPPLEMENT

Initial

Description of Equipment:

Leases: